Formation of the Business Model of Crypto Asset Management

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Abstract

Modern economic research of the market for distributed ledgers and blockchain technologies shows that both the nature of the stage of its development and the implemented measures to ensure security with digital technologies of the corresponding industry specificity to verify the information provided to users of financial statements continue to be controversial. In this regard, when discussing cryptocurrencies and blockchain technology, it is necessary to consolidate the terminology at the legislative level, which can be used in the same manner by state administrations, as well as by international companies. In turn, when forming accounting policies by international companies that carry out operations with cryptocurrency, it is important to take into account the current interpretations of the Committee on Interpretations of International Financial Reporting Standards. At the same time, some practical issues cannot be resolved unambiguously due to the discrepancy between the economic essence of crypto assets and other types of objects. Despite the multiple similarities in their classification, as well as the subsequent reassessment in the format of the current standards, the greatest difficulty is raised by questions about the reliability of the information provided for users of financial statements and top management for managing the company's business processes, managing the value of companies and financial reporting architecture. Based on the results of the study, the
authors propose a promising engineering business model for managing the value of crypto assets, built on the basis of the current provisions of IFRS.

Keywords


Introduction

Over the past few years, the modern global financial sector has undergone great changes, which directly affected digital financial institutions, government agencies and society as a whole. This is due to the introduction of digital relations and the functional aspect of their use in relation to operations with the most liquid assets (Weyl, 2009; Gudelis, Guogis, 2011). In this regard, at the state level, the transition to a qualitatively new level of economic development is timely, since a significant number of transactions is performed, information about which is formed in special digital register (distributed ledger), which corresponds to the modern technology of distributing the storage of reliable Big Data (Turk, Klinč, 2019; Branco et al., 2014).

During the period of Covid at the macro level, the use of blockchain technology is especially relevant to help businesses in the most affected sectors of the economy. So, in certain jurisdictions, the banking sector has joined the regulatory authorities to providing assistance to business structures in terms of prompt processing of information by providing the appropriate type of applications from entrepreneurs for obtaining an interest-free loan to pay salaries to its employees and receiving assistance from the state in the tax area in terms of deferred payment of taxes and duties (Goyat et al., 2020; Barberá et al., 2012). At the same time, in the context of the global pandemic, one should note the following advantages of creating digital blockchain platforms: a unified register and monitoring of completed transactions of the credit and tax mechanism, a shortened period for the creation of modern technology - no more than seven days, as well as an important and a useful resource for the economy, including verification by the executive authorities in electronic form and not involving labor costs and time spent in office premises (Son, Kim, 2014).

Literature Review

According to Jun and Miklos (2020), blockchain functionality is acceptable in banking, financial markets, insurance, public service systems and other areas. At the same time,
Blockchain technology can be used in healthcare organizations to protect private information stored in a hospital database, and can also expand to the level of the medical economy sector. According to Rozario, Chanta (2019) the adoption of such technology can have a significant impact on the conduct of accounting records and audit technology. As regards the cryptocurrency directly operating on the blockchain principle, the researchers consider the legal nature and prospects for the recognition of digital assets by national jurisdictions as problems (Low, Teo, 2017). At the same time, modern scientific and practical research on the order of recognitions and classifications of cryptocurrencies in financial statements are generally similar to the position of leading audit organizations representing professional judgment on these aspects, e.g. "IFRS: accounting for cryptoassets" (Demmer, Pronobis, Yohn, 2019). In particular, scientific and practical studies have noted a great commitment to the recognition of cryptocurrencies as different classification groups of assets.

However, some other authors, have proposed scenarios in which cryptocurrency has many characteristics of money, even if it is not recognized them in the jurisdiction as a means of payment (Nawari, Ravindran, 2019; Villanustre, Chala, Dev, 2021). In this regard, the literary review of the procedure for the recognition and classification of cryptocurrencies confirms the breadth of coverage of the scientific interests of researchers and the ambiguity of the author's positions on the reflection of this type of assets when the company presents financial statements (Abdullah, Tursoy, 2021). Improving application of practical experience in working with cryptocurrency could help to understand and synthesize current information about cryptoassets in order to form a classification and assessment of such assets and their subsequent adaptation, taking into account the industry specifics of the company's activities. Therefore, an important aspect of improvement in the management quality could be refinement of regulations (in particular, amendment of standards IAS 2, IAS 38).

Considering at the macro level the nature of the influence of a dynamic economy and its structure on the entrepreneurial cycles of companies' activities, there are several important approaches that directly affect the process of building a model of cryptoassets. Economists Yun, Won and Park (2018), when studying the balancing of the economy and its structural subsystems, noted the following pattern: in the absence of changes in the economic system, the dynamics of the economy becomes too low (Yun, Won, Park, 2018), therefore, the rates of economic growth will remain at a low level, and at enterprise level will affect the volume of investment and the decline in the asset ratio. In turn, the development of a business model in a dynamic economy at the micro level, according to Gay (2014), is more theoretical in
nature, which is a static property and cannot sufficiently increase the volume of the company's assets in the current time mode (Gay, 2014). At the same time, a dynamic economy is characterized by innovation gaps, which are an important aspect both for states that are leaders in high technologies and for countries with developing countries, which includes China in particular, despite high GDP indicators (Kowalski et al., 2020; Ai, Wu, 2017). However, the dynamic processes of building up China's innovative potential are capable of narrowing the innovation gap to the EU countries in the near future.

**Theoretical Background**

For the most part, most research on the application of blockchain technologies contains positive aspects of use in the digital space. In this case, digital approaches are used to reduce the company's costs, the areas of activity of which lie in the plane of financial relations, legal support for the authenticity of documentation and its storage in non-documentary form in the form of registers, contractual relations between companies, etc. In this case, the advantages of such technologies in most studies are highlighted in the following aspects:

- Decentralized application - through simplification process of digital operations intermediary operations are excluded and unified communications center;
- Distribution of the relations of the information contained-ensuring storing information about transactional operations is saved for everyone participants of digital exchange, which increases the resistance to external cyber-attacks;
- Openness of information – transparency and publicity of information in relation to the participants of transactions, taking into account the formation of electronic digital data protection tools that ensure correct verification and cloud storage in the Big Data system (Glaser et al., 2014);
- Anonymous nature of operations – using a 32-bit number as addresses of the corresponding transaction participant (Babiarz, Kamuda, Migala-Warchol, 2020).

However, one of the negative factors of the blockchain is that by nature it is a one-time implementation transaction, and the inability to cancel them. Another negative factor is the amount of labor involved and the amount of energy consumed in the formation of bitcoin and similar types of cryptoassets (Mahapatra et al., 2020). In the macroeconomic approach, blockchain requires a significant amount of investment both in the formation of startup infrastructure, including elements of financial and technical security, and in the development of electronic and digital data protection tools for Big Data. At the same time,
the practical use of blockchain is possible not only in the financial sphere, but also in the industry segments of applied legal data, accounting operations, electronic means in the form of questionnaires, etc. In this regard, the most promising areas of digital development are to a sufficient extent may be:

- Banking and financial sphere (Khalid et al., 2020);
- Public administration (Haffke et al., 2020);
- Production sectors of the economy (Yankovskaya et al., 2019);
- Non-production sectors of the economy (Kitova et al., 2016).

Regarding the understanding of current information about cryptocurrency, in our opinion, the introduction to the practical experience of working with cryptocurrency for business should be more carefully studied in order to form the classification and evaluation of such assets and their subsequent adaptation to the industry specifics of the company's activities (Khalid et al., 2020). At the same time, the proposals do not contain elements of variability in the development of engineering business models that could be used when drawing up the accounting policies of companies that carry out blockchain transactions with cryptoassets.

**Materials and Methods**

Based on statistical research conducted by Allied Market Research, the structure of the dominant position in the blockchain market includes the United States, which possesses more than 40% of the global indicator of revenue received in the segment of digital operations. At the same time, the study of one of the key factors for increasing the capacity of this segment of the world economy focuses on the growth of amounts of commission charged for transactions, the reduction of intermediaries in commercial transactions, as well as reducing the likelihood of fraudulent schemes. At the same time, the use of the private blockchain will continue to be the main one in use and on a par with the public blockchain, and to a greater extent depends on the operations performed over a specific period of time (Table 1).
Table 1 Input data for the financial statements of the top 50 world leading companies using
decentralized block-chain platforms

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Blockchain platform</th>
<th>The volume of sales, Bln U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>online retail</td>
<td>Hyperledger Fabric, Ethereum</td>
<td>232.89</td>
</tr>
<tr>
<td>Bumble Bee Foods</td>
<td>food products</td>
<td>Multichain</td>
<td>103.90</td>
</tr>
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<td>Cargill</td>
<td>food products</td>
<td>Hyperledger Sawtooth, Hyperledger Grid</td>
<td>34.70</td>
</tr>
<tr>
<td>Ciox Health</td>
<td>medicine</td>
<td>Ethereum</td>
<td>30.00</td>
</tr>
<tr>
<td>Citigroup</td>
<td>banks</td>
<td>Ethereum</td>
<td>90.30</td>
</tr>
<tr>
<td>Coinbase</td>
<td>finance</td>
<td>Bitcoin, Ethereum, XRP, Lumen</td>
<td>54.70</td>
</tr>
<tr>
<td>Comcast</td>
<td>telecommunications</td>
<td>Bitcoin, Ethereum, Hyperledger Fabric, Quorum</td>
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</tr>
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<td>pharmacy</td>
<td>IBM Blockchain, Hyperledger Indy, Hyperledger Sawtooth</td>
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<td>finance</td>
<td>AxCore</td>
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<td>Facebook</td>
<td>IT communications</td>
<td>unknown</td>
<td>66.50</td>
</tr>
<tr>
<td>Fidelity</td>
<td>finance</td>
<td>Bitcoin, Ethereum</td>
<td>143.20</td>
</tr>
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<td>food products</td>
<td>IBM Blockchain</td>
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</tr>
<tr>
<td>Google</td>
<td>IT communications</td>
<td>Bitcoin, Ethereum, Bitcoin cash, Ethereum classic, Litecoin, Zcash, Dogecoin, Dash</td>
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<td>Hewlett Packard</td>
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<tr>
<td>IBM</td>
<td>IT communications</td>
<td>IBM Blockchain, Stellar, Hyperledger Burrow, Sovrin</td>
<td>8.50</td>
</tr>
<tr>
<td>Intel</td>
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<td>Corda, Ethereum, Hyperledger Fabric, Hyperledger Sawtooth</td>
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<td>JPMorgan Chase</td>
<td>banks</td>
<td>Quorum</td>
<td>112.80</td>
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<td>Mastercard</td>
<td>finance</td>
<td>own platform</td>
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<td>Metlife</td>
<td>insurance</td>
<td>InsureChain (via ocshone Ethereum)</td>
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</tr>
<tr>
<td>Microsoft</td>
<td>software</td>
<td>Ethereum, Parity, Quorum, Corda, Hyperledger Fabric</td>
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<td>Symboint, Corda, Hyperledger Fabric</td>
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<td>Northern Trust</td>
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<td>Hyperledger Fabric, Ethereum</td>
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<td>Oracle Blockchain Platform</td>
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<td>online retail</td>
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<td>computer supplies</td>
<td>Hyperledger Fabric</td>
<td>10.00</td>
</tr>
<tr>
<td>Signature Bank</td>
<td>finance</td>
<td>own platform based on Ethereum</td>
<td>1.50</td>
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<td>Allianz SE</td>
<td>insurance</td>
<td>Hyperledger Fabric, Corda</td>
<td>1.00</td>
</tr>
<tr>
<td>SAP SE</td>
<td>software</td>
<td>Hyperledger Fabric, MultiChain, Quorum</td>
<td>3.90</td>
</tr>
<tr>
<td>Siemens</td>
<td>electronics</td>
<td>Ethereum, Hyperledger Fabric, Corda</td>
<td>1.03</td>
</tr>
<tr>
<td>Ant Financial</td>
<td>fintech</td>
<td>Ant Blockchain</td>
<td>8.90</td>
</tr>
<tr>
<td>BBVA</td>
<td>banks</td>
<td>Hyperledger Fabric, Corda, Ethereum</td>
<td>6.12</td>
</tr>
<tr>
<td>Santander</td>
<td>banks</td>
<td>RippleNet, Hyperledger Fabric</td>
<td>7.20</td>
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<tr>
<td>Bitfury</td>
<td>software</td>
<td>Exonum, Bitcoin</td>
<td>0.70</td>
</tr>
<tr>
<td>ING</td>
<td>banks</td>
<td>Corda, Quorum, Hyperledger Fabric, Hyperledger Indy</td>
<td>1.80</td>
</tr>
<tr>
<td>BNP Paribas</td>
<td>banks</td>
<td>Corda, Hyperledger Fabric, Ethereum</td>
<td>0.40</td>
</tr>
<tr>
<td>BP</td>
<td>oil and gas</td>
<td>Ethereum, Cardano, Quorum</td>
<td>1.00</td>
</tr>
<tr>
<td>Foxconn</td>
<td>electronics</td>
<td>Ethereum</td>
<td>1.00</td>
</tr>
<tr>
<td>HTC</td>
<td>electronics</td>
<td>Bitcoin, Ethereum</td>
<td>1.00</td>
</tr>
<tr>
<td>Maersk</td>
<td>freight transport</td>
<td>IBM Blockchain, Corda</td>
<td>1.40</td>
</tr>
<tr>
<td>Nestle</td>
<td>food products</td>
<td>IBM Blockchain</td>
<td>1.50</td>
</tr>
<tr>
<td>UBS</td>
<td>banks</td>
<td>Hyperledger Fabric, Ethereum, Quorum, Corda</td>
<td>4.70</td>
</tr>
<tr>
<td>Samsung</td>
<td>electronics</td>
<td>Nexledger, Ethereum</td>
<td>196.90</td>
</tr>
</tbody>
</table>

*Financial statements TOP 50 companies using decentralized platforms by GDP for 2019
Results

As a result of the study of a sample of 50 global companies geographically located in eight countries, the author's approach was applied to introduce the blockchain activity index (Bj), which shows the ratio of company turnover to GDP of the corresponding state (Fig. 1).

At the same time, the analysis of statistical data of leading companies using blockchain showed that the USA, South Korea, Spain, Taiwan, the Netherlands, Switzerland, Germany and China are the most influential holders and users of crypto assets. Noting the leaders in the use of new technology to ensure privacy, security and accessibility (Korea and the United States), based on the correlation analysis, a conclusion was made that there is no linear relationship between the blockchain activity index (Bj) and the country's GDP, since the correlation was 0.376 (Fig. 2).

Fig. 1 Blockchain activity index (based on the authors' calculations)

Fig. 2 Comparative characteristics of the GDP of countries and the blockchain activity index based on the authors' own calculations
Statistical studies on the countries of the United States, Korea and China convincingly indicate the fact that the value of GDP does not affect the promotion of advanced digital technologies of big data. Thus, the United States and Korea, as the most technologically advanced countries, are leaders in the ranking of countries according to the World Bank for the ease of doing business in 2019: Korea takes 5th place, the USA - 6th place. Having constructed the statistics of the countries considered in this study according to the blockchain activity index (Bj), based on the Doing Business rating, we obtain, as a result of the correlation analysis, a moderate linear relationship between the compared indicators in the amount of 0.55 (Fig. 3).

In turn, the analysis revealed not only the dominant position of the United States (the share of sales volumes to the country's GDP was 9.8%), but also the countries belonging to the Asian region – South Korea (11.6%, respectively). At the same time, it should be noted that the geopolitical and economic differences between the leading countries are quite large (the share is more than 1%): the United States, South Korea and Spain. Moreover, the correlation analysis (0.4) showed no influence of GDP on sales volumes. At the same time, the aggregate growth rate will be distributed in the banking, financial and insurance sectors of the countries’ economies, with a total growth of at least 50% (Fig. 4).
Fig. 4 Diagram grouped by type of activity included in the TOP 50 by financial statements of companies using decentralized platforms in 2019

It should be noted that regardless of the type of activity, doing business is always associated with the development of the best solution for reflecting certain transactions, while for the purposes of preparing financial statements, it is necessary to develop accounting policies that best reflect the economic meaning of the facts of economic activity. The emergence of new events that were not previously inherent in the company requires the formation of accounting policies for new items: assets, liabilities, capital, income and expenses. If the newly emerging events are new only for a particular company, then not only the requirements of IFRS apply, but also the established practice of classification, valuation, impairment of such objects, as well as disclosure of information in the financial statements of other companies (Grall, 2017).

However, the provisions of the interpretations Committee the IFRS describes the current information in respect of scriptaction – recognition of intangible assets, except when scriptactive held for sale, as in this case the provisions of IAS 2 "Inventories". However, in our opinion, the adopted provisions in due degree does not contain a full justification, there are various scientific studies that contain valid arguments in favor of other options and their modifications in relation to accounting for cryptoassets (Singh et al., 2011; Giudici et al., 2020).

Here it is enough to mention that the European financial reporting Advisory group (EFRAG) in 2020 announced the creation of a research project, inviting experts on cryptoassets due to existing gaps in accounting standards. However, the practice of applying the classification of a cryptoasset as an intangible asset is fairly common. Most companies...
classify cryptoassets as intangible assets. For the study of professional judgment, companies are interesting for which working with cryptoassets is the main activity and the period long before the release of the recommendations of the Committee on International financial reporting standards (Huang et al., 2020). For example, the company Bitcoin Group Ltd in the Consolidated statement of financial position reflects cryptoassets together with other intangible assets in the linear article "Integral assets" (Fig. 3).

<table>
<thead>
<tr>
<th>ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Intangible assets</td>
</tr>
<tr>
<td>Other assets</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
</tr>
<tr>
<td>Plant and equipment</td>
</tr>
<tr>
<td>Deferred tax assets</td>
</tr>
<tr>
<td>Other assets</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
</tr>
</tbody>
</table>

Fig. 3 Typology of the fragment Consolidates statement of financial position Bitcoin Group Ltd. (Compiled by the authors on the basis of information from the financial statements of www.static.bitcoingroup.com.au/wp-content)

To classify an item, you need to understand the type of activity companies and the intent of the guide to use it in the following wording: «Bitcoin Group generate Bitcoin mining revenue by providing computer processing activities (hash power) for Bitcoin generation and transaction processing services to a pool operator that aggregates Bitcoin Group's hash power with other providers and provides this hash power to the public ledger system known as the Bitcoin Blockchain. The Bitcoin pool balances the Bitcoin generation between participants to ensure the generation of Bitcoins are evenly distributed between pool participants. Bitcoin Group receives consideration for providing such Bitcoin mining activities in the form of Bitcoins, less a commission» (Chen, Luo, 2016; Song et al., 2012).
The company's accounting policy explains that «Bitcoins are indefinite life intangible assets initially recognised at cost. Bitcoins are subsequently measured at fair value by reference to the quoted price in an active Bitcoin market. Increases in the carrying amount of Bitcoins on revaluation are credited to a revaluation surplus in equity. Decreases that offset previous increases are recognised against the revaluation surplus in equity; all other decreases are recognised in profit and loss. On disposal of Bitcoins, the cumulative revaluation surplus associated with those Bitcoins is transferred directly to retained earnings». However, after the release of recommendations on the classification of crypto assets of the Committee on International financial reporting standards, there were no significant changes in the accounting policy of Bitcoin Group for the classification and evaluation of cryptoassets (Boreiko, Ferrarini, Giudici et al., 2019; Aamir, Qureshi, Khan et al., 2020).

It should be noted that when studying the main methods used for recognizing and evaluating crypto assets as a means of payment, financial asset, intangible asset, and inventory, there are many nuances in the formation of accounting policies. At the same time, none of the standards is extremely correct for accounting and providing information in financial statements, since each of the standards is initially intended for recognizing and disclosing information of objects close in nature to crypto assets, to which crypto assets are indirectly related. At the same time, a study of the practice of applying classifications and evaluating cryptoassets by businesses shows the maneuverability of accounting policies for the most accurate representation of information about these objects in financial statements. Therefore, companies are forced to provide reasonable professional judgment confirming the reliability of the information provided positions. In our opinion, this is a justification for the revision of existing approaches to the classification and evaluation of cryptoassets in international financial reporting standards.

Discussion

Positive and problematic aspects identified in the research process classification and evaluation of crypto assets classified as intangible assets, the practical experience of developing accounting policies of companies has allowed us to focus on the optimal conditions that meet the needs of both report preparers and interested users. Initially, the problem of such a question arises because of the discrepancy in the economic perception of crypto assets as intangible assets (Morkovina et al., 2018). By their nature, intangible assets are long-term assets whose economic benefits are expected to flow over their estimated useful lives, but no longer than the term of their legal rights (Dück, Eufinger, Schultes, 2015; Zhang, Wen, 2017). With the time and practice of other types of assets, their economic value does not always correspond to the original characteristics of the intended
classification (Ponomareva et al., 2019). This property, in our opinion, is what crypto assets have (Dück, Eufinger, Schultes, 2015). Because the economic essence of cryptoassets can be ambiguous, which initiates the need to develop accounting policies taking into account the intentions of the company's management to use them (Finck, Moscon, 2019; Kukaj, Morina, Misiri, 2020).

Thus, engineering the business model, these assets should be based not only on the intention of management to use, but also on the kind of scriptaction, as well as in the calculation must accept the nature of digital assets, which largely depends on blockchain platforms (Mba, Mwambi, 2020; Halil, Meyer, 2019). For example, the scenario of reflecting revaluation through other comprehensive income, in our opinion, is not typical for cryptoassets, since the purpose of creating an increase in the value of long-term assets is to support the financial result in the event of a significant decrease in the value of the asset.

Having significant long-term resources in the form of fixed assets, intangible assets and investment in real estate, companies are at a potential risk of impairment of such objects and a significant reduction in the cost of capital. At the same time, when using the fair value through other comprehensive income revaluation model, companies have the opportunity to support the financial result when the value of long-term assets decreases due to the increase in value (Cretarola, Figà-Talamanca, 2019). When the cost is reduced, the increase in value initially decreases, and only then, when it is reset for the estimated object – it is reduced to a loss (Mukundan, Madria, Linderman, 2014). For example, companies that generate revenue from mining cryptoassets, providing computer processing services (hash power) for their generation and processing transactions to the pool operator, recognize such objects as intangible assets.

For such companies, the best practice would be the recognition of revaluation at fair value in profit or loss (Cocco, Pinna, Marchesi, 2017; Nouman, Shamsi, 2014). However, application of this model is not provided for in IAS 38. Reflection in profit and loss is only possible if the cost model is applied for less accumulated depreciation (for depreciable items) and losses from impairment (Tschorsch, Scheuermann, 2016; Jurj, Opritoiu, Vladutiu, 2020). Because if the value of the cryptoasset increases, the company can only reverse a previously recognized loss if there is an impairment loss – and such information will not be reliable for users of financial statements and for the company's top management to management (Han, Kim, Jang). In this regard, we can agree with the studies (Mba, Pindza, Koumba, 2018; Zhao et al., 2018; Tian, Lu, Adriaens, 2020) stating in the conditions of a dynamic economy, the potential for using cryptocurrencies has not been fully realized for the following reasons:
• Limited technical infrastructure in a number of states (Finck, Moscon, 2019).
• Uncertainty in legal regulation in individual jurisdictions (Imerman, Fabozzi, 2020).

At the same time, in the context of the uncertainty of the global economy due to the influence of Covid, it is important not only to lay down all kinds of risks in determining current trends and transforming decisions made (Tkaleenko et al., 2021; Korolenko, Kryvosheina, Levkivskiy, 2020), but also with the help of the state to continue to build up innovative potential to accelerate reforms related to digital transformations in countries.

Conclusions

At the level of international discussions of the OECD Commission, the process of distributed technologies, including blockchain and cryptoassets, is relevant. At the same time, to a greater extent, states are not confident about the issue of cryptocurrencies, offering to carry out further active work in this direction, taking into account the application of promising models in the accounting and taxation of digital financial assets. Meanwhile, there is enough understanding for business how to form blockchain platforms at the moment in the context of the global pandemic caused by Covid, using various practically developed models. In turn, promising business models of cryptoassets cost management contain existing practices applied by companies in the present time and hypothetical possible directions. As it was revealed earlier, if the accounting policy adopts a model for managing the value of a cryptoasset that differs from the existing rules in a specific standard, companies will be forced to violate the concepts with special professional judgment.

In our opinion, this situation is not good for business, and may also be perceived with caution by users of financial statements, which indicates the need to continue the process of improving the accounting of cryptocurrency. In this regard, one of the most relevant areas may be introducing amendments to IAS 2 and IAS 38 standards in the following sections:

• Glossary of definitions and requirements for the classification;
• The formation of cost and subsequent revaluation;
• Recognition after disposal;
• Disclosure of information in the financial statements on transactions with cryptocurrency (Kuznetsov et al., 2017; Imerman, Fabozzi, 2020).

Moreover, the research allowed us to determine the best of the cryptocurrency evaluation business models, taking into account the current provisions of accounting policies of
companies that conduct blockchain operations with cryptoassets. Based on the results of the study, a variant of the business model is proposed for the use of promising areas for managing the value of cryptoassets after their initial recognition as long-term or short-term assets (Fig. 4).

![Diagram](http://www.webology.org)

**Fig. 4 Engineering business model for managing the value of cryptoassets after their initial recognition (Compiled by the authors)**

Thus, it is not the methods of evaluation, but the formation of business models of evaluation will allow companies to evaluate using certain methods, developed by companies themselves. However, the formation processes the corresponding methodology in the framework of prospective assessment models is currently being used time is associated with a violation of the conceptual framework, which leads to the representation of special professional judgment. Undoubtedly, the proposed approaches they are rarely practiced by businesses, since they entail additional costs of disclosure and ambiguous user perception (Radanliev, De Roure, Walton, 2020; Ihashka et al., 2018). Thus, not valuation methods, but the formation of valuation business models will allow companies to conduct valuation according to certain methods developed by companies independently.

At the same time, the process of forming the corresponding methodology in the framework of prospective assessment models is currently associated with a violation of the conceptual framework, which entails the representation of special professional judgment. Undoubtedly, the proposed approaches are rarely practiced by business, since they entail additional disclosure costs and user ambiguity. Therefore, an adequate way out of the conflict of interests of business and existing rules of IFRS, is a revision of existing
standards, including elements of introduction of rules in the order of accounting for cryptoassets. In this regard, the inclusion of the blockchain business activity index indicator in the calculation of the global Doing Business indicator will allow to better reflect digital competencies in the economy.

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