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FASB Begins Deliberating Project on Digital Assets

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Background

At its August 31, 2022, [meeting](#), the FASB began deliberating its project on the accounting for and disclosure of digital assets.¹ Specifically, the Board tentatively decided that a digital asset held by an entity that meets all the following criteria would be within the scope of the project:

- It meets the U.S. GAAP definition of an intangible asset.
- The holder is not provided with enforceable rights to, or claims on, goods, services, or other assets.
- The asset resides on a blockchain or other distributed ledger.
- It is secured by cryptography.
- It is fungible.

The Board also tentatively decided that the scope of the project would apply to all entities. However, the Board acknowledged that it may need to address industry-specific issues in the future.

Given its decision to limit the scope of the project to certain digital assets, the Board decided to change the name of the project to the “Accounting for and Disclosure of Crypto Assets.”

¹ On May 11, 2022, the FASB added a project on improving the accounting for and disclosure of certain digital assets to its agenda.

Next Steps

The accounting for cryptoassets, including potential measurement alternatives for such assets, will be discussed at a future Board meeting.



Connecting the Dots

Because the FASB decided to include in the scope's project only digital assets that are considered fungible cryptoassets that meet the definition of an intangible asset, questions remain on the accounting for other digital assets that are not within the scope of the project. For example, the accounting for and disclosure of nonfungible tokens (NFTs) will be outside the scope of the project on crypto assets. As a result, financial statement preparers accounting for transactions involving NFTs will need to fully understand the rights represented and what has actually been transferred. For more information about accounting considerations related to NFTs, see Deloitte's June 21, 2022, [Accounting Spotlight](#).

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