



May 1, 2025

Commissioner Hester M. Peirce
Chair of SEC Crypto Task Force
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Dear Commissioner Peirce:

PricewaterhouseCoopers LLP (PwC) appreciates the opportunity to provide input to the Securities and Exchange Commission (“SEC” or “Commission”) Crypto Task Force. We commend the SEC for the formation of the Crypto Task Force and the invitation for public feedback from a broad base of stakeholders. Regulatory policy and guidance related to crypto assets, combined with effective oversight, can foster an environment that supports innovation, encourages responsible capital formation, and strengthens investor protection.

PwC has been engaged in addressing issues related to crypto assets since the inception of cryptocurrency. Today, our Global Digital Assets team provides services to a wide swath of market participants, including issuers, broker-dealers, investment advisers to public and private funds, intermediaries (exchanges) and others in more than 60 countries across our network of firms.

As more companies and individuals participate in to this rapidly expanding industry, the need to build trust and instill investor confidence will increase. PwC provides services that span the risk management lifecycle, from performing initial risk assessments, identifying control gaps, and developing risk mitigation strategies to conducting Service Organization Control (SOC) 1 and SOC 2 readiness assessments and attest engagements. We also help clients develop dedicated digital asset strategies — through market landscape analysis, due diligence, and feasibility or capability assessments — and work with them to integrate digital assets into their broader business and technology strategies. Our multidisciplinary team, comprised of

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financial services industry experts, former regulators, and technical crypto asset specialists assist companies in forming a compliance framework and strategy that is responsive to technology advancements, risks and developing regulations.

In addition to working directly with clients, we have developed or contributed to meaningful technical and interpretive guidance to help companies navigate financial reporting related to crypto assets. We developed a [*Crypto assets*](#) accounting and financial reporting guide. Published in 2021 and updated as recently as March 2025, this guide summarizes the applicable accounting literature; provides our insights and perspectives, interpretive and application guidance, and discusses emerging practice issues. We have also leveraged our expertise working with the American Institute of Certified Public Accountants (AICPA) as a member of its accounting and auditing crypto asset task forces alongside other experts in the field to assist in the development of the AICPA's practice aid, *Accounting for and Auditing of Digital Assets*.

In our interactions with stakeholders, including entities that issue, hold, transact in, or serve as intermediaries or custodians of crypto assets, questions continue to be raised about:

- the nature of the regulations that apply,
- the accounting models applicable to crypto activities, even after the implementation of the Financial Accounting Standards Board (FASB) standard on certain crypto assets,
- the related financial reporting ramifications, and
- the extent and consistency of procedures performed by independent auditors.

The application of the current regulatory framework to crypto assets is unclear, with varying interpretations resulting in inconsistencies in how companies apply them and how regulators enforce them. Universally, we have found that participants in the crypto marketplace seek transparency, clarity, and consistency.

A new framework that combines regulations and interpretive guidance is needed to provide regulatory certainty, support investor protection, and maintain the attractiveness of the US capital markets for crypto asset-related transactions.



We believe that the main components of an enhanced crypto asset regulatory framework should address the following:

- Security status – Digital assets are not homogeneous. Because the characteristics of a stablecoin vary from those of a non-fungible token, bitcoin, or memecoin, for example, it would be helpful to provide a framework that identifies how those characteristics cause the crypto asset to meet or not meet the definition of a security.
- Public offering requirements – If determined to be a security, we believe existing rules can be leveraged with modification as necessary for the unique elements of crypto assets.
- Financial reporting and attest guidance – The definitions of financial terminology and the corresponding accounting treatment should remain the purview of the FASB, with the efforts of the AICPA leveraged by the PCAOB for attestation/assurance requirements.
- Custody-related regulations – Custodians play a key role in the crypto asset ecosystem, with clear requirements needed to provide adequate investor protection.
- Global consistency - Convergence with regulations in other jurisdictions, as applicable, would benefit multinational issuers.

Each of these elements is described in more detail in the sections that follow.

Security status

Whether a crypto asset is a security is a watershed decision with cascading ramifications. Whether a crypto asset is a security provides essential information regarding the relevant securities laws, applicable registration requirements, required prospectus disclosures (including the required financial information), and ongoing reporting obligations. In practice, there are numerous types of crypto assets conveying various rights and privileges. The definition of a security under US law and the related Howey Test have served the capital markets for decades for traditional assets. It is not always clear, however, how to apply this definition to the unique characteristics of crypto assets. Developing principles-based, interpretive guidance to identify



the characteristics that would subject a crypto asset to specific regulatory requirements will allow entities to predict the expected treatment of new types of assets as they develop, enhancing consistency and efficiency.

While it is important for the Commission to have a framework that allows for the consistent identification of crypto assets subject to specific regulations, it should refrain from developing new definitions for terms already commonly understood and defined in the accounting literature. For example, “financial instruments” and “financial assets” have established definitions that determine the applicability of specific accounting standards. Changes to these terms and other common terminology may create unnecessary complexity as issuers would need to navigate conflicts in how the same words are understood in accounting and reporting standards versus SEC regulations, potentially leading to confusion and unintended consequences.

The SEC should also be clear regarding the applicability of regulations to crypto assets that do not meet the definition of a security. In most cases, we believe extant requirements that address the accounting and reporting for various types of tangible and intangible assets will be sufficient to address non-security crypto assets.

Public offering requirements

The current financial reporting ecosystem continues to serve the needs of investors and other stakeholders effectively when applied to traditional securities and related transactions. When addressing crypto assets that meet the definition of a security, it is important that the role of each of the participants in the financial reporting ecosystem is respected and leveraged to maintain similar stability and provide the necessary clarity and consistency. The SEC’s current regulatory framework, for example, should be applied to crypto assets that meet the definition of a security, with modifications made in response to the characteristics that are unique to crypto assets. We also appreciate that any regulatory framework will need to be principles based, with the ability to remain effective in an area undergoing rapid evolution.

We believe that the regulatory requirements that guide traditional public offerings provide a robust foundation for public offerings of crypto assets. To this end, we appreciate the April 10, 2025 statement from the Division of Corporation Finance regarding crypto-related disclosures in response to existing disclosure requirements and answers to common questions posed to the staff by market participants. For some types of crypto assets, we believe that the nature of the underlying asset being offered may not require significant



changes to the type and extent of information investors need to make informed decisions. There may also be, however, disclosures within the existing rules that need to be tailored or supplemented with crypto examples in response to the unique risks related to certain types of crypto assets to encourage consistency and transparency.

Like traditional securities, continuous reporting after an initial crypto offering (e.g., in Form 10-Ks and 10-Qs) may be useful to provide current information about the use of capital, enterprise risks, and how past performance may or may not be indicative of future performance.

Before developing additional disclosure requirements, however, we recommend that the Commission consider whether financial statements and related disclosures compliant with the current standards of the FASB meet the needs of stakeholders. Consideration of current and planned FASB disclosure requirements before developing incremental SEC requirements will contribute to more efficient disclosures, minimize conflict, and reduce the reporting burden on issuers. See additional observations under *Financial reporting and attest guidance*.

Financial reporting and attest guidance

Questions about accounting and financial reporting, as well as terms commonly used in accounting literature, should remain the purview of the FASB. We observe that the FASB has existing standards applicable to different types of assets, which adequately address recognition and measurement based on the classification of the asset (e.g., intangible asset, financial asset) and the manner in which it was acquired. For example, for assets that meet the definition of a financial asset, there is already a well-established framework under the FASB standards, including ASC 320, *Investments – Debt Securities*, ASC 820, *Fair Value Measurement*, and ASC 825, *Financial Instruments*. Similar guidance exists under International Financial Reporting Standards.

In addition, newly effective guidance in ASC 350-60, *Accounting for and Disclosure of Crypto Assets*, addresses subsequent measurement, presentation, and disclosure for certain crypto assets. Further, the AICPA has updated its practice aid, *Accounting for and Auditing of Digital Assets*, in response to the FASB's standard. Together, these resources have resulted in largely consistent financial reporting treatment for companies holding crypto assets.



The Commission should also consider the feedback received by the FASB in response to its January 2025 *Invitation to Comment – Agenda Consultation*, which asks for input on challenges in applying current recognition and derecognition guidance to crypto asset transactions and related activities. These resources should be considered before the Commission commits to the development of incremental accounting, reporting, or disclosure guidance.

With respect to auditing crypto holdings reflected in the financial statements, assurance providers are skilled at conducting risk assessments and adapting the nature of procedures to respond to identified risk. The principles-based nature of the PCAOB’s auditing standards and guidance have allowed auditors of public companies to adapt traditional procedures to address crypto assets, but additional guidance would be helpful. While the PCAOB has published inspection observations on how audit firms address crypto asset activity in their audits, further guidance and clarification from the PCAOB would help maintain consistency in application and execution as well as help align regulatory and stakeholder expectations and help to avoid expectation gaps.¹

The AICPA practice aid is also helpful in its practical recommendations for auditors in how to address specific considerations in the digital asset ecosystem, including the importance of SOC reports. As in many cases, substantive evidence alone may not provide sufficient appropriate audit evidence, it will be necessary for assurance providers to rely on internal controls addressing the rights and obligations related to crypto assets that frequently operate at third-party service organizations (e.g., third-party custodians). SOC reports will often serve as the basis for this reliance and therefore benefit both preparers and auditors. We believe that the AICPA practice aid should serve as an initial basis and inform any guidance or standards developed by the PCAOB.

The ability to perform an effective audit is reliant on the existence of adequate documentation supporting an issuer’s accounting and disclosures. The Commission may want to evaluate whether its rules regarding books and records could be expanded to address documentation requirements specific to crypto assets and expectations relative to safeguarding controls.

¹ PCAOB, Spotlight: [Observations From the Target Team’s 2023 Inspections](#), September 2024; Spotlight: [Inspection Observations Related to Public Company Audits Involving Crypto Assets](#), June 2023.



Custody-related regulations

The SEC's broker-dealer and registered investment adviser rules (primarily Exchange Act Rules 15c3-3 and 17a-5 and Advisers Act Rule 206(4)-2, respectively) are important elements of the safeguards for client assets held in custody. Such rules, as well as Exchange Act Rules 15c3-1, 17a-3, and 17a-4, specifically address securities and cash. As a result, customers investing in crypto assets that are not securities with a broker-dealer or investment advisor receive less protection than customers holding securities or cash. The protections afforded by the custody rules are also designed in response to risks specific to physical custody of securities and cash. Differences in how crypto asset holdings can be verified create a different risk profile for crypto assets versus traditional securities.

We believe that clients and customers who own (or invest in) digitally native assets are entitled to comparable protection for assets held in custody. Accordingly, we believe the custody rules and compliance requirements should be expanded to address crypto assets, even if such assets do not meet the definition of a security. Expanding the scope of the existing requirements to encompass crypto assets leverages an effective regulatory framework and minimizes complexity and, as such, would be preferable to developing new bespoke rules. We acknowledge that such an expansion may put assets that meet the definition of commodities, ordinarily within the purview of the Commodities Future Trading Commission (CFTC), within the scope of SEC regulations. Changes to these regulations would therefore require collaboration between the Commission and the CFTC to set the appropriate boundaries, ensure consistency between the respective requirements, and provide necessary clarity regarding regulatory authority for market participants.

Global consistency

Other jurisdictions are also working toward enhanced regulatory specificity for crypto assets. We believe international coordination is important to engender consistency and reduce complexity for companies that operate globally. In March 2025, we issued our third annual [Global Crypto Regulation Report 2025](#), which provides an overview of the global regulatory landscape, how the regulatory frameworks are developing around the world, and the related impact on crypto and traditional financial services firms.



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We would be pleased to discuss any of our recommendations with the Crypto Task Force or SEC staff. We also appreciate that this is an emerging area that will likely require a series of actions to build an effective regulatory framework and would welcome the opportunity to engage in an ongoing dialogue. Please contact Kyle Moffatt at kyle.moffatt@pwc.com or Matt Blumenfeld at matthew.blumenfeld@pwc.com regarding our submission or future engagement.

Sincerely,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP