



Accounting and Reporting for Digital Assets

KPMG's Accounting Advisory Services for digital assets and decentralized finance

KPMG is a leading advisor to various clients within the digital assets ecosystem where we demonstrate the ability to navigate through the ambiguity and uncertainties in the current economic environment and rapidly evolving industry. We bring clarity to complex accounting and financial reporting challenges and assist clients with a number of transactional matters including, but not limited to, capital markets, mergers and acquisitions, restructuring and restatement.

KPMG specializes in assisting the digital asset ecosystem



Digital assets present a host of accounting, operational and regulatory challenges:

- Revenue Recognition
- Recognition, measurement and impairment
- Custody
- NFT accounting considerations
- Lending and borrowing
- Accounting considerations for digital asset transactions
- Risk management
- Anti-Money Laundering (AML) / CFT programs
- Initial Coin Offerings (ICOs)
- Reporting and Disclosures
- Quality and availability of data
- Restatement considerations
- IFRS vs US GAAP considerations
- Proof of reserve
- Process and controls
- Regulator enforcement action(s)
- Cyber security
- ESG reporting and disclosure considerations

KPMG offers comprehensive services, experience, and technology accelerators for digital assets

<p>Technical accounting expertise</p> <p>KPMG has extensive technical accounting experience in digital assets, including identifying current gaps, addressing technical accounting matters, meeting reporting requirements, and implementing new accounting guidance.</p>	<p>Comprehensive functional and industry support</p> <p>Beyond technical accounting and financial reporting, KPMG offers cross-functional services (e.g., tax, internal controls, risk and compliance) along with deep knowledge and experiences in financial services, fintech, technology, media, and telecom.</p>	<p>Transaction services</p> <p>KPMG is a recognized leader in the deal advisory space and assists entities with a number of complex transactions such as IPOs, SPACs, M&A, divestitures, restructuring and bankruptcy services.</p>	<p>Data and technology</p> <p>Our teams leverage proprietary technology, data, and other accelerators to drive efficiencies and faster speed to delivery.</p>
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KPMG has a full range of accounting and financial reporting services to ensure companies can effectively operate and transact in the digital asset space.

Advise on appropriate accounting treatment of digital asset-related issues and transactions

- Recognition and measurement of cryptocurrencies, stablecoins, and NFTs
- Recognition and measurement of customer custodial assets and the impact of SAB 121
- Accounting for digital asset sales, lending and borrowing, and derivatives
- FASB Exposure Draft impact analysis and comment letter responses
- Revenue recognition (e.g., gross vs. net, etc)
- Accounting for scenarios, including: staking, mining, liquidity pool and yield farming, etc.

Support diligence, capital markets readiness, and preparing SEC and public company requirements

- Provide accounting diligence support to identify gaps in the accounting policies and procedures of the acquiree against the industry, peers and relevant authoritative literature
- Assist private companies in evaluating their public company readiness (i.e., ICOs, IPO, SPAC)
- Assist private companies in preparing for SEC and public company financial reporting and compliance requirements

Assist with financial reporting and disclosure issues related to digital assets

- Address complex digital asset and transaction-specific accounting and SEC filing issues
- Prepare MD&A and pro forma financial information
- ESG reporting and disclosures

Assist companies with their risk management, including assessing and improving compliance programs

- Provide input on the adequacy and appropriateness of organization's compliance programs
- Assist with policies, procedures and internal controls around digital asset topics and transactions
- Support with licenses, registration and membership related matters

Thought leadership (click to view)



Digital assets: Lenders' accounting for crypto intangible asset loans



FASB issues proposed ASU on crypto asset accounting



SAB121: Questions & Answers

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