

Liu Chengyu,

Lecturer,

Nanchang Institute of Science and Technology,

Nanchang City, Jiangxi Province, China

CRYPTOCURRENCIES IN INTERNATIONAL ACCOUNTING

In the 21st century, the world has entered the third act of monetary history an era dominated by the virtual economy. In this era, the nature and function of money have changed fundamentally. The highest form of money, namely electronic money, is gradually giving up its physical sensory form and turning to virtual presentation through technical means. The rapid development of blockchain technology gave birth to the rapid development of cryptocurrency. Today, in many activities, the use of advanced information technology has become a crucial theme, especially in the field of accounting, which constitutes the core of any facility management system. The development of the digital economy gives birth to the modernization of information and telecommunication technology, which brings unprecedented new opportunities to the accounting industry. The application of information technology not only reduces the cost and human error, but also greatly improves work efficiency and strengthens the competitiveness of the organization.

The price of cryptocurrency is determined by the relationship between supply and demand, showing the characteristics of a free market interest rate. Different from traditional currency, the accounting treatment of cryptocurrency is based on the identity of payment instruments and the participants of the agreement. This method is applicable to short-term transactions with similar parties. When dealing with cryptocurrency in the form of a series of byte information, the electronic payment system will play an intermediary role, and its core task is to ensure that duplicate byte groups are not accepted.

The current accounting and reporting framework has not considered cryptocurrency. The accounting treatment of encrypted assets and its impact on the

company's financial report are rarely involved in research. Therefore, the purpose of this study is to analyze and synthesize the existing literature on this subject, and provide an analytical perspective to simplify the existing understanding of accounting treatment and its impact on financial reports, in order to making practical contributions to the encryption of asset literature. The research goal of this paper is to establish and verify the definition of cryptocurrency in financial accounting, evaluate the applicability of the opinions expressed by standard makers under the framework of IFRS, and put forward corresponding accounting treatment methods. This should be analyzed for the specific company business analysis.

Globally, governments and major accounting organizations have not formulated a clear, unified and detailed accounting policy or guiding principle to deal with accounting problems related to cryptocurrencies. With the rise of the cryptocurrency investment boom, its market value fluctuations are becoming more and more obvious. Therefore, the establishment of a reasonable and perfect cryptocurrency accounting system is very important to the financial market. This paper suggests that when constructing the future cryptocurrency accounting system, we should mainly pay attention to three core points: First, distinguish cryptocurrencies with different characteristics according to their holding purposes, and recognize their differences in liquidity and risk. Secondly, we should follow the relevant guiding principles of financial instruments, comprehensively consider how enterprises manage their cryptocurrencies and the characteristics of cash flow that these assets may generate, carefully classify cryptocurrencies, and explain the reasons and basis for classification in detail. Finally, when formulating or updating relevant guidelines, we must fully consider the high fluctuation of the market price of cryptocurrency and the uncertainty of the intrinsic value of cryptocurrency.