CryptaCount

IFRS vs US GAAP for crypto assets: where the two frameworks diverge

Two frameworks, two very different pictures of the same wallet. Under IFRS, crypto is typically an intangible asset carried at cost less impairment. Under US GAAP, in-scope crypto assets are measured at fair value with changes through net income. This guide sets out what that means in practice for measurement, period-end work and group reporting.

CryptaCount

www.cryptacount.com

General information, not accounting, legal or tax advice

IFRS vs US GAAP for crypto assets: where the two frameworks diverge

Two frameworks, two very different pictures of the same wallet. Under **IFRS**, crypto is typically an intangible asset carried at cost less impairment. Under **US GAAP**, in-scope crypto assets are measured at fair value with changes through net income. This guide sets out what that means in practice for measurement, period-end work and group reporting.

What each framework treats crypto as

Under **IFRS**, crypto held by an entity is typically accounted for under **IAS 38** as an **intangible asset**. That classification is the root of everything that follows: an intangible asset is not a financial instrument and is not cash, so the measurement machinery that applies to those categories does not apply here.

Under **US GAAP**, **FASB ASU 2023-08** addresses crypto assets directly and requires in-scope crypto assets to be measured at **fair value**. The standard defines its own scope, so the first question for a US GAAP preparer is not how to measure but whether a given holding falls inside that scope. Confirm scope against the standard itself rather than assuming it covers everything in the wallet.

The measurement basis

Under IAS 38 the default is **cost less impairment**. The asset comes on at cost, stays at cost, and is written down when its recoverable amount falls below carrying amount. Revaluation is available only in narrow circumstances, so most entities in practice sit on the cost model.

Under ASU 2023-08 the basis is **fair value**, remeasured at each reporting date, with **changes recognised through net income**. There is no impairment test to run because the carrying amount already reflects current value in both directions.

How gains and losses reach the financial statements

This is where the two frameworks part company on the income statement. Under the IAS 38 cost model, a **rise** in the value of a holding does not reach profit or loss at all while the asset is still held. Nothing is recognised until the asset is disposed of, at which point the whole movement since acquisition lands as a realised gain. A **fall** in value, by contrast, is recognised as an impairment loss while the asset is still held.

Under ASU 2023-08, both directions land in **net income** in the period the value moves. An unrealised gain is recognised as it arises, as is an unrealised loss. Disposal, when it comes, produces little further movement because the carrying amount was already marked to fair value.

The core practical divergence: impairment against fair value

The divergence that matters most day to day is asymmetry. Impairment under IAS 38 is **not reversed through profit or loss** in the way a fair-value gain is recognised under ASU 2023-08. A holding that falls in value and then recovers leaves a permanent mark on IFRS results in a way it does not on US GAAP results, because the write-down was recognised and the recovery, while the asset is still held, is not mirrored in the same manner.

For a volatile asset class this is not a footnote. Under IFRS the cost model tends to produce carrying amounts below current market value in a rising market and reported results that lag economic reality. Under US GAAP the numbers track the market in both directions, which is more informative and considerably more volatile.

Comparison at a glance

	IFRS	US GAAP
Primary reference	IAS 38, intangible assets	FASB ASU 2023-08, crypto assets
Classification	Typically an intangible asset	Crypto assets within the standard's defined scope
Measurement basis	Cost less impairment, revaluation only in narrow circumstances	Fair value at each reporting date
Value increases while held	Generally not recognised in profit or loss under the cost model	Recognised in net income
Value decreases while held	Recognised as an impairment loss	Recognised in net income
Recovery after a decline	Impairment is not reversed through profit or loss in the way a fair-value gain is recognised	Recognised in net income as the value recovers
Effect on reported results	Carrying amount can sit below market, results lag the market	Results track the market in both directions, higher volatility
Period-end work	Impairment assessment against carrying amount	Fair value remeasurement of every holding

What it means for period-end work

Under IFRS the close revolves around **impairment**: identifying holdings whose value has fallen below carrying amount, measuring the write-down, and evidencing the assessment. The cost basis behind each holding therefore has to be right and has to survive across wallets and periods, because carrying amount is the benchmark the whole test runs against.

Under US GAAP the close revolves around **valuation**: every in-scope holding is remeasured at the reporting date. That puts weight on the fair-value convention, meaning the price source, the cut-off time and time zone, the fallback when a source has no price, and the retention of timestamped quotes so a reviewer can reproduce the number. Both frameworks need that convention documented; US GAAP exercises it every period on every holding.

In either case the same underlying records carry the load: a complete transaction population, a documented cost-basis method applied consistently, internal transfers that do not create phantom disposals, and postings traceable to source. See the crypto audit readiness checklist for what that evidence looks like in practice.

Reporting under one framework to a parent using the other

A Luxembourg or European subsidiary reporting under IFRS into a US parent consolidating under US GAAP, or the reverse, has to produce **both** measurements from the same underlying activity. That is a reconciliation obligation, not a translation exercise: the transaction population is identical, but carrying amounts, the timing of gains and losses, and therefore the reported result differ.

The practical requirement is that the sub-ledger holds one set of events and can present them under either basis, rather than the group maintaining two disconnected sets of books that drift apart. CryptaCount maintains **IFRS and US GAAP ledgers** over the same transaction data, across 90+ blockchain networks and 100+ exchange and wallet connectors, with 12 disposal cost-basis methods available and postings pushed into QuickBooks, Xero, NetSuite, Sage or Zoho.

> *Scope, transition and presentation detail must be confirmed against the standards themselves and with a qualified advisor. This guide describes the direction of the difference, not the full requirements of either framework.*

For the framework pages, see IFRS crypto reporting and US GAAP crypto reporting. To fix your own position in writing, start from the crypto accounting policy template.

Disclaimer. General information, not legal, accounting or tax advice. Confirm scope, transition and presentation against IFRS and US GAAP themselves and with a qualified advisor.

Put your crypto books on a real sub-ledger at app.cryptacount.com