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THE VALUE RELEVANCE OF ACCOUNTING INFORMATION ON THE HOLDINGS OF CRYPTOCURRENCIES

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Abstract

This study investigates the value relevance of accounting information for cryptocurrency holdings under the IFRS Interpretations Committee's (IFRS IC) agenda decisions. It examines whether the classification of cryptocurrencies as intangible assets (IAS 38) or inventories (IAS 2) influences the decision-usefulness of accounting information in explaining share prices. The analysis is grounded in the Ohlson (1995) valuation model. Using a sample of IFRS reporters with holdings of cryptocurrency, this study employs regression analysis to test the association between share prices and key financial metrics, including book value of equity per share, earnings per share, and a dummy variable representing cryptocurrency classification. The results indicate that traditional accounting metrics book value of equity and earnings per share remain highly relevant in explaining share prices. However, the classification of cryptocurrency holdings under IAS 2 or IAS 38 does not significantly contribute to share price determination. This study extends the value relevance literature by focusing on the emerging asset class of cryptocurrencies.

Keywords: Accounting information; Cryptocurrency; IFRS; Value relevance.

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INTRODUCTION

The market trend for cryptocurrencies is continuously increasing for the last few years (Hileman & Rauchs, 2017; Holub & Johnson, 2018). In 2018, the market capitalization of cryptocurrencies remained below 1T USD, but by November 2021, it had risen to 2.8T USD (CoinMarketCap, 2022). Cryptocurrencies are frequently used for both payment and investment, either for speculative or value storage purposes (Blahušiaková, 2022; A. Ram et al., 2016; A. J. Ram, 2019). This growth has increased corporate exposure to cryptocurrencies and has created a financial reporting phenomenon in IFRS-based reporting. Firms increasingly hold cryptocurrencies, yet the accounting classification and measurement remain contested, raising question about whether the resulting accounting information is decision-useful for investors.

One important challenge concerns how cryptocurrency holdings should be reported in financial statements (Anderson et al., 2026; Barth, 2022; Luo & Yu, 2024; A. Ram et al., 2016; A. J. Ram, 2019; Tan & Low, 2019). Cryptocurrencies meet the definition of an asset because they are likely to provide the entity with future economic value (Morozova et al., 2020; Raiborn & Sivitanides, 2015). However, is cryptocurrency cash, a cash substitute, an intangible, or an investment? Uncertainty persists due to the fact that cryptocurrencies have unique characteristics that do not match the existing asset classification. Until now, both the IASB and FASB have not had specific standards to cryptocurrencies. Several studies have documented accounting treatment diversity on the holdings of cryptocurrency (Anderson et al., 2026; Beigman et al., 2021; Blahušiaková, 2022; Hampl & Gyönyörová, 2021; IFRS Staff Paper, 2018b; Luo & Yu, 2024; Morozova et al., 2020; Procházka, 2018, 2019). 69% of entities applying IFRS (further IFRS reporters) that hold cryptocurrencies report these holdings at FVTPL as financial instruments (IAS 39 or IFRS 9) and the remaining 31% report these holdings as intangible assets or inventory (IAS 38 or IAS 2) (IFRS Staff Paper, 2018b). In contrast, some fiat-backed stablecoins, a subcategory of cryptocurrencies, met the criteria for cash equivalents (IAS 7) and could be reported as such (Hampl & Gyönyörová, 2021). On the other hand, The Slovak Republic, one of the first nations to introduce an accounting regulation for cryptocurrencies, takes a different approach to cryptocurrency holdings, which are considered short-term financial assets (Blahušiaková, 2022).

Given this diversity and the absence of a specific IFRS standard for the holdings of cryptocurrencies, standard-setters continue to monitor and seek input from stakeholders (Chou et al., 2022). In July 2018, the IASB posed a question to the IFRS Interpretations Committee (further IFRS IC) regarding the accounting for holdings of cryptocurrency based on current IFRS standards (IFRS Staff Paper, 2018a). Then, in June 2019, IFRS IC finalized its agenda decision to apply IAS 2 (inventory) or IAS 38 (intangible asset) to the holdings of cryptocurrencies, following the completion of the required process stages (IFRS Staff Paper, 2019a).

However, this agenda decision contains contentious guidance, as the application of existing standards to cryptocurrency holdings has attracted substantial criticism (Ramassa & Leoni, 2022). It is evident from the 23 comment letters received by IFRS IC that only four letters expressed agreement with the agenda decision without offering any other suggestions (IFRS Staff Paper, 2019b; Ramassa & Leoni, 2022). In contrast, 17 letters highlight the use of IAS 38 that prohibits FVTPL measurement (IFRS Staff Paper, 2019b; Ramassa & Leoni, 2022). Meanwhile, the fair value measurement is the most important piece of information for users of financial statements regarding holdings of cryptocurrency (Anderson et al., 2026; Beigman et al., 2021; Procházka, 2018, 2019). Consequently, ten letters recommend a new standard for cryptocurrency holdings (IFRS Staff Paper, 2019b; Ramassa & Leoni, 2022), which is consistent with a previous accounting study that identified cryptocurrency as a new asset classification (Barth, 2022; A. J. Ram, 2019).

Given the substantial criticisms mentioned previously, this study investigates whether accounting information on holdings of cryptocurrency is value relevant. Accounting information will be value relevant if investors use it to value the company, as reflected by, for example, share prices (Barth, 2000; Barth et al., 2001). We use accounting information on the holdings of cryptocurrencies in line with the IFRS IC agenda decision as a binary variable, i.e., a group of IFRS reporters that report cryptocurrencies holding

as IAS 2 or IAS 38 and a group of IFRS reporters that report cryptocurrencies holding as something other than IAS 2 or IAS 38. Using data from IFRS reporters with cryptocurrency holdings, we apply a valuation approach based on the Ohlson (1995) model to examine the value relevance of accounting information on cryptocurrency holdings under the IFRS IC agenda decision. Overall, the evidence suggests that the IFRS IC classification is not incrementally reflected in share prices after controlling for traditional accounting fundamentals.

This study differs from previous research in two important ways. First, while prior literature has often examined crypto-related disclosure (Yen & Wang, 2021), this study focuses on the IFRS-based accounting classification of cryptocurrency holdings as the mechanism potentially affecting valuation. Second, rather than treating "crypto exposure" broadly, we isolate the informational role of the IFRS IC agenda decision (IAS 2/IAS 38) within an IFRS-reporting setting and test its incremental value relevance within an established price model that also includes earnings and book value.

The novelty of this research is that it provides direct evidence on whether the IFRS IC agenda decision classification for cryptocurrency holdings (IAS 2 or IAS 38) is incrementally value relevant to investors in an IFRS-based financial reporting environment. This study makes three contributions. First, it contributes to the emerging literature on cryptocurrency accounting by providing empirical evidence on whether the accounting classification for cryptocurrency holdings is incrementally value relevant in an IFRS environment. Second, it contributes to the value relevance literature by testing whether the accounting treatment of cryptocurrency holdings provides information beyond earnings and book value, which remain the conventional anchors of equity valuation. While previous literature has focused on cryptocurrency disclosure, i.e., number of words and various topics or themes related to cryptocurrency (Yen & Wang, 2021), this study focuses on accounting information on cryptocurrency holdings under the IFRS IC agenda decision. Third, it contributes to the ongoing standard-setting debate by providing evidence relevant to the question of whether the current IFRS-based approach to classifying cryptocurrency holdings generates decision-useful information for investors. This contribution is important because recent studies continue to show that crypto-asset accounting remains a dynamic and unresolved area of research and regulation (Lazea et al., 2024).

This study also has implications for standard-setting organizations and businesses. Given the lack of accounting standards for cryptocurrencies, it would be advantageous to understand what information is relevant for investors in order to develop an accounting standard suitable for cryptocurrencies (Barth, 2000, 2007). In line with this, companies preparing financial reports regarding their cryptocurrency holdings should consider relevant information.

LITERATURE REVIEW

Value Relevance

This study is primarily grounded in the Efficient Market Hypothesis (EMH) (Fama, 1970), particularly the semi-strong form, which posits that stock prices reflect all publicly available information, including financial statement information. This market-pricing logic is aligned with the concept of value relevance. The value relevance study is linkage accounting number and share market value (Holthausen & Watts, 2001). This linkage was initiated by (Ball & Brown, 1968; Beaver, 1968). Accounting information will be value relevant if it is used by investors to value the firm, which is reflected in share prices (Barth, 2000; Barth et al., 2001). Several models, such as Landsman (1986), Modigliani & Miller (1958) and Ohlson (1995), can be used to measure value relevance study. The Ohlson (1995) model is the most widely used (Permatasari & Narsa, 2022). In relation to cryptocurrencies, a study used the bag of words approach and LDA to examine the value relevance of blockchain and cryptocurrency disclosures in firms' 10-K filings (Yen & Wang, 2021).

Accounting to the Holdings of Cryptocurrencies

Cryptocurrency, a type of cryptoasset (Chou et al., 2022; IFRS Staff Paper, 2018a) , is a virtual currency that uses cryptography and blockchain technology (Ramassa & Leoni, 2022; Yan et al., 2022). Cryptocurrencies use decentralized systems that are not issued by any legal authority (Tan & Low, 2017). Another distinguishing feature of cryptocurrency is its relationship with contracts. Cryptocurrency holdings do not create any contract between the holder and another party (IFRS Staff Paper, 2019a).

Cryptocurrency is not cash because it is not widely accepted as a medium of exchange at the moment (Hampl & Gyönyörová, 2021; IFRS Staff Paper, 2018a; Pelucio-Grecco et al., 2020; Raiborn & Sivitanides, 2015). However, if a company receives cryptocurrencies as payment, it can be treated as foreign currency under IAS 21 (Barth, 2022; Pelucio-Grecco et al., 2020; Procházka, 2018, 2019). In another case, fiat-backed stablecoins, a subcategory of cryptocurrency that offers more price stability because they set value to other assets, some of them can be considered cash equivalents under the broad interpretation of IAS 7 (Hampl & Gyönyörová, 2021).

From a speculative perspective, the concept of "buy and sell" cryptocurrencies is analogous to trading in financial instruments (Bellucci et al., 2022). In such cases, FVTPL or FVOCI is the most important information for financial statement users, so a company could rely on IAS 8 to apply the measurement model in IFRS 9 (Procházka, 2018, 2019). IFRS IC, on the other hand, strictly excludes cryptocurrencies from financial assets because cryptocurrency holders do not provide any contractual right to another party.

If one considers cryptocurrencies to be an inventory, there is a significant difference in treatment between IFRS and US GAAP. Because cryptocurrencies are not tangible, they are clearly excluded from inventory under US GAAP (Barth, 2022). IFRS, on the other hand, does not require inventory to be tangible under IAS 2, so cryptocurrencies could be considered inventory, either for merchandise or commodity broker-trader schemes (IFRS Staff Paper, 2018a; Procházka, 2018, 2019). Cryptocurrencies could be measured in a commodity broker-trader scheme at fair value less cost to sell.

Because cryptocurrency has no physical form, it is classified as an intangible asset. Some firms report cryptocurrencies as intangible assets at cost less impairment (Luo & Yu, 2024). However, some concerns must be addressed with this identification. First, because cryptocurrency has an infinite useful life, it does not require amortization. Then, when selecting a revaluation model for measuring cryptocurrencies as intangible assets, a company must consider the availability of an active market. Furthermore, the nature of cryptocurrencies differs significantly from that of other intangible assets. In terms of functionality, cryptocurrency differs from most other intangible assets in that it is not used to support operational activities.

Under these uncertain conditions, the IASB decided not to add a new accounting standard for cryptocurrencies because the issue is insufficient to warrant the creation of a new standard (Ramassa & Leoni, 2022). Because there are no new accounting standards for cryptocurrency holdings, practitioners, financial statement makers, and standard setters must rely on existing standards. To address these concerns, the IASB requested that the IFRC IC make an agenda decision based on existing standards. For cryptocurrency holdings, the IFRC IC recommends IAS 2 (Inventories) or IAS 38 (Intangible assets). However, this conclusion sparked heated debate among members, particularly due to the distinct nature of cryptocurrencies versus other intangible assets and the absence of FVTPL measurement in intangible assets (IFRS Staff Paper, 2019b). The Korea Accounting Standard Board clearly stated their disagreement in applying IAS 38 to cryptocurrencies in their comment letter because, due to the nature of cryptocurrencies, they are generally held for investment purposes. Another source of concern is the Canadian and Indonesian Accounting Standards Boards' comment letter, in which they highlight the measurement model under IAS 38 and recommend that IFRS IC or IASB establish a new project to address that issue.

Previous studies concluded that the nature of cryptocurrencies differs and that fair value is an appropriate measurement for cryptocurrencies (Anderson et al., 2026; Chou et al., 2022; Luo & Yu, 2024; Procházka, 2018, 2019; Raiborn & Sivitanides, 2015; Yan et al., 2022). More recent evidence suggests that firms view cryptocurrency holdings as being economically closer to investments than to conventional intangible assets, consistent with the fair value model (Anderson et al., 2026). From the standpoint of stakeholders, i.e., academics, practitioners, standard setters, and professional associations, cryptocurrencies do not fully meet the criteria for recognition as intangible assets (Chou et al., 2022). Based on a survey in China, only 36% of respondents agree to classify cryptocurrencies as intangible assets, while 45% agree to record cryptocurrencies as investments, and for measurement issues, as many as 84% of respondents agree to utilize fair value for cryptocurrency measurement (Yan et al., 2022). By analyzing the price data volatility of cryptocurrencies, the fair value measurement is the most pertinent information for users of financial statements who hold cryptocurrencies for investment purposes (Procházka, 2018). A reliable fair value measurement improve earnings' predictive value (Bratten et al., 2016). Therefore, omitting fair value measurement from the income statement could result in erroneous interpretations of business risk, resulting in an incorrect share price (Dechow & Ge, 2006).

The accounting treatment of cryptocurrency holdings remains inconsistent across firms and across reporting frameworks (Luo & Yu, 2024). Luo & Yu (2024) document that the absence of crypto-specific guidance under IFRS has led firms to apply different recognition, measurement, balance-sheet placement, and cash-flow classification approaches. Following such heated debate, the IFRS IC finalized its agenda decision to apply IAS 2 (inventory) or IAS 38 (intangible asset) to cryptocurrency holdings (IFRS Staff Paper, 2019a). This classification can influence the measurement and presentation of cryptocurrency holdings and may therefore affect how investors interpret firms' reported financial position and performance. From an EMH perspective, if the accounting classification of cryptocurrency holdings under the IFRS IC agenda decision contains information relevant to investors, that information should incorporated into share prices.

Prior study document diversity and debate in accounting treatment for cryptocurrency holdings, particularly regarding whether existing IFRS standards adequately represent the economic characteristics of cryptocurrencies (Anderson et al., 2026; Chou et al., 2022; Hampl & Gyönyörová, 2021; Luo & Yu, 2024; Pelucio-Grecco et al., 2020; Procházka, 2018, 2019; Raiborn & Sivitanides, 2015; Yan et al., 2022). These debates suggest that accounting treatment may carry information content for market participant. Therefore, this study tests whether accounting information on cryptocurrency holdings reported under the IFRS IC agenda decision has incremental value relevance in a price-based valuation model. According to the agenda decision, we propose the following hypothesis:
H_1: Accounting information on the holdings of cryptocurrencies under IFRS IC agenda decision has incremental value to share prices.

RESEARCH METHOD

This study employs a quantitative archival research design and uses a value relevance approach to examine whether accounting information on cryptocurrency holdings is reflected in share prices. We use a valuation strategy based on the Ohlson (1995) model to evaluate the value relevance of accounting information on cryptocurrency holdings (Barth, 2000; Barth et al., 2001; Ho et al., 2001). Information is value-relevant if it can provide information about a company's market value. Based on the Ohlson (1995) model, we add a binary variable labeled CC. CC equals 1 if companies report their cryptocurrency holdings as IAS 2 or IAS 38 in line with the IFRS IC agenda decision, and 0 if companies report their cryptocurrency holdings as something other than IAS 2 or IAS 38. Consequently, the model is as follows:

$$P_{it} = \beta_0 + \beta_1 BVS_{it} + \beta_2 EPS_{it} + \beta_3 CC_{it} + \beta_4 SIZE_{it} + \beta_5 DER_{it} + e_{it} \quad (1)$$

Where P_{it} is the share price three month after the end of fiscal year, BVS_{it} is book value of equity per share, EPS_{it} is earnings per share, $SIZE_{it}$ is natural logarithm of total asset, and DER_{it} is debt to equity ratio. We include SIZE and DER as control variables to control the effect of size and financial structure on the value relevance model (Bepari, 2015; Cortesi & Vena, 2019; Yen & Wang, 2021). The ordinary least squares model is used to estimate the model. To further assess multicollinearity, this study also examined the VIF for the regression model. VIF values within the acceptable threshold indicated that multicollinearity is not a major concern. However, there is an issue with heteroscedasticity in our model, so we estimate the regression using heteroscedasticity-robust standard error to obtain an unbiased estimate (White, 1980). All statistical analyses were perform using Stata17.

To address our research questions, we restrict our unit analysis to IFRS-reporting entities that hold cryptocurrencies. IFRS research indicates that in 2017, 26 entities held cryptocurrency in their statement of financial position (IFRS Staff Paper, 2018b). The entities originate from a variety of countries, including Australia, Bermuda, Canada, the Isle of Man, Japan, Switzerland, and the United Kingdom. Eighteen out of the twenty-six entities are from Canada. We refer to this information as preliminary guidance for determining the number of IFRS reporters who hold cryptocurrencies.

In sampling collection, we obtain the data of public companies with bitcoin holdings from two sources: https://buybitcoinworldwide.com/treasuries/ and https://www.coingecko.com/en/public-companies-bitcoin. We use the bitcoin holdings database because bitcoin is the largest cryptocurrency in terms of market capitalization (CoinMarketCap, 2022). Then, in order to increase the size of our sample pool, we specifically search the financial statements of IFRS reporters in Canada for companies with cryptocurrency holdings. We focus on two industries, namely finance (GICS:40) and information technology (GICS:45). Then, for accounting variables, we utilize the OSIRIS database and convert to Canadian dollars in order to maintain a consistent currency. We evaluate their accounting treatment for cryptocurrencies through a content analysis of their financial statement, specifically the notes. Finally, we have 30 companies with a total of 82 observations between 2017 and 2021. 83% of the sample reported cryptocurrency holdings in accordance with the IFRS IC agenda decision as IAS 2 or IAS 38. The remainder report it under a classification other than IAS 2 or IAS 38. Table 1 shows the breakdown of our sample by country. It shows that our sample includes seven countries. The most observations came from Canada. According to IFRS research, most IFRS reporters with cryptocurrencies are from Canada (IFRS Staff Paper, 2018b).

Table 1. Sampling Distribution

No.	Country	Observations	Recognized as IAS 2 or IAS 38	Other than IAS 2 or IAS 38
1.	Australia	5	-	5
2.	Canada	60	52	8
3.	Germany	5	4	1
4.	Great Britain	6	6	-
5.	Japan	1	1	-
6.	Cayman Islands	4	4	-
7.	Norway	1	1	-
	Total	82	68	14

Source: Sample Distribution Results.

RESULT AND DISCUSSION

Table 2 presents the descriptive statistics. Panel A provides a summary of the full sample. The average share price is CAD 6.49, ranging from CAD 0.02 to 106.81, reflecting substantial variability across firms. The mean values for BVS and EPS are 2.80 and -0.08, respectively. In Panel B, descriptive statistics are shown for two groups: one group consists of firms that recognized their cryptocurrency holdings as IAS 2 or 38, and the other group includes firms that recognized their holdings under different standards. The former group has 68 observations, while the latter has 14. On average, the share price of firms recognizing their cryptocurrency holdings as IAS 2 or 38 is higher than that of firms recognizing it under other standards. This trend is also reflected in the standard deviation. Similarly, the average and standard deviation of the book value of equity per share are higher for firms using IAS 2 or 38. However, the EPS of firms recognizing their

cryptocurrency holdings as IAS 2 or 38 is lower compared to firms using other standards.

Table 2. Descriptive Statistics

Panel A: Full Sample (n=82)				
Variable	**Mean**	**SD**	**Min**	**Max**
PRICE	6.49	17.57	0.02	106.81
BVS	2.80	9.64	-0.06	70.48
EPS	-0.08	3.19	-26.11	8.39
SIZE	10.20	2.04	6.23	16.25
DER	0.14	1.23	-5.93	5.42

Panel B: By Cryptocurrency Recognition								
Variable	**Recognized as IAS 2 or 38 (n=68)**				**Others than IAS 2 or 38 (n=14)**			
	Mean	**SD**	**Min**	**Max**	**Mean**	**SD**	**Min**	**Max**
PRICE	6.85	17.92	0.02	106.81	4.72	16.27	0.02	61.23
BVS	3.19	10.47	-0.06	70.48	0.93	3.06	-0.00	11.53
EPS	-0.12	3.49	-26.11	8.39	0.11	0.62	-0.34	2.25
SIZE	10.34	2.07	6.56	16.25	9.53	1.82	6.23	13.04
DER	0.20	1.12	-3.58	5.42	-0.16	1.69	-5.93	1.20

Note: PRICE = share price; BVS = book value of equity per share; EPS = earnings per share; SIZE = natural logarithm of total assets; DER = debt to equity ratio.

Table 3 presents the Pearson correlations. There is a high correlation between PRICE and BVS, which is in line with a previous study on value relevance conducted by (Yen & Wang, 2021). On the other hand, the correlation between CC and PRICE is low, indicating initial evidence regarding the value relevance of information related to cryptocurrencies recognition. To address the multicollinearity issue in our model, we calculated the VIF. The results indicate that there is no multicollinearity problem present in our model.

Table 3. Pearson Correlations

Variable	**Price**	**Bvs**	**Eps**	**Cc**	**Size**	**Der**
PRICE	1.000					
BVS	0.896***	1.000				
EPS	0.360***	0.299***	1.000			
CC	0.046	0.089	-0.026	1.000		
SIZE	0.490***	0.472***	0.203*	0.149	1.000	
DER	0.099	0.106	-0.020	0.113	0.293***	1.000

Note: PRICE = share price; BVS = book value of equity per share; EPS = earnings per share; CC = dummy variable related to cryptocurrencies holdings SIZE = natural logarithm of total assets; DER = debt to equity ratio. The superscript *** indicates significance at the level 1%.

Our research findings are presented in Table 4. The analysis reveals that book value of equity per share (BVS) and earnings per share (EPS) are both positively and significantly associated with share prices, with coefficients of 1.515 ($p < 0.01$) and 0.507 ($p < 0.01$), respectively. These findings confirm the importance of traditional accounting metrics in explaining firm valuation. In contrast, the dummy variable for cryptocurrency recognition (CC), indicating whether firms classify cryptocurrencies under IAS 2 or IAS 38, shows a negative and statistically insignificant coefficient (-1.741, $p = 0.588$). Therefore, we reject hypothesis H1. This suggests that the IFRS IC agenda decision does not enhance the value relevance of accounting information for cryptocurrency holdings, aligning with critiques of the current standards.

Table 4. Regression Results

Variable	Coeff.	t-stat	p-value
BVS	1.515	7.63	0.000***
EPS	0.507	4.02	0.000***
CC	-1.741	-0.54	0.588
SIZE	0.750	2.31	0.024**
DER	-0.126	-0.64	0.524
Constant	-3.902	-1.10	0.273
Observations	82		
Adjusted R^2	0.806		

Note: PRICE = share price; BVS = book value of equity per share; EPS = earnings per share; CC = dummy variable related to cryptocurrencies holdings SIZE = natural logarithm of total assets; DER = debt to equity ratio. The superscripts ***, **, and * indicate significance at the 1%, 5%, and 10% levels respectively.

Among the control variables, firm size (SIZE) exhibits a positive and significant association with share prices (0.750, $p < 0.05$), indicating that larger firms tend to have higher valuations. However, the debt-to-equity ratio (DER) has an insignificant impact (-0.126, $p = 0.524$), suggesting that leverage plays a limited role in this context. The adjusted R^2 value of 0.806 highlights the strong explanatory power of the model, emphasizing the combined importance of book value, earnings, and firm size in explaining share price variability.

These findings indicate that the accounting classification signal for cryptocurrency holding under the IFRS IC agenda decision (specifically, IAS 2 or IAS 38) does not provide incremental value relevance in the price model used in this study. In relation to the core phenomenon of this study the value relevance of accounting information in IFRS-based reporting for firms holding cryptocurrencies this result suggests that investors may not rely on the accounting classification label (i.e., whether cryptocurrency holdings are reported in line with IAS 2/IAS 38 versus other classifications) as a distinct valuation signal. Although cryptocurrency holdings have become increasingly visible and controversial in financial reporting, the market may place greater weight on broader accounting fundamentals, such as earnings and book value, than on the classification category used for cryptocurrency holdings. In other words, the presence of crypto-related accounting treatment alone may not be sufficient to affect investors' pricing decisions unless it conveys additional information about economic magnitude, risk, or future cash flow implications.

The findings are consistent with prior studies that highlight the limitations of existing accounting frameworks in representing cryptocurrency holdings. In particular, Barth (2000, 2022), Luo & Yu (2024), and Procházka (2018, 2019) argue that existing standards do not adequately capture unique characteristics of cryptocurrencies, including volatility, decentralization, and lack of physical form. These findings raise important questions about the adequacy of current accounting standards for cryptocurrencies and suggest a need for revisions to enhance the decision-usefulness of financial reporting. National standard setters have expressed concerns about using IAS 38 for cryptocurrencies, given the unique nature of these assets and the limitations in applying fair value measurement under this standard. However, it should be noted that fair value measurement is considered relevant information for investors when cryptocurrencies are held for investment purposes (Procházka, 2018). As suggested by Ramassa and Leoni (2022), a shift toward fair value measurement may provide more relevant and timely information for users of financial statements. At the same time, Anderson et al. (2026) find some

evidence that fair value reporting is associated with higher stock return volatility, This may help explain why the IFRS IC agenda decision-based classification signal does not appear to be incrementally value relevant in this study.

These findings can also be interpreted through the lens of the EMH, which underpins this study. Under semi-strong EMH, publicly available accounting information should be incorporated into stock prices if it contains relevant information for valuation. The absence of a significant coefficient for the cryptocurrency classification variable suggests that the market does not view this IFRS IC-based classification signal as incrementally informative relative to other publicly available accounting information, particularly earnings and book value. In contrast, the significant coefficients on book value per share and earnings per share are consistent with extensive value relevance literature and support the view that investors continue to rely on traditional accounting fundamentals in pricing firms, even when firms hold cryptocurrency assets.

Additional Analysis

We conducted a robustness test using several share prices as alternative measures. These included the share price in the fourth month after the year-end reporting date (P_{t+4}), the average share price in the third month after the year-end reporting date (AP_{t+3}), and the average share price in the fourth month after the year-end reporting date (AP_{t+4}). The results of this additional test are presented in Table 5. Consistent with the primary findings, we observe that the coefficient of CC remains statistically insignificant across these alternative measures.

Table 5. Additional Regression Results

Variable	P_{t+4}		AP_{t+3}		AP_{t+4}	
	Coeff.	t-stat	Coeff.	t-stat	Coeff.	t-stat
BVS	1.487	6.51***	1.474	7.23***	1.538	6.80***
EPS	0.502	3.43***	0.402	2.85***	0.529	3.73***
CC	-2.414	-0.57	-2.706	-0.66	-1.804	-0.50
SIZE	0.746	1.77*	0.746	2.33**	0.778	1.91*
DER	-0.099	-0.37	-0.067	-0.30	-0.122	-0.51
Constant	-2.952	-0.63	-2.955	-0.77	-3.833	-0.88
Observations	82		82		82	
Adjusted R^2	0.703		0.766		0.749	

Note: PRICE = share price; BVS = book value of equity per share; EPS = earnings per share; CC = dummy variable related to cryptocurrencies holdings SIZE = natural logarithm of total assets; DER = debt to equity ratio. The superscripts ***, **, and * indicate significance at the 1%, 5%, and 10% levels respectively.

CONCLUSSION

This study aims to examine the value relevance of accounting information on cryptocurrency holdings in light of the IFRS IC agenda decision to recognize cryptocurrency holdings as either IAS 2 or IAS 38. However, this agenda decision has received considerable criticism from national standard-setters, accounting firms, and associated organizations. They argue that IAS 38 is inapplicable to cryptocurrencies due to their distinct nature and measurement issues. This study's findings indicate that accounting information regarding the holding of cryptocurrencies under the IFRS IC agenda decision does not exhibit incremental value relevance.

The results have implications for both standard setters and preparers. For standard setters, the findings suggest that the current IFRS-based classification approach for cryptocurrency holdings may not produce a sufficiently distinct valuation signal for investors, which may support ongoing discussions about whether more specific guidance is needed for digital assets. For preparers, the results imply that classification alone may not be enough to improve the usefulness of reporting on cryptocurrency holdings; more informative measurement and disclosure practices may be needed to enhance transparency for capital market participants.

Finally, the findings should be interpreted in light of the study's measurement design. Because the key explanatory variable is based on a classification dummy, future research may provide stronger evidence by using more granular proxies, such as the magnitude of cryptocurrency holdings, fair value disclosures, measurement basis, or realized and unrealized gains and losses related to crypto assets. Such extensions may offer a more direct test of which aspects of cryptocurrency accounting information are most relevant to investors.

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