
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

35th SESSION

24 - 26 October 2018

Room XVII, Palais des Nations, Geneva

Wednesday, 24 October 2018

Morning Session

High-Level panel
**Key trends in accounting and reporting and their impact on
sustainable and inclusive development**

Presented by

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Blockchain

David Szafran

The author expresses his own views

24th October 2018

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Workshop Summary



About Blockchain

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Concepts

2

Requirements

3

Developments

4

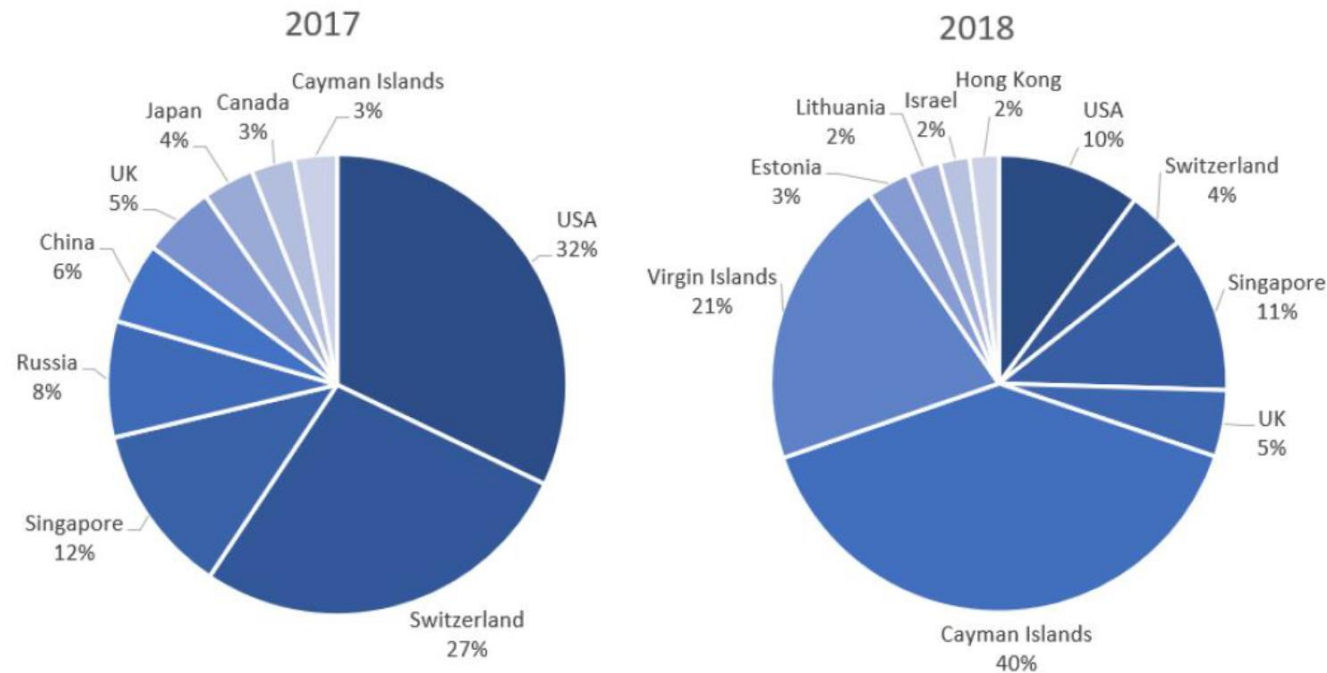
About Blockchain

- Notion: digitized, decentralised, public ledger of encrypted transactions
- Characteristics: integrity, open source,...
- Multiple applications
 - Logistics
 - Healthcare
 - Foodchain
 - Crypto-assets
 - Tokens
 - Audit
 - Smart contracts
 - Property register



Risks & Alerts

ESMA HIGHLIGHTS ICO RISKS FOR INVESTORS AND FIRMS



Source: Satis Research

Source: SMSG Advice - Own Initiative Report on Initial Coin Offerings
and Crypto-Assets, ESMA22-106-1338, 19 October 2018

Risks & Opportunities

Risks	Opportunities
Money-laundering	Integrity (through block encryption) & Audit Trail
Financing Terrorism	Multiple sectors (healthcare, food chain, logistics, bonds issuing, payments, property registers,...)
Volatility	Disintermediation
Speculation	Efficiencies
'Market' manipulation	Smart contracts (e.g. insurance)
Scam (alerts from ESMA and national regulators)	Accounting (integration in ERP systems, invoicing,)
Thefts (of private cryptographic keys)	Audit (e.g. NGOs use of subsidies; self executing contracts; real time audit,...)

This is not...



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*This is not ... **

- a Payment Instrument ?
- a Financial Instrument ?
- an Investment Instrument
- an Electronic Currency ?

** Questions raised during the ISAR-Workshop
Roundtables of 22.10.2018*



Requirements*



* *Case-by-case analysis, per jurisdiction*

Developments

Accounting

- IFRS 9 (**cash, financial instruments**) – IAS 32
- IAS 2 (**Inventory**) – cost approach
- IAS 38 (**Intangible Assets**) – cost approach
- **Investments** (commodities, minerals, ...)? (e.g. AASB)
- **Fair value** (if « *active market* » under IFRS 13 *Fair Value Measurement*) or **cost value** (or lower disposal value)? Assets & liabilities? (e.g. ASBJ, 14.2.2018)

Tax

- CJEU Case C-264/14 22.10.2015 (VAT exemption)
- Tax rulings



Corporate law

- Capital
- Governance

Regulatory

- Payment services related activities
- ICO/ITO
- Exchange platforms

AML (5th Directive EU 2018/843, 30.05.2018)

Thank you!

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