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In response to a rapidly changing digital assets ecosystem, the [American Institute of CPAs](#) (AICPA) has issued nonauthoritative guidance in the form of a [Practice Aid](#) on how to account for digital assets. It is based on professional literature and experience from members of the Digital Assets Working Group and is specific to U.S. generally accepted accounting principles (GAAP).

“This nonauthoritative guidance will be updated with additional content regularly,

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with a fundamental knowledge of blockchain technology.

The [Financial Reporting Executive Committee](#) (FinREC), reviewed the contents of the Practice Aid that covers six key areas:

- Classification and Measurement When an Entity Purchases Crypto Assets
- Recognition and Initial Measurement When an Entity Receives Digital Assets that are Classified as Indefinite-Lived Intangible Assets
- Accounting for Digital Assets Classified as Indefinite-Lived Intangible Assets
- Measurement of Cost Basis of Digital Assets that are Classified as Indefinite-Lived Intangible Assets
- Derecognition of Digital Asset Holdings that are Classified as Indefinite-Lived Intangible Assets
- Recognition of Digital Assets When an Entity Uses a Third-Party Hosted Wallet Service

“This represents a great first step in addressing some of the most frequent accounting questions that people have been asking,” said Matthew Schell, CPA, CFA, Partner, Crowe LLP, AICPA Digital Assets Working Group Co-Chair. “While we haven’t solved everything, we are making progress in providing needed guidance.”

Digital assets and the associated underlying technology are an evolving area and may change accordingly. Questions, examples, challenges, risks, considerations, and potential procedures listed in the Practice Aid should not be considered exhaustive. Preparers, auditors, and those charged with governance need to stay abreast of developments and consider the implications of those developments.

The AICPA will host a webcast *Accounting for Digital Assets under U.S. GAAP*, on

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principles (GAAP) and generally accepted auditing standards (GAAS), respectively. The working group is split into two subgroups, one focusing on accounting topics and one focusing on auditing topics.

Accounting • Auditing • Digital Currency • Technology

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