October 2026 ASAF Meeting

ASBJ

Development of Accounting Standards related to Crypto-assets in Japan

2 October 2026

The observations and comments made in this presentation are those of the presenter, and do not necessarily reflect the views of the Accounting Standards Board of Japan (ASBJ).

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

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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

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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**

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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**

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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**

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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

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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**

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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

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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**

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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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