

## Accounting for and Disclosure of Crypto Assets Tentative Board Decisions to Date As of October 12, 2022

The Tentative Board Decisions to date is provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue a final Accounting Standards Update.

Topic	Decisions Reached	Meeting Date
<i>Measurement</i>	<p><u><i>Accounting for and Disclosure of Crypto Assets</i></u>. The Board discussed how entities that hold crypto assets within the scope of this project should measure those assets.</p> <p>The Board decided to require an entity to:</p> <ul style="list-style-type: none"> <li>a. Measure crypto assets at fair value, using the guidance in Topic 820, Fair Value Measurement,</li> <li>b. Recognize increases and decreases in fair value in comprehensive income each reporting period,</li> <li>c. Recognize certain costs incurred to acquire crypto assets, such as commissions, as an expense (unless the entity follows specialized industry measurement guidance that requires otherwise).</li> </ul> <p>The Board also considered:</p> <ul style="list-style-type: none"> <li>a. Various measurement alternatives for crypto assets with inactive markets and decided not to pursue those alternatives.</li> <li>b. Whether to provide implementation guidance relative to the application of fair value measurement of crypto assets and decided not to provide additional measurement guidance as part of this project.</li> <li>c. Whether there should be a difference for private companies for the measurement of crypto assets and decided that the measurement and recognition requirements should be the same for all entities.</li> </ul> <p>The Board will consider presentation, disclosure, and transition at a future meeting.</p>	October 12, 2022

<p><i>Scope</i></p>	<p><i>Accounting for and Disclosure of Crypto Assets (formerly Accounting for and Disclosure of Digital Assets)</i>. The Board discussed the scope criteria for the project. The Board decided that crypto assets that are held by an entity must meet the following criteria to be within the project’s scope:</p> <ol style="list-style-type: none"> <li>1. Meet the definition of intangible asset as defined in the Codification Master Glossary</li> <li>2. Do not provide the asset holder with enforceable rights to, or claims on, underlying goods, services, or other assets</li> <li>3. Are created or reside on a distributed ledger or “blockchain”</li> <li>4. Are secured through cryptography</li> <li>5. Are fungible.</li> </ol> <p>The Board also discussed the different entity types that would be within the scope of the guidance. The Board decided that all entities would be within the scope of the project and that throughout the remaining deliberations, the Board will consider the applicability of its decisions to those entities.</p>	<p>August 31, 2022</p>
<p><i>Agenda Decision</i></p>	<p>The Board discussed whether to add a project to its technical agenda to address the accounting for exchange-traded digital assets and commodities. The Board added a project to its technical agenda to improve the accounting for and disclosure of certain digital assets.</p> <p>The Board decided not to add to its technical agenda a project that would address the accounting for exchange-traded commodities; however, the chair decided that this topic would remain a research agenda project.</p> <p>The Board will consider potential scope alternatives for digital assets at a future Board meeting.</p>	<p>May 11, 2022</p>