

Accounting for crypto assets and their presentation in financial statements: A theoretical approach to classification as other current assets

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Abstract

The increasing use of crypto assets has raised a significant question regarding how they should be accounted for and presented in financial statements, an issue for which existing accounting standards provide no explicit guidance. This study determines the appropriate classification of crypto assets through a conceptual and normative analysis, examining relevant International Accounting Standards (IAS) alongside classical and contemporary monetary theory. The analysis argues that crypto assets do not adequately satisfy the relevant criteria for classification as cash and cash equivalents, Property, Plant and Equipment, Intangible Assets, or Inventories, based on an examination of the specific recognition and classification requirements applicable to each asset category. Building on this systematic elimination and a review of the literature—in which crypto assets are predominantly discussed in relation to intangible assets or inventory—the study proposes that crypto assets be classified under the Other Current Assets account group, with a new account designated specifically for their recognition. Illustrative journal entries are presented for acquisition and disposal, together with a mechanism for recognizing unrealized decreases in value while the asset is held—even absent a sale—through a dedicated provision account reversed upon recovery up to original cost. By offering a concrete, standards-based classification and valuation framework, the study contributes a novel alternative to the ongoing debate on the accounting treatment of crypto assets.

Keywords: Crypto Assets; Accounting; Financial Statement Presentation; Other Current Assets; International Accounting Standards

1. Introduction

The accounting of crypto assets, how the acquisition of crypto assets should be presented in financial statements, and the effect of the increasing use of crypto assets have together caused this to emerge as a significant problem. At this point, when speaking of crypto assets/cryptocurrency, it would be appropriate to introduce the subject through Bitcoin—the most widely used example—and the views of Satoshi Nakamoto, its creator.

Nakamoto (2008) defines Bitcoin as an electronic payment model that enables payments to be made from one party to another within an online system, without requiring any additional processing and without the need for a financial intermediary.

In line with this definition by Nakamoto, it is possible for a perspective not grounded in accounting and finance to view crypto assets as a form of digital money, and for a view to emerge in which businesses present, in particular, relatively well-established cryptocurrencies directly under cash and cash equivalents on their balance sheets; in this context, by

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considering crypto assets solely within the scope of this definition and without taking accounting principles and rules into account, the idea arises that cryptocurrencies should be accounted for as cash assets.

In contrast, Parrondo (2023) notes that some international regulatory bodies prefer to use the term "cryptoasset" instead of "cryptocurrency," since the latter creates a misleading connotation regarding the monetary nature of these instruments. This approach offers a more neutral conceptualization that allows for an evaluation of the economic and accounting characteristics of these elements, rather than presupposing their monetary nature from the outset.

Nakamoto (2008) states that digital signatures are part of the process; at the same time, he states that the need for a third party would eliminate the essential benefits created by the system. He further states that the timestamps and the Proof of Work technology involved in the process serve as safeguards against potential misuses within the system, such as double-spending.

As can be seen, there is a potential for certain malicious uses to occur within the system. It is stated that these misuses will likewise be prevented by the security protocols embedded within the system. However, there is no safeguard against a possible flaw, malicious use, or similar situation within the system other than the system itself.

Nakamoto also establishes that commerce conducted over the internet relies on the existence of trusted financial intermediaries who serve to process electronic payments; however, he shows that, although the system works well enough, this trust-based model carries inherent weaknesses that give rise to serious problems (Nakamoto, 2008).

Raiborn and Sivitanides (2015) characterize Bitcoin, one of the best-known and most established examples of crypto assets, as a digital medium of exchange that is created, acquired, held, and transferred in an electronic environment. The authors note that, unlike traditional fiat currencies, Bitcoin is not issued or controlled by any government or authorized financial institution. According to the authors, Bitcoin qualifies as an asset because it comes under the control of the entity as a result of a past transaction and carries the potential to provide future economic benefit, and it is an asset that can be created, held, and transferred in a digital environment without being subject to the issuance and control mechanism of a central authority.

Luo and Yu (2024) characterize crypto assets as a new type of virtual asset and note that publicly listed companies and asset management firms are increasingly holding these assets in their portfolios as alternative investment instruments.

Anderson et al. (2026) define cryptocurrencies as decentralized digital currencies that rely on cryptography to ensure security and on blockchain technology to record transactions.

Mpanza et al. (2025) note that, when evaluating the definitions of cryptocurrency found in the literature, anonymity, digital nature, and decentralization stand out as the common core characteristics of cryptocurrencies.

2. Literature Review

Parrondo (2023) states that the fact that crypto assets such as Bitcoin can be used as a medium of exchange is not, by itself, sufficient for these assets to be classified as cash or cash equivalents. Classical cryptocurrencies such as Bitcoin do not give rise to a legal right of claim against any counterparty; in view of this characteristic, crypto assets do not confer on the entity a right to demand cash or another economic resource from another person or entity. The author assesses that such crypto assets do not possess the nature of cash because they are not widely accepted and are not issued by a central authority, and that, owing to their high price volatility, they do not meet the conditions of being readily convertible to a known amount of cash and being subject to an insignificant risk of changes in value. The author states that, because these assets are not backed by a central authority, do not have the nature of legal tender, and exhibit high price volatility, they are in practice used as a speculative asset rather than as a means of payment. Accordingly, it is not considered appropriate for such crypto assets to be classified as cash or cash equivalents under IAS 7.

Sokolenko et al. (2019) state that, owing to characteristics such as decentralized structure, production through mining, and anonymity, it is not appropriate to classify cryptocurrencies as electronic money, and that cryptocurrencies should be regarded as a new asset and a new economic category. The researchers nevertheless state that, where cryptocurrencies are used as a means of payment, they may be included within monetary items, and that, provided they are subject to the control of a central bank, an exchange-rate and exchange-rate-difference approach similar to that applied to foreign currency transactions may be applied in accounting for these transactions.

Bellucci, Cesa Bianchi, and Manetti (2022) demonstrate that, in the literature on the accounting treatment of crypto assets, different approaches exist as to which asset class these assets should be evaluated under within the scope of existing accounting standards. The authors point out that assessments exist in the literature suggesting that crypto assets may be classified as cash, financial assets, inventory, or intangible assets. According to the authors, their classification as cash in the literature is linked to the adoption of a broader definition of cash that goes beyond the characteristic of being legal tender. With respect to the evaluation of crypto assets as financial assets, the authors note that crypto assets do not satisfy the definition of a financial asset set out in IAS 32. Where crypto assets are held for trading purposes within the entity's ordinary activities, the authors consider it possible for them to be evaluated as inventory under IAS 2. In other cases, they add, because crypto assets do not possess a physical nature and do not fall within the scope of another standard, they may be classified as intangible assets under IAS 38.

Jackson and Luu (2023) state that classifying crypto assets as intangible assets or inventory under existing accounting standards does not adequately reflect the economic nature of these assets and the purpose for which they are held. The authors argue that the nature of crypto assets and the purpose for which they are held correspond more closely to financial instruments, and accordingly propose the development of an independent accounting standard specific to crypto assets; failing the development of such a standard, they propose that the definition of a financial instrument be broadened to encompass crypto assets.

Mpanza et al. (2025) state that cryptocurrencies satisfy the definition of an asset and the recognition criteria set out in the Conceptual Framework, and that, depending on the purpose for which they are held, they may be classified as intangible assets or as inventory. The authors nevertheless argue that, owing to the high price volatility of cryptocurrencies, existing measurement approaches do not adequately reflect the economic characteristics of these assets, and that the measurement bases applied under IAS 2 and IAS 38 in particular prove insufficient to respond to the characteristics of cryptocurrencies. Accordingly, they conclude that existing standards should be revised to encompass cryptocurrencies, or that a new measurement model specific to cryptocurrencies should be developed.

Klopper and Brink (2023) state that cryptocurrencies satisfy the definition of an asset set out in the Conceptual Framework underlying the International Financial Reporting Standards. According to the authors, the purchase of cryptocurrency by an entity constitutes a past event, while the entity's ability to decide when to dispose of the cryptocurrency it holds demonstrates its control over that resource. The authors further note that the expectation that the cryptocurrency will provide economic benefit to the entity through subsequent sale satisfies the condition of generating future economic benefit. In light of these characteristics, the authors conclude that cryptocurrencies held by an entity should be recognized as assets in the financial statements. They add that fair value is the most appropriate measurement basis when cryptocurrencies are held both for short-term trading and for long-term capital gain. According to the authors, for cryptocurrencies held for trading purposes, the commodity broker-trader approach under IAS 2 is consistent with fair-value-based measurement, whereas for cryptocurrencies held for capital gain purposes, the revaluation model under IAS 38 is consistent with fair-value-based measurement. By contrast, they argue that applying the lower of cost and net realizable value under IAS 2, and applying the cost model under IAS 38, is not consistent with the fair value approach reached under the Conceptual Framework.

Raiborn and Sivitanides (2015) do not consider it appropriate to classify Bitcoin as an intangible asset, even though it lacks a physical form, because it possesses the nature of a financial medium of exchange. The authors argue that, given that Bitcoin cannot be regarded as cash or a cash equivalent either, the most appropriate classification is as a short-term or long-term investment.

Anderson et al. (2026) obtain empirical findings that entities regard crypto assets as assets possessing an investment nature rather than as intangible assets. The authors state that this approach is consistent with the regulation providing for crypto assets to be accounted for under the fair value model. Under the fair value model, rather than being tracked in the financial statements on the basis of their cost at the date of acquisition, crypto assets are measured at their current values as of the reporting date, and changes occurring in the value of the assets are thereby reflected in the financial statements.

Procházka (2018) states that, in classifying crypto assets in financial statements, it is not only the nature of the asset that should be taken into account, but also the purpose for which it was acquired by the entity and the manner in which it is expected to be used. The author states that a single classification is not appropriate for all cases in the accounting of cryptocurrencies, and that the classification should be determined according to the entity's purpose in acquiring the cryptocurrency and the economic substance of the transaction. According to the researcher, cryptocurrencies may be evaluated as a monetary item, similar to foreign currency, when used as a means of payment, and as inventory, from the perspective of entities engaged in commodity trading, when held for trading purposes. The author proposes that fair-

value-based measurement better reflects economic reality for cryptocurrencies held for investment purposes, and that changes in value should be recognized in profit or loss (FVPL) for short-term speculative investments, and in other comprehensive income (FVOCI) for long-term investments. The author also does not consider it appropriate to classify cryptocurrencies under IAS 38, even though they technically satisfy the definition of an intangible asset therein, because their economic characteristics do not correspond to the nature of intangible assets, and states that this approach would not adequately ensure the fair presentation of the financial statements.

Luo and Yu (2024) demonstrate that existing GAAP and IFRS regulations do not specifically address many of the accounting issues arising from the new types of transactions relating to crypto assets, and that this can lead to inconsistencies in companies' financial reporting practices and to distortions in the assessment of their financial performance.

Tiwari et al. (2025) state that there is no generally accepted and holistic accounting framework for the accounting of cryptocurrencies, and that existing regulations exhibit a fragmented structure. The study addresses the different approaches found in the literature regarding the evaluation of cryptocurrencies as financial instruments, inventory, or intangible assets. According to the authors, where cryptocurrencies are held for sale purposes within the entity's ordinary activities, it is considered possible to evaluate them as inventory under IAS 2, whereas, where they are classified as intangible assets, it is debated whether measurement based on historical cost and impairment may adequately reflect changes in the economic value of crypto assets. In this regard, the authors note that approaches exist in the literature favoring the use of fair-value-based measurement, but that, as they conclude, no consensus has yet been reached on determining the appropriate accounting treatment for crypto assets.

Jackson and Luu (2023) state that, where digital assets are held within the scope of the entity's operations and their fair values can be reliably determined in a liquid market, the fair value approach—under which changes in value are recognized in profit or loss—would contribute to a more accurate measurement of the entity's operating results and to more sound decision-making by users of the financial statements.

Raiborn and Sivitanides (2015) consider that Bitcoins held at the balance sheet date should be reflected in the financial statements at fair value, with changes in value recognized as unrealized gains or losses. The authors further state that, owing to the complex and high-risk nature of cryptocurrency transactions, providing detailed disclosures in the financial statements is important for decision usefulness and for reducing information asymmetry.

3. Methodology

Through a conceptual and normative analysis method, and within the context of a theoretical approach, an attempt has been made to reach a conclusion by examining the IASs and monetary theories, with the aim of determining how crypto assets should be accounted for and how they should be tracked within financial statements.

It is clear that, once acquired by the entity, a crypto asset must be included on the balance sheet as an asset. Accordingly, it must first be established where it should be positioned within the distinction between Current Assets and Non-Current Assets on the balance sheet.

According to some of the criteria set out in IAS 1, for an asset to be classified as a current asset—that is, for it not to be classified as a non-current asset—the entity must expect to realize the asset, or intend to sell or consume it, within the entity's normal operating cycle or within 12 months after the reporting period, or the asset must be held for trading purposes. The entity's operating cycle is defined as the time between the acquisition of assets for processing and their realization in cash or cash equivalents, and where this cycle cannot be clearly identified, it is assumed to be 12 months. Current assets are characterized as assets that are sold, consumed, or realized in cash as part of a normal operating cycle (IFRS Foundation, 2021).

When examined as an option in which cryptocurrencies would be classified not as current assets but as non-current assets, it is clear, by the very definition of the item, that they cannot be classified under Property, Plant and Equipment. According to IAS 16, Property, Plant and Equipment are tangible items held for use in the production or supply of goods or services, for rental to others, or for administrative purposes (IFRS Foundation, 2020a).

The word "tangible," as used in this definition, clearly demonstrates that crypto assets, which do not have physical existence, cannot be classified under Property, Plant and Equipment; furthermore, none of the other characteristics related to Property, Plant and Equipment contained in this definition apply to crypto assets.

When it is evaluated whether crypto assets can be presented within the account class of Intangible Assets, the following conclusions have been reached:

Intangible Assets are defined in IAS 38, and when these definitions are examined, it can be seen that they involve concepts such as cost, useful life, depreciable amount, entity-specific value, and fair value. Likewise, under the heading of future economic benefits, Intangible Assets are described as generating revenue from the sale of products and services, cost savings, and other benefits arising from the use of assets. IAS 38 further makes clear that an intangible asset shall be recognized if, and only if, it is probable that the expected future economic benefits attributable to the asset will flow to the entity, and the cost of the asset can be measured reliably. It is also stated that the probability of the expected future economic benefits being realized can be assessed by using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. In conclusion, the definitions establish that the asset must have the capacity to generate economic benefit—that is, to generate revenue and/or bring about a reduction in costs—in a manner that can be reasonably and demonstrably measured as attributable to the entity through the effect of the asset itself (IFRS Foundation, 2020b).

Crypto assets do not possess this characteristic, in terms of either their nature or their function. They have no effect on the entity's revenues or costs. They are capable of generating cash only through disposal. Accordingly, crypto assets cannot be classified as intangible assets.

Having clarified that crypto assets cannot be classified as either Property, Plant and Equipment or Intangible Assets, we are led to continue our search for a classification within Current Assets.

At this point, in order to determine how crypto assets should be classified in the financial statements, let us continue examining Current Assets account group by account group.

Establishing whether crypto assets can be classified within cash and cash equivalents is possible only through an explanation of the definitions related to the concept of money.

In this context, the explanations provided by Begg, Fischer, and Dornbusch (1991) regarding the concept of money are set out below:

- Money is a generally accepted means of payment for the acquisition of goods and services or for the settlement of debts.
- While the basic characteristic of money is its acceptance as a means of payment and exchange, money also performs the functions of a unit of account, a store of value, and a standard for deferred payments.
- The fact that money performs a store-of-value function does not mean that it is the sole or best store of value; other assets can also perform this function. For this reason, in assessing whether an asset qualifies as money, it is not only the store-of-value characteristic but, in particular, the characteristic of being a generally accepted means of payment and exchange that must be taken into account.
- The unit-of-account function, one of the functions of money, is explained as the common measure in which the prices of goods and services are expressed and in which accounting records are kept. For the unit-of-account function to be performed, prices must be expressed in terms of that unit, and accounts must be kept on the basis of that unit.
- Commercial banks record the money they obtain by borrowing from the public as deposits; these deposits constitute a liability for the bank and, for depositors, a claim against the bank.

In this regard, in order to understand the relationship between crypto assets and the concept of money in determining whether crypto assets can be characterized as money, the explanations provided by Keynes (1930) regarding monetary theory and the concept of money are set out below:

- The unit of account, in which debts, prices, and general purchasing power are expressed, is regarded as the fundamental concept of monetary theory. The unit of account is the monetary unit of measure in which debts and prices are expressed, whereas money is the instrument used in the discharge of debt and price contracts and serves to store general purchasing power.
- Possessing merely the characteristic of facilitating exchange is not, in itself, sufficient to fully qualify as money.
- The unit of account is a definition or designation in which debts and prices are expressed, whereas money is distinguished from it as the instrument that corresponds to this definition and is used in the discharge of contracts.

- Money is not limited to its economic functions alone but also carries a legal and public dimension. The state confers legal legitimacy on a given means of payment by determining which instrument, upon delivery, will be deemed to have legally discharged contracts drawn up in terms of the unit of account.
- Bank money is an instrument based on a specific debt expressed in terms of the unit of account, which can be used in place of money in carrying out transactions by being transferred from one person to another. In this respect, bank money, unlike money-proper, which carries the nature of money directly, exhibits a structure that is based on a debtor-creditor relationship and that can perform the function of a means of payment.
- A bank deposit can be used in carrying out transactions without the need to be converted into physical cash, and this manner of use creates various conveniences compared with physical cash.
- A bank deposit is an asset that confers on its holder a right over cash and that can be used as cash or transferred to other persons. A deposit may arise as a result of an individual depositing cash with a bank or transferring a deposit held at another bank, but it can also be created through the bank's acquisition of assets or its extension of credit. In this context, a bank deposit enables its holder either to access cash or to transfer the amount in question to another person without converting it into cash.

The fact that crypto assets can be transferred from one wallet to another does not mean that they possess the same payment function as a bank deposit. While a bank deposit can be used directly for the purchase of goods and services and for the settlement of debts within the existing payment system, the use of crypto assets as a means of payment depends on the counterparty's acceptance and on the limited transaction environments in which the crypto asset can be used as a means of payment.

Crypto assets do not give rise to a debtor-creditor relationship between the bank and the customer and, accordingly, cannot be converted into a deposit.

Crypto assets also do not possess the degree of legal legitimacy required for them to be recognized as money, as set out in Keynes's explanations.

Given these explanations, it is certain that crypto assets cannot be regarded as money. As a result, crypto assets cannot be included within Cash and Cash Equivalents.

According to IAS 7, the concept of cash equivalents is used for assets held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, and for an investment to be classified as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. For this reason, an investment is generally classified as a cash equivalent when it has a short maturity, for example, three months or less from the date of acquisition (IFRS Foundation, 2017b).

Because the risk of change in value is not insignificant, crypto assets cannot be classified as cash equivalents.

In the acquisition of a crypto asset, the entity is not counterparty to any official or private legal entity and does not create any receivable or partnership relationship. Nor does it carry any entitlement to interest income or dividend rights. Because there is no counterparty, it does not confer any enforcement or attachment rights either. The acquisition of a crypto asset does not arise as a result of a commercial relationship, and for this reason it cannot be classified within short-term or long-term trade receivables. In the acquisition of a crypto asset, there is no debtor taken as counterparty, and for this reason it cannot be classified within short-term or long-term other receivables either.

IAS 2 characterizes inventories as assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of raw materials or supplies to be consumed in the production process or in the rendering of services (IFRS Foundation, 2017a). Except for broker-trader entities or entities that hold crypto assets for sale in the ordinary course of business, crypto assets do not satisfy the characteristics contained in this definition and therefore should not be classified within the Inventories account group.

The Contract Progress Costs, and Prepaid Expenses and Income Accruals account groups are likewise so unrelated to the subject that their association with crypto assets is not even worth discussing.

Because crypto assets cannot be classified within any account group under the Current Assets Account Class, they should be recorded under the Other Current Assets Account Group.

In line with the principle of prudence, it is recommended that unrealized losses in the value of crypto assets be reflected in the financial statements, whereas unrealized increases in value exceeding the asset's cost should not be recognized

as profit. In this context, the account 199 Provision for Other Current Assets (-) may be used for decreases in value; if an increase in value occurs in subsequent periods, the provision that has been set aside should be reversed up to the asset's cost, and increases in value above the cost should not be recognized as income until the sale is realized.

Below are the illustrative examples related to the entries to be recorded in the accounts.

3.1. Examples

- The entity purchased 1,000 units of X Coin for TRY 100,000 from its bank account.

Table 1 Journal Entry 1 - Acquisition of X Coin

Account Code	Account Name	Debit Amount	Credit Amount
198 198...	Other Current Assets X Coin	100,000	
102 102...	Banks Bank		100,000

- In the event that it is sold and converted into cash with a 10% gain in value, the journal entry should be as shown below:

Table 2 Journal Entry 2 - Disposal of X Coin at a 10% gain

Account Code	Account Name	Debit Amount	Credit Amount
102 102...	Banks Bank	110,000	
198 198...	Other Current Assets X Coin		100,000
679 679...	Other Extraordinary Income and Profits X Coin Sales Profit		10,000

- In the event that it is sold and converted into cash with a 10% loss in value, the journal entry should be as shown below:

Table 3 Journal Entry 3 - Disposal of X Coin at a 10% loss

Account Code	Account Name	Debit Amount	Credit Amount
102 102...	Banks Bank	90,000	
689 689...	Other Extraordinary Expense and Loss (-) X Coin Sales Loss	10,000	
198 198...	Other Current Assets X Coin		100,000

In the event that a decrease occurs in the value of the crypto asset, this decrease in value must be recognized even if it is not sold.

Assuming a 10% decrease in value:

Table 4 Journal Entry 4 - Recognition of a 10% decline in the value of X Coin

Account Code	Account Name	Debit Amount	Credit Amount
654	Provisions (-)	10,000	
654...	X Coin Value Loss		
199	Provision for Other Current Assets (-)		10,000
199...	X Coin Value Loss		

This amount included in Provisions (-) must be included in the tax base as a Non-Deductible Expense for Tax Purposes, and a separate entry must also be opened in the Off-Balance-Sheet Accounts.

- Assuming that 8,000 TRY of the 10,000 TRY decrease in value of the crypto asset is regained

Table 5 Journal Entry 5 - Reversal of the provision following a TRY 8,000 recovery in value

Account Code	Account Name	Debit Amount	Credit Amount
199	Provision for Other Current Assets (-)	8,000	
199...	X Coin Value Loss		
644	Provision No Longer Required		8,000
644...	X Coin Value Gain		

In this case, the amount included in 654 Provisions (-) and shown as a Non-Deductible Expense for Tax Purposes will be updated to 2,000 TRY.

4. Conclusion

The preceding sections have examined, in light of differing views and the relevant IAS Standards, where crypto assets should be positioned within the balance sheet.

Crypto assets do not generate cash through use and are converted into cash by being removed from the balance sheet; moreover, as also seen in the explanations relating to monetary theory, they are not a generally accepted medium of exchange, have not acquired legal legitimacy, and cannot be converted into deposit or credit products. For this reason, they should not be classified within cash and cash equivalents.

Crypto assets do not increase the cash-generating ability of the entity's other assets; a cash outflow occurs on their purchase, while a cash inflow occurs on their sale at a price determined entirely by factors external to the entity, and accordingly, owing to this manner of conversion into cash, they should not be classified within intangible assets either. Furthermore, when the accounts contained within intangible assets are examined, there is no similarity between the nature of these accounts and the nature of crypto assets at a level that would justify their inclusion in the same account group. As a result, crypto assets should not be classified within the Intangible Assets account group.

The acquisition of a crypto asset is the entity's obtaining, through a cash outflow, an asset that exists in a digital environment, that lacks official legitimacy, but that in practice possesses the characteristic of being saleable. This asset, which exists in a digital environment, gains and loses value in a market, and this market is not a legitimate, regulated market recognized by a public authority. The prices formed in the market are determined entirely by the element of speculative demand.

As a result, in our study it is proposed by us that crypto assets be classified within the Other Current Assets account group, and that a new account be defined under this account group for the recording of crypto assets.

At this point, owing to the absence of a specific account relating to this matter, crypto assets should be tracked on the balance sheet under the Other Current Assets Account, within the Other Current Assets account group.

The cash increase arising from the purchase and sale processes of the crypto asset—that is, the additional cash gained by the entity—should be tracked in the Other Extraordinary Income and Profits account, while the cash decrease—that is, the cash lost by the entity—should be tracked in the Other Extraordinary Expense and Loss (-) account.

In addition, during the period the asset is held on the balance sheet, the decrease in value arising from market declines, assessed on the basis of the relevant crypto asset, should be tracked, in line with the principle of prudence, one of the fundamental concepts of accounting, in the Provision for Other Current Assets (-) and Provisions (-) accounts.

By also keeping a record of decreases in value, compliance will be achieved with the approach of presenting crypto assets on the balance sheet at fair value.

This study therefore argues that the current IAS framework does not provide an appropriate balance-sheet presentation category for crypto assets. The proposed classification under Other Current Assets fills this conceptual gap while remaining compatible with the existing account structure.

Compliance with ethical standards

Disclosure of conflict of interest

The author declares no conflict of interest.

Statement of ethical approval

This study does not involve human participants, animals, or personal data. Therefore, ethical approval and informed consent were not required.

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