



Digital Assets

FASB—IASB Education Meeting

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Cash Equivalents—Disclosure Enhancement and Classification of Certain Digital Assets

(formerly referred to as Classification of Certain Digital Assets as Cash Equivalents)

Stablecoin Overview

- The term “stablecoin” is not defined but is generally described in practice as an emerging digital asset class whose value is pegged to another reference asset.



Project Background

- **Objective:** To clarify whether certain digital assets may be classified as cash equivalents and provide transparency about the amount of an entity's significant classes of cash equivalents.
- **Project Status:** The Board completed initial deliberations in April 2026 and granted the staff permission to draft a proposed Accounting Standards Update.
- **Current Guidance:**
 - The Master Glossary defines cash equivalents as “short-term, highly liquid investments that have both of the following characteristics:
 - Readily convertible to known amounts of cash
 - So near their maturity that they present insignificant risk of changes in value because of changes in interest rates...”
 - Cash equivalents classification is elective and subject to policy disclosure.
- **Application in Practice:**
 - Some stakeholders have concluded that certain stablecoins qualify as:

Cash
Equivalents

Intangible
Assets

Financial
Assets

Derivatives

Tentative Board Decisions

Approach: Illustrative examples

The following concepts would be included in the examples:

- Interpretive explanations that link to the current cash equivalents definition
- The amount and composition of reserve assets
- The nature of qualifying on-demand contractual redemption rights directly with the issuer

New guidance would clarify that an entity should consider compliance with relevant laws and regulations when establishing a policy concerning which assets that satisfy the Master Glossary definition of the term *cash equivalents* are treated as cash equivalents.

All entities, regardless of whether they hold stablecoins, would be required to disclose the significant classes and related amounts of cash equivalents on an annual basis for each period that a statement of financial position is presented.

Illustrative Disclosure Example*

“Cash equivalents (at December 31, 2026 and 2025, respectively) includes money market funds (\$50 and not significant**), stablecoins (\$25 and \$20), and U.S. Treasury debt securities with original maturities of three months or less (\$55 and \$50).” *(in millions of USD)*

*** The format of this disclosure is not prescriptive. This example is included for discussion purposes only.**

**** The example illustrates a potential scenario in which one of the significant classes of cash equivalents was not determined to be significant in the period.**

Tentative Board Decisions: Transition and Early Adoption

Transition Method: Classification

An entity would be required to adopt the amendments on a modified prospective basis as of the beginning of the annual reporting period in the year of adoption.

Transition Method: Disclosure

An entity would be required to adopt the amendments on a prospective basis as of the date of the most recent statement of financial position presented in the period of adoption.

Preferability Assessment

An entity would be allowed to adopt the amendments to be illustrated in the examples related to the classification of certain digital assets as cash equivalents without the need to perform a preferability assessment.

Transition Disclosures

An entity would be required to disclose the nature of and reason for the change in accounting principle.

Early Adoption

Early adoption of the amendments would be permitted in both interim and annual reporting periods for which financial statements have not yet been issued (or made available for issuance).

Next Steps



Proposed Update planned to be issued in 3Q 2026



90-day comment period

Accounting for Transfers of Crypto Assets

Subtopic 350-60: Recognition, Measurement and Derecognition

Initial Recognition & Initial Measurement

- Not addressed in Subtopic 350-60
- Rely on other areas of GAAP

Subsequent Measurement

- Measure at fair value
- Increases and decreases in net income

Derecognition

- Not addressed in Subtopic 350-60
- Rely on intangible asset guidance (Subtopic 350-10)

Project Background

- **Objective:**

- To address the accounting for crypto asset transfers, including expanding the scope of Subtopic 350-60 and clarifying the derecognition guidance for transfers of crypto assets.

- **Project Status:**

- The Board began deliberations for expanding the scope of Subtopic 350-60 in April 2026.
- At a future Board meeting, the Board will consider clarifying the derecognition guidance for crypto transfer arrangements to assess whether the control of a crypto asset has been transferred.

Current GAAP: Scope

- The Board issued crypto-specific guidance¹ (Subtopic 350-60) that requires certain crypto assets to be subsequently measured at fair value with changes in earnings.

Scope: Must meet all the following criteria

Meet the definition of intangible assets

Do not provide the asset holder with enforceable rights to or claims on underlying goods, services, or other assets

Are created or reside on a distributed ledger based on blockchain or similar technology

Are secured through cryptography

Are fungible

Are not created or issued by the reporting entity or its related parties

Common Crypto Transfer Arrangements

- Below are examples of common crypto transfer arrangements, which may involve the transfer of crypto asset holdings (such as wrapped tokens and receipt tokens) that are outside the scope of Subtopic 350-60.

Crypto Lending

- Examples:
 - Direct Lending
 - DeFi lending platforms (such as liquidity pools)
 - Peer-to-peer lending

Crypto Staking

- Examples:
 - Solo staking
 - Delegated staking (such as through staking pool)
 - Liquid staking

Crypto Wrapping

- Examples:
 - Custodial Wrapping
 - Noncustodial (decentralized) wrapping
 - In-pool wrapping

Stakeholder Feedback

- Many crypto transfer transactions involve assets, such as wrapped tokens and receipt tokens, that are not in the scope of Subtopic 350-60.
- Entities apply a variety of guidance and nonauthoritative sources to account for crypto transfer transactions, such as the following:

Topic 606,
Revenue from
Contracts with
Customers

Subtopic 610-20

Topic 860,
Transfers and
Servicing

AICPA Digital Assets
Practice Aid

Consultations with
subject matter experts,
including auditors and
regulators.

Tentative Board Decisions: Scope and Related Disclosures

Expand the scope by revising paragraph 350-60-15-1(b) to address crypto assets that provide the holder with a right to receive another crypto asset that would be within the scope of Subtopic 350-60.

The Board expects that wrapped tokens and some receipt tokens, depending on the underlying assets and rights conveyed, will be included in Subtopic 350-60 under this proposed approach.

Clarify current Subtopic 350-60 disclosures by providing an example tabular disclosure illustrating that additional crypto assets, such as wrapped tokens, if significant, would be disclosed separately from other significant crypto asset holdings.

Derecognition Considerations

Current Guidance:

Subtopic 350-60 does not specifically address derecognition of crypto assets, but refers to the derecognition guidance for intangible assets in Subtopic 350-10 (which applies the guidance in Subtopic 610-20 and Topic 606).

Potential Improvement:

Clarify the application of the guidance in Topic 606 to crypto assets.

For example, address whether or how the repurchase guidance (in paragraphs 606-10-55-66 through 55-68) should be considered.

Next Steps



Discuss derecognition guidance and related disclosures.