Blockchain Technology: An Emerging Issues Forum

Friday September 14, 2018

#aaaBC2018

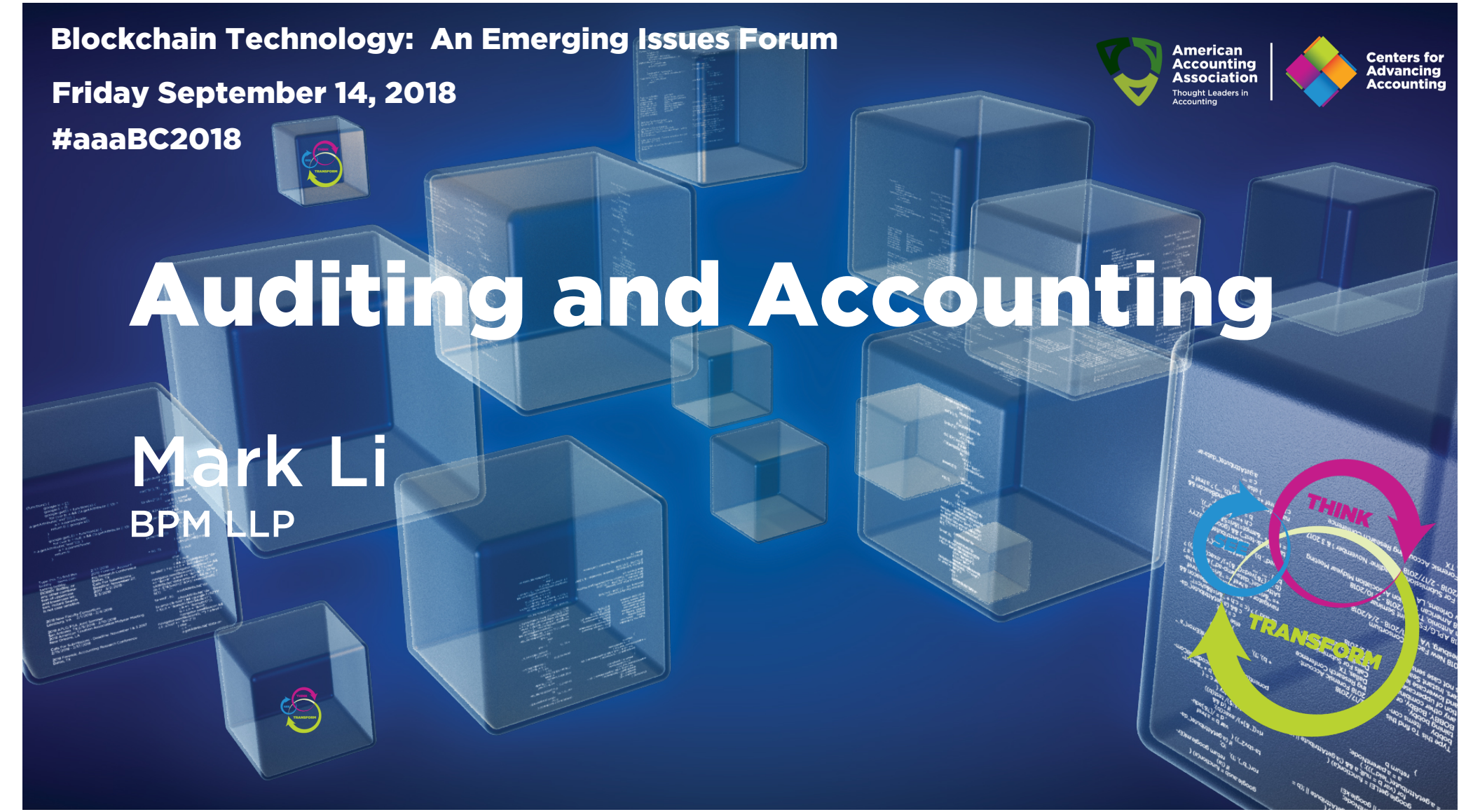
American Accounting Association
Thought Leaders in Accounting

Centers for Advancing Accounting

Auditing and Accounting

Mark Li

BPM LLP



Accounting Blockchain Coalition™

Audit and Accounting Working Group

Chair: Mark Li, BPM LLP

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Purpose / Objectives

- Focus on Audit and Accounting best practices and procedures regarding blockchain technology and digital assets.
  - Accounting treatment
  - Audit Considerations
  - Financial reporting and disclosures
- Not standards setter / authoritative body
- Approximately 40 participants and counting – CPAs, Industry Professionals, Foundations/Non-Profits, Other Associations…

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Deliverables

- Provide information and documents that inform and educate, provide examples and use cases, analysis, and guides on accounting and audit topics.
- Provide audit and accounting thought leadership on digital assets relating to:
  - Recognition
  - Classification/Presentation
  - Valuation/Measurement
  - Regulatory / Compliance Matters Relating Auditing and Accounting
  - Emerging Audit and Accounting Issues or Topics
  - Industry Specific Matters / Topics (ICOs, Miners, Exchanges, Funds…)

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Potential Accounting and Audit Topics

- Accounting
  - Recognition
    - Revenue recognition for miners versus ICOs versus exchanges versus funds versus token generators/creators
    - Recognition for airdrop provided by ICOs or recipients
    - How should realized gains/losses be recorded
  - Measurement / Valuation
    - How are Tokens and Cryptocurrency valued – fair value versus cost
    - What's a good fair value – pricing sources versus exchanges
  - Classification
    - What is an appropriate classification for tokens and cryptocurrency
  - Disclosure
    - What are disclosures considerations
- Auditing
  - Existence – self custodied (hardware wallets) versus exchanges
  - Large value of data – trading volume
- Understanding Internal Controls as part of the audit process
  - Consideration for SSAE 16/18 (SOC) reports
  - Perceived best practices for internal controls over cold storage
- Auditing SAFE and SAFT
- Audit Opinions

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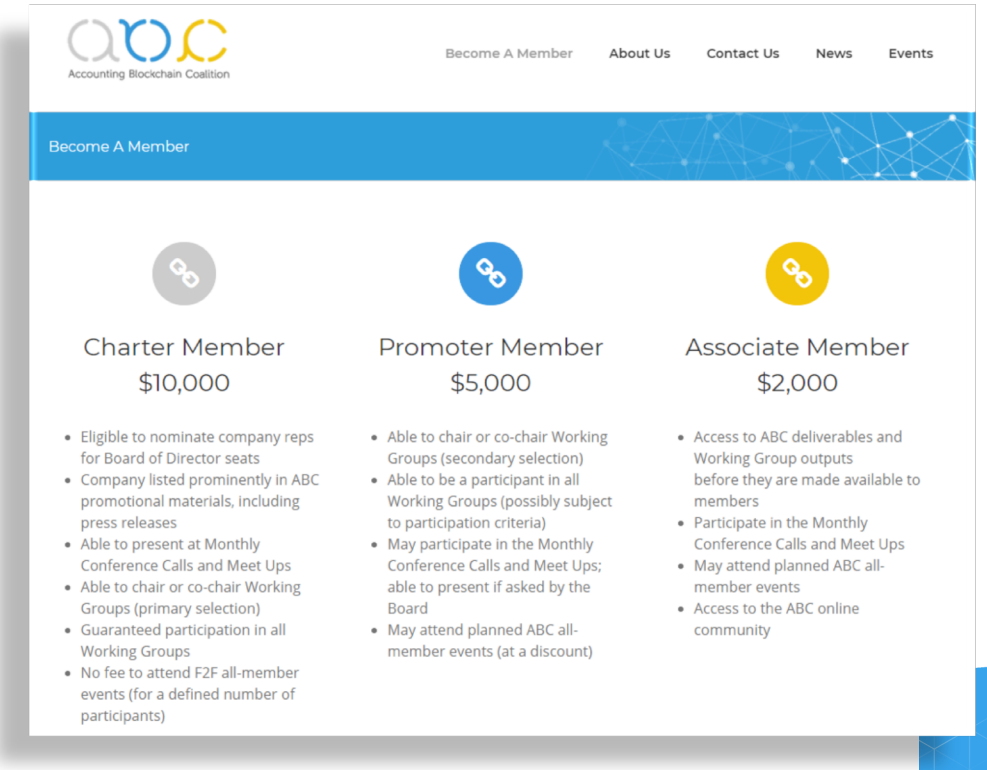
How To Join

Complete the online application on the ABC website:

https://accountingblockchain.net/become-a-member/

NOTE: *All Charter level membership applications will be reviewed and approved by the Board of Directors.*



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Questions

Questions?

Email membership@accountingblockchain.net

or visit http://accountingblockchain.net

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