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NOTICE

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Bitcoin, which has been plastered all over the news lately, is the new green – as in currency. Since Bitcoin's founding in 2009, the cryptocurrency has had many ups and downs. Currently, at the time of this writing, Bitcoin is sitting above \$10,559 per token, yet its future runs the full gamut, from heavy optimism to extreme reservation.

On one hand, Charlie Shrem, founder of the first Bitcoin exchange – Bitinstant – thinks anyone who can purchase a Bitcoin token under \$100,000 is getting a bargain. However, in contrast, JP Morgan Chase CEO Jamie Dimon has stated Bitcoin is a “fraud” that will eventually blow up. He even went so far as to juxtapose the infamous tulip bulb market bubble in 1637 to Bitcoin by claiming it “is worse than tulip bulbs.”

Regardless of Bitcoin's uncertain future, the underlying technology is where the true disruptive power lies. Known as the blockchain, this technology is the catalyst of the “recent” cryptocurrency boom. It also is the foundation for the birth of initial coin offerings (ICOs), which is creating widespread buzz within most industries as well as several governments. Given the current blockchain climate, there is no doubt it will shape the future of payments.

Shift in the Accounting Profession

Based on what is known, the blockchain will greatly improve the efficiency and speed of how transactions are recorded. Using current practices, most audit clients

typically take a week or more to close their month-end books. With blockchain, this

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Such conditions are challenging – and will continue to challenge – how accounting firms adapt audit approaches. In short, the shift from “ticking and tying” to “big data” will be significant. While this will not happen overnight, a future generation of aspiring CPAs who can visualize big-picture accounting concepts and interpret “big data” will be in high demand.

Excitement over the possibilities of blockchain also raises concern over the demand for accountants in the automated world. Many firms, especially audit-heavy ones, will need to consider other value-add advisory services such as consulting or business process improvement.

Most critical is the need to be at the forefront of embracing blockchain technology and its impact on the profession. Those who are slow to adopt and brace for the disruption of the blockchain could face significant downturns in economic growth. In contrast, firms that are already partaking in the blockchain revolution could reap many future economic benefits.

Look no further than the early 90s when the internet altered how the public viewed information. In the 21st century, blockchain technology will certainly change how the public views trust. For auditors, the primary task is to be a third party validator of trust. With the blockchain shifting how the public trusts, there are many, many questions, including but not limited to: Will audits even be needed in the future? What role will the CPA profession hold in 10 years? Will you be prepared for the change or fall behind? Stay tuned.

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