



April 18, 2024

Ms. Monica Valentine  
Executive Director  
Federal Accounting Standards Advisory Board  
441 G Street, NW, Suite 1155  
Washington, DC 20548

Dear Ms. Valentine:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB or "the Board") Exposure Draft (ED) of the proposed Technical Bulletin (TB), *Seized and Forfeited Digital Assets*.

The GWSCPA consists of approximately 3,300 members, and the FISC includes nearly 20 GWSCPA members who are active in financial management, accounting, and auditing in the Federal sector. We sincerely appreciate the opportunity by the Board to share our views.

Our responses to the ED questions are listed below.

Q1. The proposed TB would clarify that reporting entities should treat central bank digital currencies as monetary instruments and treat all other digital assets (such as cryptocurrencies, stablecoins, non-fungible tokens, etc.) as nonmonetary property when applying the seized and forfeited property guidance in Statement of Federal Financial Accounting Standards (SFFAS) 3, *Accounting for Inventory and Related Property, to digital assets*.

Do you agree or disagree? Please provide the rationale for your answer.

A1. The FISC generally agrees with the proposed clarification for the reasons stated in the ED.

Q2. The proposed TB would clarify that, for purposes of reporting market value in accordance with the seized and forfeited property guidance in SFFAS 3, reporting entities should translate seized and forfeited foreign central bank digital currencies to U.S. dollars at the relevant exchange rate and report a market value for all other seized and forfeited digital assets only if management can determine that a publicly observable active market exists for the specific digital asset.

Do you agree or disagree? Please provide the rationale for your answer.

A2. The FISC generally agrees with the proposed clarification for the reasons stated in the ED.

Ms. Valentine, Federal Accounting Standards Advisory Board  
April 18, 2024

Q3. The proposed TB would clarify that reporting entities should apply the existing SFFAS 3 disclosure requirements for seized and forfeited digital assets, including digital assets for which reporting entities cannot determine a market value. The proposed TB would also clarify that SFFAS 3 does not require reporting entities to disclose specific information about individual digital asset seizures or forfeitures.

Do you agree or disagree? Please provide the rationale for your answer.

A3. The FISC generally agrees with the proposed clarification for the reasons stated in the ED.

Q4. Do any ambiguous areas remain that could lead to challenges with implementing the SFFAS 3 reporting requirements for seized and forfeited digital assets? If so, please reference the specific issues, applicable guidance, and potential solutions.

A4. The FISC is not aware of any ambiguous areas remaining that could lead to challenges with implementing SFFAS 3 requirements for seized and forfeited digital assets.

Q5. Do you wish to comment on any other specific aspects of this proposal?

A5. The FISC does not have any further comments on this proposal.

\*\*\*\*\*

This comment letter was reviewed by the members of FISC, and represents the consensus views of our members.

Very truly yours,



Sherif R. Ettfa  
FISC Chair