

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Staff Expose Technical Bulletin, *Seized and Forfeited Digital Assets*, For Public Comment

The executive director of the Federal Accounting Standards Advisory Board (FASAB), Monica R. Valentine, announced today that FASAB staff released an exposure draft (ED) on a proposed Technical Bulletin (TB) titled *Seized and Forfeited Digital Assets*. The proposed TB is intended to clarify existing guidance in Statement of Federal Financial Accounting Standards (SFFAS) 3, *Accounting for Inventory and Related Property*, for seized and forfeited digital assets.

The proposed TB would clarify that SFFAS 3 requirements in paragraphs 57-78 apply to seized and forfeited digital assets. The TB would further clarify that, with the exception of central bank digital currencies, reporting entities should treat digital assets as nonmonetary property when applying the requirements of SFFAS 3. The TB would also provide clarifying guidance for measuring market value and applying SFFAS 3 disclosure requirements for seized and forfeited digital assets.

“Staff received numerous requests for Board guidance addressing SFFAS 3 reporting requirements for seized and forfeited digital assets,” according to Ms. Valentine. “This proposal would clarify existing guidance for the unique characteristics of seized and forfeited digital assets, which the Board did not consider when developing SFFAS 3.”

The Board requests comments on the ED by **April 18, 2024**. Respondents are encouraged to provide the reasons for their positions. The ED (in PDF format) and the specific questions raised (in Word format) are available on the [FASAB website](#).

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and

effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

FASAB issues federal accounting standards after following a due process consistent with the memorandum of understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

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