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

35th SESSION
UNCTAD-ISAR Workshop
Room XXVI, Palais des Nations, Geneva

Monday, 22 October 2018

Digital currencies and blockchain: implications for accounting

Presented by

Philippe Arraou
Board member
International Federation of Accountants

UNCTAD ISAR

Geneva   22 October 2018

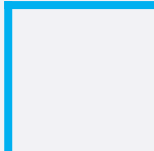# Revolution on Planet Accountancy

By Philippe ARRAOU

Philippe
ARRAOU

- **Immediate Past President of French Chartered Accountants Institute "Ordre des Experts-comptables"**

- **Managing Partner of BDO France**

- **IFAC board member, Chairman of "Technology Committee"**

- **Author in 2016 of "the Certified Public Accountant and the Digital Economy" prefaced by Emmanuel Macron**

@parraou

We move from a **print-based industrial** society into a **technology-based Internet** society

Richard and Daniel Susskind
"the Future of the professions"

Technology is impacting society

The Digital transition in our day to day life

Every single minute
in the world

+ 900 000 connections

+ 450 000 new tweets

+ 150 accounts opened

Social Networks

▶ Platforms offering exchange of information and content between people

▶ Use may be private and/or professional

The digital
area

X9

In the last 2 years we have seen 9 times **more data created** than in the entire history of humanity

100

billions **connected devices** expected by 2025

1

billion **digital natives** will join the workforce in the next 7 years

4 disrupting technologies

RFID Chips

AI

Big Data

Robots

Technology is impacting business

"**In this new world,**
it is not the big fish which eats the small,
it's the fast fish which eats the slow fish."

Klaus Schwab,
Founder & executive chairman Word Economic Forum

What exactly are we
talking about ?

Digital transformation
Numeric transition

Whatever

Business model transformation

Changing every facet of going to market :

- services,
- value propositions
- target customers
- pricing

01

Intelligent automation

Increase professionals' abilities at lower cost to serve using emerging technologies (analytics, AI, deep learning)

02

03

Anticipate change, permanently adapt strategies and processes, encourage creativity, react faster, take the lead
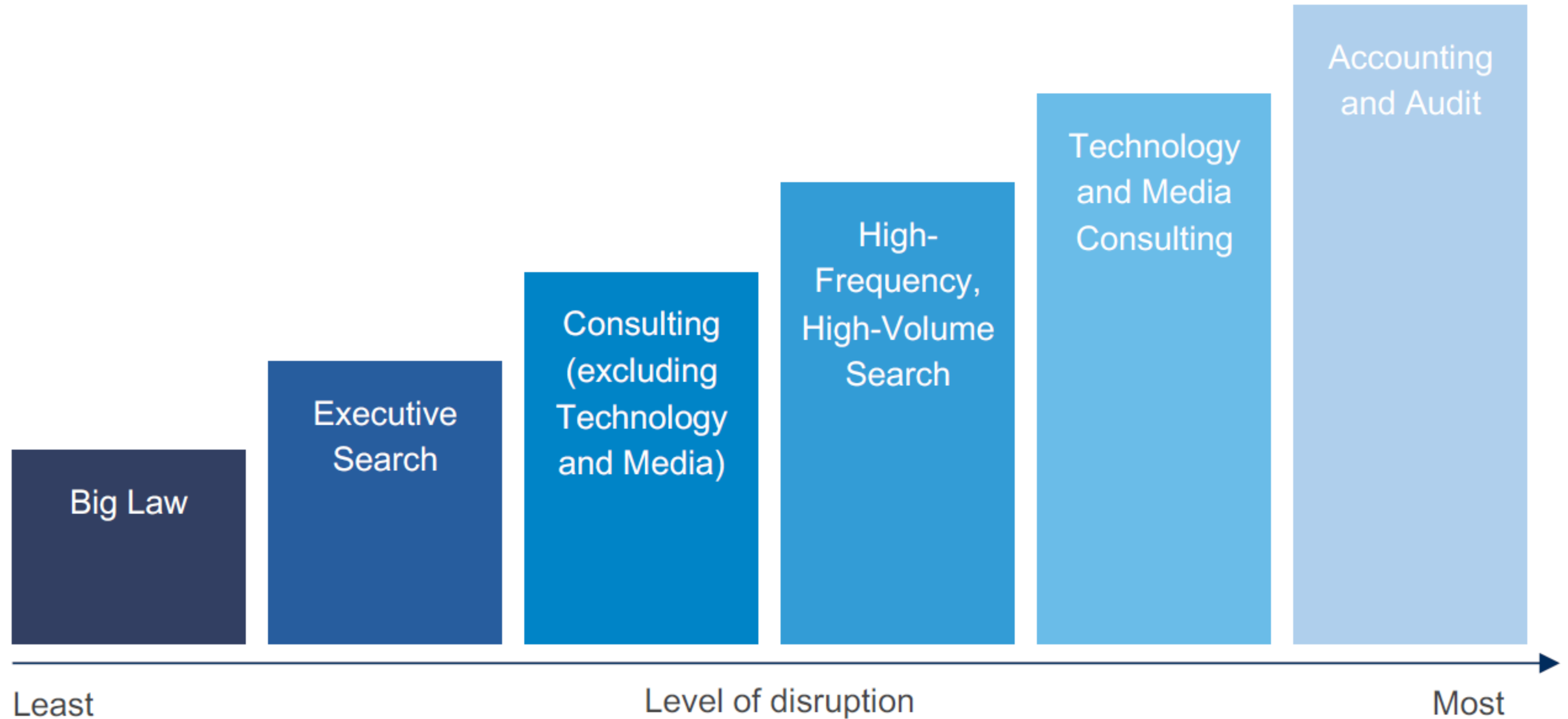
Digital agility

Leverage new technologies & models, high value employee's experience and manage dynamically to source talent…

Talent empowerment

Technology is impacting accountancy profession

The impact of digitalization varies across industry segments

Big Law

Executive Search

Consulting (excluding Technology and Media)

High-Frequency, High-Volume Search

Technology and Media Consulting

Accounting and Audit

Least | Level of disruption | Most

The impact of technology varies by segment

	Impacted by technology	Partially impacted by technology

	Legal	Consulting	Auditing & Accounting	Human Capital
Machine Learning	Impacted	Impacted	Impacted	Impacted
Deep Learning	Impacted	Impacted	Impacted	Impacted
Data Science	Impacted	Impacted	Impacted	Impacted
Smart Robots	Impacted	Impacted	Impacted	Impacted
Natural Language Processing	Impacted	Impacted	Impacted	Partially impacted
Virtual Reality	Partially impacted	Partially impacted	Partially impacted	Partially impacted
3D Video Telepresence	Partially impacted	Partially impacted	Partially impacted	Impacted
Blockchain / Distributed Ledgers	Impacted	Partially impacted	Impacted	
E-Discovery Software	Impacted			

4 key factors
for change

legislation

technology

users/clients
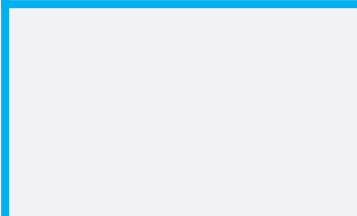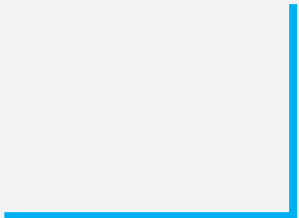
market

Will Accoutants

disappear ?

Driving forces of Accountants

skills

- ✓ client

- ✓ Regulation authority

trust

- ✓ complexity
- ✓ ethics

security

- ✓ authentication

- ✓ cybercriminality

Value chain

- Information system
- transformation

Digital Information System
core business for accountancy

System of record

System of Mediation (core)

System of engagement

System of automation

Web apps, relational data, transaction system, Legacy Apps (CRM, HR, ERP)

Devices & modern UI, social, data & content, IOT, cloud

Real time data mining connected to production stations and IOT
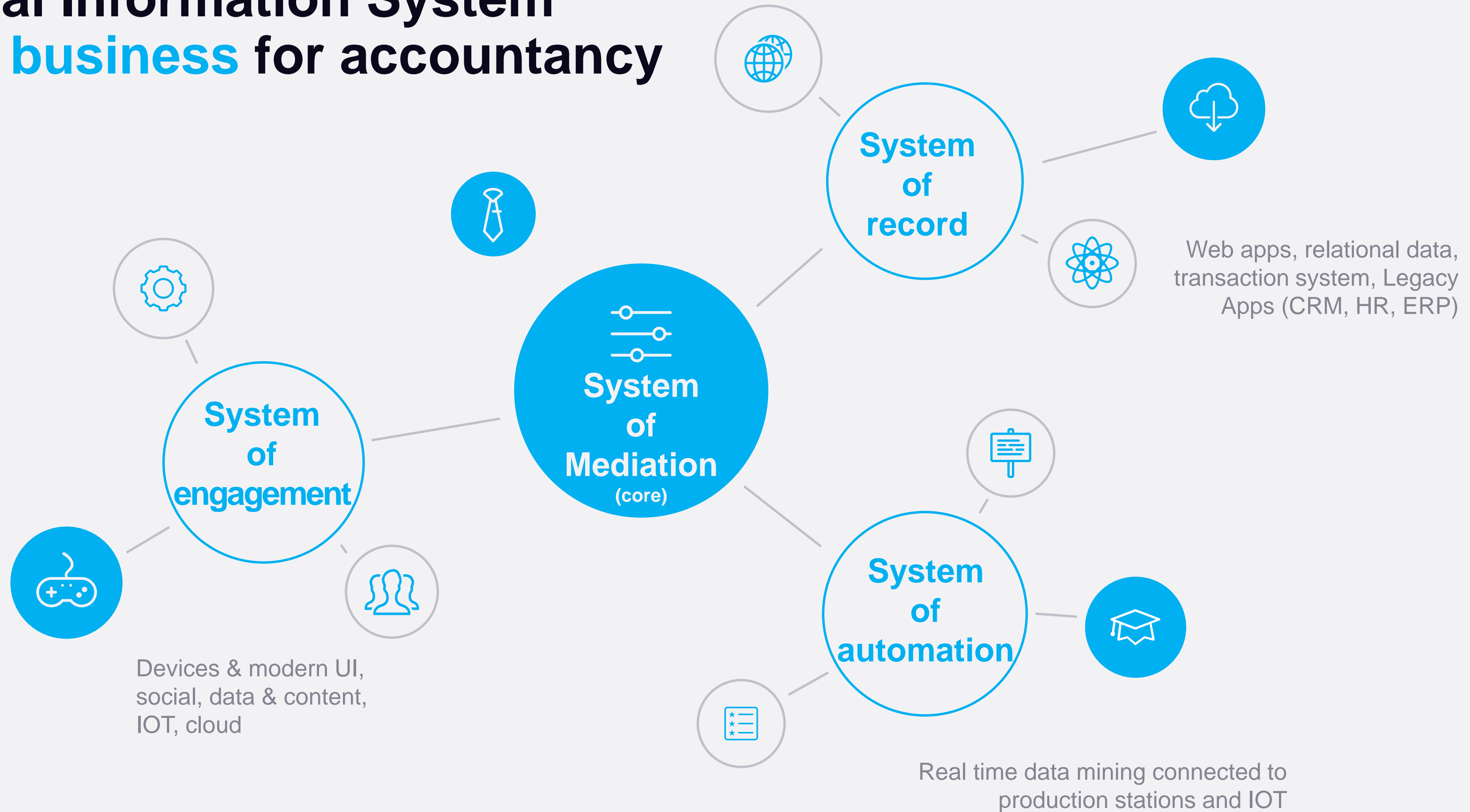
Security
core business for accountancy

Storage

Cloud computing

authentication

securisation
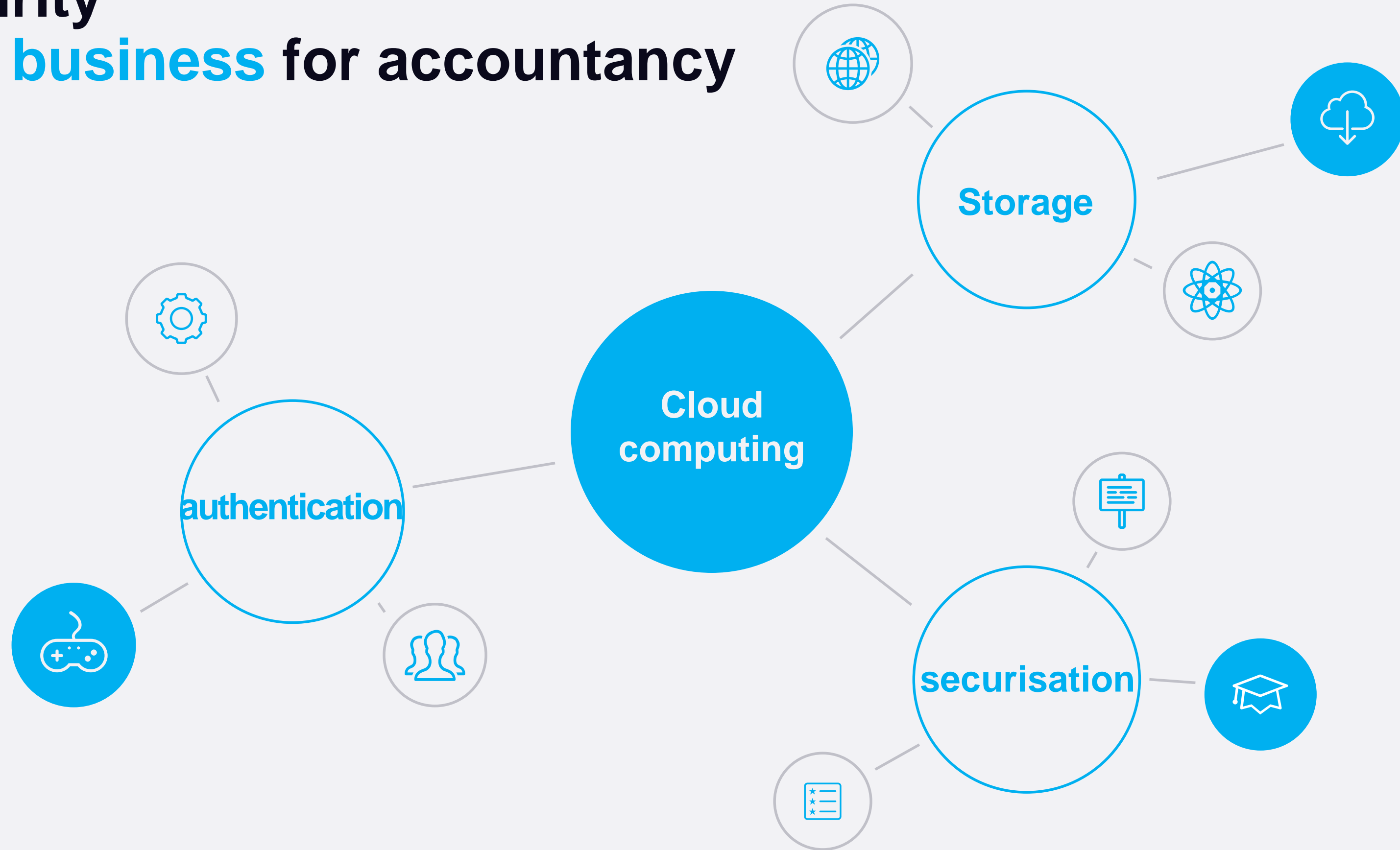
Digital Accoutants

have Future !

thank you.