

October 16, 2019

Russell G. Golden, Chairman
Financial Accounting Standards Board
401. Merritt7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Agenda Request – Cryptoassets & Virtual Currencies

Dear Chairman Golden:

Thank you very much for taking the time to respond to our outreach via Twitter following the release of updated Internal Revenue Service (IRS) guidance related to the reporting and taxation of virtual currencies. (Specifically IRS Revenue [Ruling 2019-24](#) and Frequently Asked Questions {[FAQ's](#)}) In light of this updated guidance which, while not addressing every open concern in the virtual currency or cryptoasset space, did clarify some outstanding items, we request that the FASB add a review and discussion on cryptoasset classification to the Board's formal agenda.

Currently there appears to be a consensus forming that virtual currency classification as an *indefinite lived intangible asset* is the most appropriate option, which seems to many of us to be like trying to fit the proverbial square peg into a round hole. This consensus has emerged, in part, because there has been no definitive guidance from the FASB, nor widely disseminated comments indicating this topic is on the agenda. Indefinite lived intangible assets are able to be tested for impairment if conditions arise but are unable to be marked to market. Given the continued volatility of the virtual currency or cryptoasset markets, amongst other issues, this does not seem to an appropriate classification for these nascent asset classes.

The size and scope of the virtual currency and cryptoasset markets necessitate more clarification and formal guidance for practitioners and firms seeking to provide much needed services to clients. The uncertainty on accounting treatment and its potential impact on financial statements is exemplified by the recent US\$4.4 Billion restatement by the Silicon Valley Community Foundation (<https://www.siliconvalleycf.org/sites/default/files/documents/financial/svcf-audit-report-2019.pdf>) for its retained cryptoassets. With progress being made from a taxation angle via updated IRS guidance, as well as continued expansion of the size and scope of institutional market participation, there is a quantifiable and demonstrable need for the FASB to weigh in and add this to the formal agenda.

We request that this matter be added to the agenda as soon as possible, and would be happy to answer any questions or provide further information.

Respectfully submitted,

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City University of New York – Lehman College

Mr. Ron Quaranta
Chairman of the Board – The Wall Street Blockchain Alliance

Dr. Brian Mittendorf
Ohio State University – Fisher College of Business