ASBJ

Development of Accounting Standards related to Crypto-assets in Japan

2 October 2026

Standards Issued

- Holding of Crypto-assets (March 2018)
  - PITF No. 38, Practical Solution on the Accounting for Virtual Currencies under the Payment Services Act
  - English explanation can be found here
- Issuance and holding of STO tokens (August 2022)
  - PITF No. 43, Practical Solution on the Accounting for and Disclosure of the Issuance and Holding of Electronically Recorded Transferable Rights that Must be Indicated on Securities
- Issuance and holding of Certain Electronic Means of Payments (November 2023)
  - PITF No. 45, Practical Solution on the Tentative Treatment of Accounting for and Disclosures of Certain Electronic Means of Payment under the Payment Services Act
  - English explanation can be found here

Holding of Crypto-assets (1/3)

- Addresses the accounting for crypto-assets held:
  - by an entity on its own behalf; and
  - by a dealer on behalf of its customers
- Crypto-assets held by an entity on its own behalf
  - If an active market exists, crypto-assets are measured using the market price at the balance sheet date, and any difference between the carrying amount should be recognised as a gain or loss
  - If an active market does not exist, crypto-assets are measured at cost
    - However, if the estimated disposal value is lower than cost, the crypto-assets are measured using the estimated disposal value and the difference is recognised as a loss
    - The loss is not be reversed in subsequent periods

Holding of Crypto-assets (2/3)

- **Crypto-assets held by a dealer on behalf of its customers**
  - **The dealer recognises an asset when crypto-assets are deposited by the customer, measured at the market price at the date the crypto-assets were deposited**
  - **At the same time, the dealer recognises an obligation to return the crypto-assets to the customer as a liability, measured at the same amount as the corresponding asset**
  - **At the balance sheet date, the dealer remeasures the crypto-assets and the corresponding liability either at market price or cost, based on whether an active market exists for the crypto-assets**

Holding of Crypto-assets (3/3)

- **Presentation**
  - When an entity sells its crypto-assets, it should present the net gain or loss in the income statement
- **Disclosures**
  - Crypto-assets held by the entity on its own behalf on the balance sheet
    - Further classified into those with an active market and those without an active market, and the quantity and amount of each type of crypto-asset
  - Crypto-assets held by the dealer held on behalf of its customers on the balance sheet

Issuance and Holding of STO Tokens

- **Issuers' Accounting**
  - **The issuer determines whether the proceeds are classified as liabilities, shareholders' equity or share warrants**
  - **Depending on that classification, the issuer follows the guidance in Japanese GAAP or the Companies Act**
- **Holders' Accounting**
  - **Tokens issued in Security Token Offerings (STOs) may or may not meet the definition of 'securities' in the Accounting Standard for Financial Instruments**
  - **If it meets the definition of 'securities' the holder follows the guidance in Japanese GAAP related to securities**
  - **If it does not meet the definition of 'securities' the holder follows the guidance in Japanese GAAP related to trusts**

Issuance and Holding of Certain Electronic Means of Payments (1/5)

- The standard addresses the accounting for the issuance and holding of certain electronic means of payments (EMOPs), including certain stable-coins pegged to fiat currency
- Under the amended Payment Services Act, electronic tokens fall within the definition of EMOPs when all of the following criteria are met:
  - They are transferred using a distributed ledger based on block-chain technology
  - They are using as a means of payments or exchange
  - They are issued at a price linked to the value of legal tender (e.g., Japanese yen)
  - The issuer promised to redeem the electronic tokens at par, when ever the owner requests the issuer to do so

Issuance and Holding of Certain Electronic Means of Payments (2/5)

Issuers' Accounting

- **The issuer recognises an obligation for the redemption of certain EMOPs as a liability, measured at the amount due to the holders (i.e., at the amount determined based on the par value)**
- **The issuer subsequently measures the liability at the amount due to the holders at the balance sheet date**
- **The issuer derecognises the liability for the redemption of certain EMOPs when the issuer redeems the certain EMOPs to the holder**

Issuance and Holding of Certain Electronic Means of Payments (3/5)

Holders’ Accounting

- The holder recognises an asset on the date the certain EMOPs are delivered to the holder, measured at the amount determined based on the par value
- The holder subsequently measures the certain EMOPs at the amount determined based on the par value
- The holder derecognises the certain EMOPs when it transfers the certain EMOPs to a third party or redeems the certain EMOPs from the issuer

Issuance and Holding of Certain Electronic Means of Payments (4/5)

Consequential Amendments

- **The definition of cash is amended as follows:**

  ‘Cash’ comprises cash on hand, demand deposits and EMOPs within the scope of the Standard

Issuance and Holding of Certain Electronic Means of Payments (5/5)

- **To respond to the amendment to the Payment Services Act, an Exposure Draft of minor amendments to the Standard was issued on 17 August 2026**
  - **Comment period ends 19 October 2026**

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