

# Crypto assets

## Australian Stakeholders' perspectives

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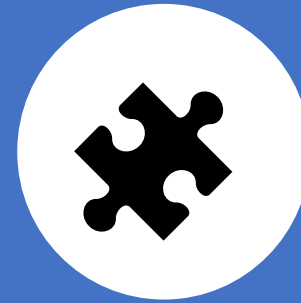


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# AASB Research Report 20



Prevalence



Challenges



Next  
steps

# Regulatory development



## 🔍 Recent failures of crypto exchanges

Australian Financial Services Licence (AFSL) to regulate digital asset service providers

Prepare general-purpose financial reports

# Outreach activities



December 2022 – March 2023

**9** preparers  
**6** professional services  
**15** entities  
CPA Australia members  
CA ANZ Research Group  
AASB User Advisory Committee

# Feedback: Prevalence

**Minimal** listed companies hold crypto assets

Most activities in the **small and large** privately held entities

**3** preparers from privately held entities and **1** preparer from a listed entity hold **material** crypto assets

**Significant** audit fee

**Increasing** advisory work

**2** listed entities issued **stablecoins**, however immaterial

# Feedback: Accounting and reporting challenges

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Themes  
identified

- ❖ Complex structures
- ❖ Minted tokens
- ❖ Stablecoins
- ❖ Prepaid tokens
- ❖ Custody assets
- ❖ Measurement
- ❖ Valuation
- ❖ Borrowing and lending
- ❖ Earn products
- ❖ Transaction fee
- ❖ Repurchase agreement and derecognition

# Feedback: Complex structures

“ Often the structure involves a **related party**. It can be challenging to determine whether there is a **control relationship** and therefore should be **consolidated** or not. ”

“ Entities established investment vehicles to **avoid** consolidation and disclosures of crypto activities. ”

“ There are many **different structures** that can give rise to different accounting implications. ”

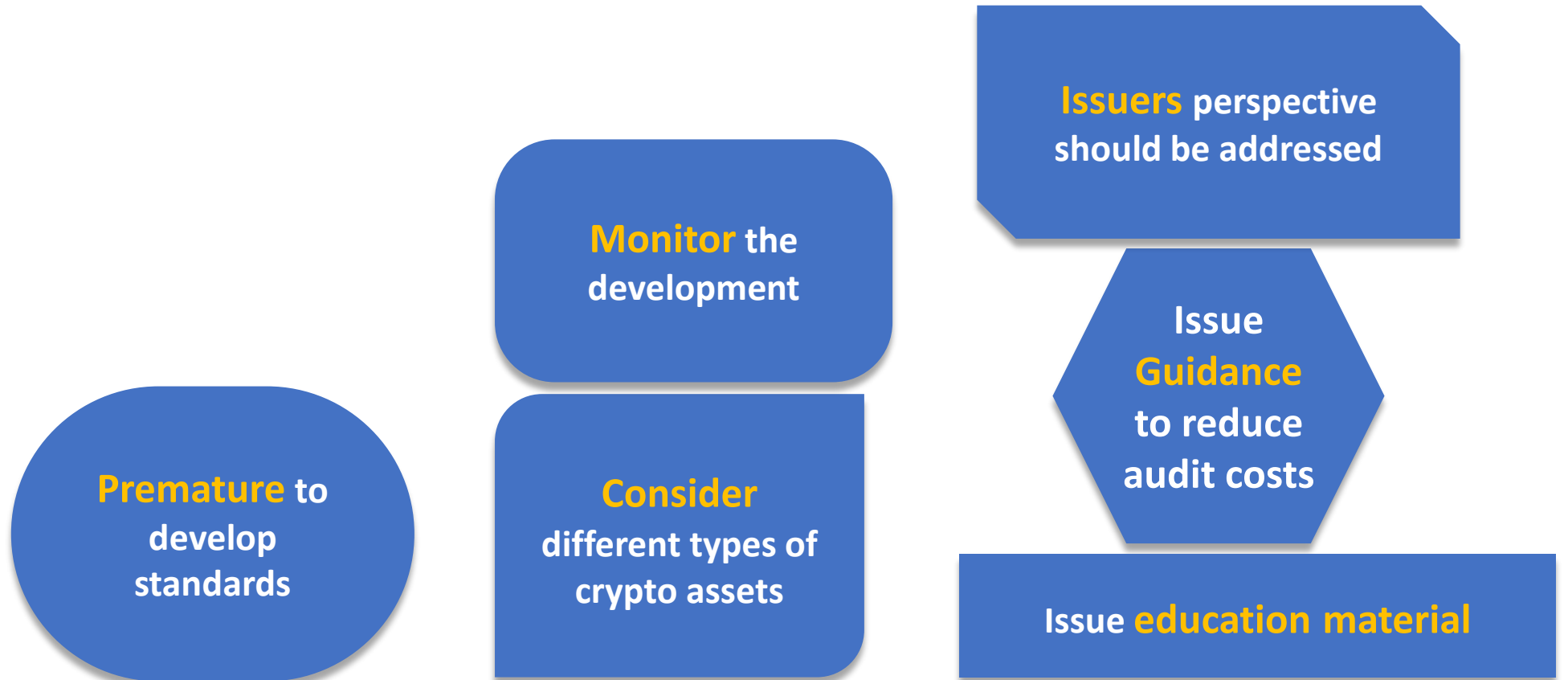
# Feedback: Transaction fee

“ ETH acquired should be treated as **intangible assets**. We do not intent to trade them in the market but to use it for transaction fees on the Ethereum network. ”

“ We treat ETH acquired as **prepayment assets** because ETH is a form of prepaid credit for future transaction fees. ”



# Feedback: Next steps



# Questions for the AOSSG members

- Has there been any relevant research conducted in your jurisdiction?
- Have you heard any stakeholder feedback or concerns about accounting and reporting issues regarding crypto assets?