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### Objective

- 1 In July 2020, EFRAG published its [Discussion Paper on Accounting for Crypto-Assets \(Liabilities\)](#) (DP), which was open for consultation until 31 July 2021.
- 2 The focus of this session will be on presenting constituents' feedback to the DP.
- 3 The feedback to the DP was obtained through comment letters, survey responses and outreach activities. The summary of the feedback contained in agenda paper 09-02 will form the basis of the EFRAG TEG discussion. This paper outlines the pros and cons of different options. The detailed analysis of the feedback is in agenda paper 09-03.
- 4 In addition, key crypto-market developments after the issuance of the DP and their possible implications for accounting requirements (agenda paper 09-04) will be presented. EFRAG TEG members should take particular note of the implications for accounting requirements of the innovative recent transactions (i.e., Decentralised Finance-DeFi and Non-Fungible Tokens-NFTs). Paper 09-04 also has a glossary of terms in the Appendix.
- 5 We anticipate that EFRAG TEG will develop EFRAG's position on the way forward in developing IFRS requirements during the January 2022 EFRAG TEG meeting. Hence, also included is agenda paper 09-05 with the EFRAG Secretariat's preliminary recommended options on the way forward in developing IFRS requirements- as an input for the EFRAG TEG's consideration.

### Background

- 6 The DP was developed as part of the EFRAG proactive research agenda and was intended to inform the IASB's [Third Agenda Consultation](#). The DP can also be a reference for the possible future standard-setting activity by the IASB and/or any other national standard setter.
- 7 The DP encompasses a problem definition by providing an analysis of the crypto-ecosystem (economic characteristics, rights and obligations, and regulatory regimes) and an in-depth analysis of the current gaps in accounting requirements. It also proposes preliminary options for addressing IFRS requirements. It includes the following topics:
  - (a) Accounting for holders;
  - (b) Accounting for issuers;
  - (c) Valuation; and
  - (d) Way forward in developing IFRS requirements.
- 8 The scope of the DP was on the full spectrum of crypto-assets (liabilities) (i.e., it had a broader scope than the [2019 IFRS Interpretation Committee \(IFRS IC\) agenda](#)

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[decision](#) that, based on stakeholder request, focused on holders of cryptocurrencies with no claim on the issuer).

- 9 The DP identifies the following three possible approaches on the way forward for addressing IFRS requirements for crypto-assets (liabilities):
  - (a) Option 1: No amendment to existing IFRS requirements;
  - (b) Option 2: Amend and/or clarify existing IFRS requirements;
  - (c) Option 3: A new Standard on crypto-assets (liabilities) or a broader category of digital assets (liabilities).

### **Agenda papers**

- 10 The rest of the papers for this session include:
  - (a) 09-02- Summary of feedback received
  - (b) 09-03- Detailed analysis of feedback received;
  - (c) 09-04- Key developments in the crypto market since issuance of the DP ;
  - (d) 09-05- Preliminary recommended options on developing IFRS requirements for Crypto-Assets (Liabilities);
  - (e) 09-06- Webinar outreach report (background reading paper); and
  - (f) 09-07- EFRAG Discussion Paper on Accounting for Crypto-Assets (Liabilities) (background reading paper).