

ACCOUNTING POLICY FOR DIGITAL ASSETS UNDER DIGITALIZATION: DISCLOSURE AND GOVERNANCE

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Formulation of the problem. The article examines the specific features of forming accounting policy for digital assets in the context of digitalization, with an emphasis on measurement, disclosure and corporate governance. Current regulatory requirements and standards provide a general methodological framework but do not fully reflect the specific nature of digital assets, which gives rise to variability in practices for their classification, valuation and disclosure. *The aim of the research* is to substantiate practically oriented approaches to improving accounting policy for digital assets, taking into account IFRS requirements, EU regulatory initiatives and the peculiarities of corporate governance in the context of digitalization. *The object of the research* is the accounting policy for digital assets. *The methods of the research.* The study employs general scientific methods of analysis and synthesis to process the requirements of IFRS and the practical experience of economic entities; methods of comparison, generalization and specification to analyse regulatory initiatives and authoritative publications; and a systems approach to identify interrelationships among elements of accounting policy, disclosure and corporate governance mechanisms. *The hypothesis of the research.* In the absence of a specialised International Financial Reporting Standard for digital assets, accounting policy plays a key role in upholding the principle of consistency, ensuring the qualitative characteristic of comparability in financial reporting, and reducing the risks associated with unsubstantiated professional judgements. *The statement of basic materials.* The research results indicate that the most critical factors for ensuring the informativeness of financial reporting are a clear definition of the scope of application of accounting policy, a standardised classification of digital assets, the formalisation of recognition and measurement criteria, and the establishment of mandatory disclosures and internal control procedures. *The originality and practical significance of the research.* The practical significance of the findings lies in their applicability to enhancing the transparency of financial reporting and the users' trust in information about digital assets. *Conclusions and perspectives of further research.* Practically oriented recommendations are proposed for improving enterprise accounting policies with due regard to the requirements of digitalization, audit and corporate governance. Further research should focus on adapting accounting policy to changes in and the development of institutional regulation of digital assets.

Key words:

business; business value; valuation; accounting; reporting; financial reporting; non-financial reporting; integrated reporting; sustainability reporting; environmental, social and governance (ESG).

ОБЛІКОВА ПОЛІТИКА ЩОДО ЦИФРОВИХ АКТИВІВ В УМОВАХ ДІДЖИТАЛІЗАЦІЇ: РОЗКРИТТЯ ТА КОРПОРАТИВНЕ УПРАВЛІННЯ

Постановка проблеми. У статті висвітлено особливості формування облікової політики щодо цифрових активів в умовах діджиталізації з акцентом на вимірювання, розкриття інформації та корпоративне управління. Чинні нормативні вимоги і стандарти створюють загальні методологічні рамки, однак не враховують повною мірою специфіку цифрових активів, що зумовлює варіативність практик їх класифікації, оцінки та розкриття. *Метою дослідження* є обґрунтування практично орієнтованих підходів до вдосконалення облікової політики щодо цифрових активів з урахуванням ви-

¹ Семенова Світлана Миколаївна, канд. екон. наук, доцент, доцент кафедри обліку та оподаткування, Державний торговельно-економічний університет, м. Київ, Україна.

Semenova Svitlana, Candidate of Sciences (Economic), Associate Professor, Associate Professor at the Accounting and Taxation Department, State University of Trade and Economics, Kyiv, Ukraine.

ORCID ID: <https://orcid.org/0000-0001-7250-7482>

e-mail: s.semenova@knute.edu.ua



мог МСФЗ, регуляторних ініціатив ЄС та особливостей корпоративного управління в умовах діджиталізації. *Об'єктом дослідження є облікова політика щодо цифрових активів. Методи дослідження.* У межах дослідження використано загальнонаукові методи аналізу і синтезу для опрацювання вимог міжнародних стандартів фінансової звітності та практичного досвіду суб'єктів господарювання, методи порівняння, узагальнення і деталізації для аналізу регуляторних ініціатив та авторитетних публікацій, системний підхід для виявлення взаємозв'язків між елементами облікової політики, розкриття інформації і механізмами корпоративного управління. *Основна гіпотеза.* За відсутності спеціалізованого Міжнародного стандарту фінансової звітності для цифрових активів облікова політика виконує ключову роль у дотриманні принципу послідовності, забезпеченні якісної характеристики щодо порівнянності фінансової звітності та зниженні ризиків необґрунтованості професійних суджень. *Виклад основного матеріалу.* Результати дослідження свідчать, що найбільш критичними для забезпечення інформативності звітності є чітке визначення сфери застосування облікової політики, стандартизована класифікація цифрових активів, формалізація критеріїв визнання і вимірювання, а також закріплення обов'язкових розкриттів і процедур внутрішнього контролю. *Оригінальність та практична значущість.* Практичне значення одержаних результатів полягає у можливості їхнього використання для підвищення прозорості фінансової звітності та довіри користувачів до інформації про цифрові активи. *Висновки та перспективи подальших досліджень.* Запропоновано практично орієнтовані рекомендації удосконалення облікової політики підприємств з урахуванням вимог діджиталізації, аудиту та корпоративного управління. Перспективи подальших досліджень пов'язані з адаптацією облікової політики до змін і розвитку інституційного регулювання цифрових активів і практик їх розкриття.

Ключові слова:

цифрові активи, облікова політика, діджитал трансформація, професійне судження, оцінювання, розкриття, ESG.

Formulation of the problem. The rapid proliferation of digital assets in corporate practice, combined with insufficient regulation under International Financial Reporting Standards (IFRS), has led to significant variability in approaches to their recognition, measurement, and disclosure in accounting and financial reporting. Divergent interpretations of the nature of digital assets as objects of accounting and management, high market volatility, and the complexity of controlling and substantiating fair value give rise to substantial differences in disclosure practices. Under these conditions, accounting policy assumes a decisive role as a tool for formalising professional judgements, ensuring consistency in accounting decisions, and enhancing the comparability of financial statements. Insufficient detail in accounting policy provisions relating to digital assets increases information asymmetry, complicates audit procedures, and reduces the usefulness of financial reporting for users. This necessitates a substantiated approach to the development of accounting policies for digital assets, with a focus on disclosure quality and alignment with corporate governance requirements.

Analysis of recent research and publications indicates a growing scholarly focus on the accounting issues of digital assets driven by digitalisation. Studies by Alsalmi N.

et al. [1], Dragomir V. [2], Parrondo L. [3], Fomina O. [4], Luo M. and Yu S. [5] primarily address the classification, recognition, and measurement of crypto-assets in accordance with existing IFRSs [6], emphasising the limitations of current standards and the significant role of professional judgement. A separate stream of research, represented by Tagiyeva N. and Umudova Zh. [7], Jackson A. [8], Krugman et al. [9], and Habib N. [10], focuses on financial disclosures and the quality of reporting on digital assets, highlighting the lack of comparability of practices and the resulting information risks for users [11]. At the same time, a bibliometric review by Lazea et al. [12] confirms the fragmented nature of the literature and the absence of a unified conceptual approach to the development of accounting policy in this area.

Studies of the European context, including EU regulatory initiatives [13] and non-financial reporting requirements [14], underline the need to integrate accounting decisions on digital assets into broader corporate governance mechanisms and sustainable development strategies, as noted by Kirchoff et al. [15] and Janakiraman S. [16]. Publications of the IASB [6] and analytical materials issued by the Big4 [17] confirm that, in the absence of a specialised standard, accounting policy at the entity level plays a





decisive role in ensuring the transparency and comparability of financial reporting, which substantiates the relevance of further research aimed at refining its content with respect to disclosures and the corporate governance of digital assets.

The purpose of the article is to identify well-substantiated practical approaches to improving accounting policies for digital assets in the context of digitalisation, taking into account IFRS requirements and EU regulatory initiatives, in order to ensure appropriate measurement, adequate disclosure, and enhanced transparency of corporate governance.

The methodological framework of the study is based on a combination of general scientific and specialised research methods, including content analysis of financial statement disclosures; comparative analysis and synthesis of practical guidance issued by leading audit firms and regulatory initiatives; abstraction, comparison, and generalisation of common and divergent approaches to the development of accounting policies across different jurisdictions; and the use of induction and deduction in formulating conclusions regarding unresolved issues in the accounting of digital assets. A systems approach was applied to identify the interrelationships between accounting policy provisions, disclosure quality, and corporate control mechanisms.

Presentation of the main material.

Accounting policy is a system of principles, methods, and procedures selected by an entity for maintaining accounting records and preparing financial statements. It serves as a key instrument for implementing the requirements of international or national standards, depending on those applied by the entity. In the absence of a specialised standard for digital assets, the entity's accounting policy formalises existing approaches to classification, recognition, measurement, and disclosure, thereby ensuring consistency in accounting decisions and the substantiation of reported financial figures. Consequently, a well-designed accounting policy reduces the risk of heterogeneous practices, enhances the transparency of financial information, and supports effective corporate governance in a digitalised economy.

The integration of corporate governance and internal control requirements into accounting policies for digital assets is a necessary condition for minimising the risks of

manipulation, loss, and misstatement of financial information. Accounting policy should clearly define the allocation of responsibilities among governance bodies and functional units, including the role of the board of directors and the internal control or audit function in approving key accounting judgements and valuation approaches for digital assets. An important element is the formalisation of the segregation of duties across operational processes, custody and safeguarding of digital assets, their accounting recognition, and valuation, which limits opportunities for unauthorised interference. Accounting policy should also establish requirements for custody procedures, private key management, verification of ownership rights, and periodic reconciliations of on-chain data with internal accounting records.

The systematisation of accounting policy elements related to digital assets indicates that the key challenges lie not so much in the absence of accounting solutions per se, but in the insufficient level of their formalisation and disclosure in the notes to the financial statements. An unclear definition of the scope of application, classification of digital assets, recognition criteria, and measurement methods leads to significant heterogeneity in financial reporting practices even under identical economic conditions. The identification of key accounting policy elements makes it possible to determine existing problems and outline approaches to their resolution (Table 1).

Improving the accounting policy for digital assets should focus on its integration with current requirements for digitalization, auditing, and corporate governance, which implies enhancing the formalization, transparency, and controllability of accounting decisions. Primarily, the accounting policy should include a clearly defined list of digital assets recognized as accounting objects, with established approaches to their classification depending on their economic substance and manner of use in the company's operations. It is advisable to detail the recognition and initial measurement criteria for digital assets, specifying acceptable sources of information to confirm control and determine initial cost in accordance with IFRS [6], thereby reducing the risk of arbitrary interpretation.

Table 1 – Key elements of accounting policy for digital assets: issues, implications, and solutions

№	Accounting policy element	Nature of problems, impact on disclosure and corporate governance	Solution
1	Scope of application	The absence of a unified definition of digital assets in standards leads to differing interpretations of accounting objects and inconsistent disclosures.	Define criteria for classifying assets as digital, specifying the standards applied.
2	Classification of digital assets	Unclear classification criteria result in different accounting approaches for similar assets and reduce the comparability of reporting.	Establish classification characteristics based on the economic substance of digital assets.
3	Recognition criteria and timing	Insufficient formalisation of evidence of control over digital assets complicates the determination of recognition timing and limits disclosure transparency.	Set control criteria and a list of acceptable recognition evidence.
4	Initial measurement	The choice of measurement basis and price sources largely relies on professional judgement, which is often inadequately disclosed.	Define the basis for initial measurement and priority market price sources.
5	Subsequent measurement	The absence of a single approach to subsequent measurement of digital assets causes variability in accounting decisions and reporting outcomes.	Fix subsequent measurement models according to asset categories.
6	Determination of fair value	Inconsistent approaches to selecting the principal market and price sources reduce reproducibility of valuations and the quality of disclosures.	Establish a methodology for determining fair value and a hierarchy of price sources.
7	Verification of ownership and custody	Unformalised procedures for confirming control and custody conditions lead to fragmented disclosure of associated risks.	Define procedures for verifying control and conditions for storing digital assets.
8	Disclosure of professional judgements	Limited disclosure of key judgements and assumptions reduces the informativeness of financial statements for users.	Implement structured disclosure of key professional judgements and estimates.

Source: based on [3, 6, 8, 14]

An important area for improvement is the establishment of consistent rules for the subsequent measurement of digital assets, in particular the definition of conditions for applying fair value, approaches to selecting an active market, and procedures for documenting professional judgments, which are crucial for ensuring the reproducibility of valuation results and audit verification [2].

Clear regulatory codification of the relevant elements of accounting policy creates the prerequisites for enhancing financial and ESG reporting transparency, reducing information asymmetry, and strengthening control over digital asset transactions. The accounting policy for digital assets should ensure transparency and reproducibility of disclosures by: (a) clearly defining the scope and classification; (b) documenting the criteria for the timing and method of recognition; (c) unambiguously specifying the basis for subsequent measurement with a detailed description of the fair value methodology; (d)

formalizing procedures for confirming ownership rights and custody; and (e) establishing a minimum disclosure set (classification tables, reconciliations, valuation techniques, custody descriptions). In this way, a detailed accounting policy will ensure compliance with standards and reduce variability in disclosures between companies. In the EU, crypto-asset accounting combines MiCA requirements and IFRS, requiring companies to define token classification, valuation, controls, and regulatory disclosures. Due to IFRS gaps and differences with fair-value jurisdictions, multinationals include jurisdictional addenda and standardize reporting and controls.

The proposed measures combine elements of best practices from the EU and the US (including clear classification, formalization of fair value inputs, custody controls, governance oversight, and external valuation review [2, 8]) with adaptation to national specifics, which are characterized by lower liquidity, regulatory





uncertainty, and the need for standardized templates and frameworks. Implementing these recommendations for improving accounting policies will enhance the reproducibility of valuations, the quality of disclosures, and the effectiveness of corporate governance in Ukrainian companies operating with digital assets.

Current IFRSs [6] (IAS 38, IFRS 9, IFRS 13 in combination with the Conceptual Framework) provide general frameworks for classification, recognition, and measurement, but they do not fully capture the specific characteristics of digital markets, including their volatility, the fragmentation of exchanges, and the complexity of control verification. Consequently, accounting policy performs a compensatory function by specifying the scope of standards' application, formalising classification criteria, defining acceptable evidence of control, and establishing procedures for initial and subsequent measurement. Efforts continue to identify effective approaches that link the economic substance of digital assets to appropriate accounting models, reduce the subjectivity of professional judgements, and enhance comparability in financial reporting. For Ukrainian entities, the combination of formalised approaches with adaptive mechanisms that consider national regulatory and institutional constraints is particularly relevant. Further scholarly discussions should focus not only on improving the regulatory framework but also on the practical implementation of accounting policy as a tool to enhance transparency and build trust in reporting on digital assets.

Conclusions and prospects for further research. The challenges of accounting for digital assets are linked to the absence of specialised accounting standards and clearly formalised provisions within accounting policies, which directly affect the quality of disclosures and the effectiveness of decisions based on them. The proposed recommendations include defining digital assets, establishing a standardised classification, formalising recognition and measurement criteria, implementing control and custody verification procedures, and documenting key professional judgements. Implementing these measures will ensure comparability and transparency of financial reporting and enhance the effectiveness of corporate governance over digital assets in a digitalised economy.

Future research prospects include the development of automated systems for monitoring and validating valuation parameters to improve the reliability of disclosures and prevent manipulation in judgements regarding digital assets.

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