



**NAVIGATING THE COMPLEXITIES  
OF CRYPTOCURRENCY  
ACCOUNTING: A CASE STUDY  
WITH CORIENT**

 **+44 24 7610 3333**

 **[www.corientbs.co.uk](http://www.corientbs.co.uk)**

 **The Techno Centre, Puma Way, Coventry, CV1 2TT,  
United Kingdom**



## Introduction

In the rapidly evolving world of cryptocurrency, businesses are often confronted with unique challenges, especially when it comes to accounting and regulatory compliance. Recently, Corient faced an intriguing case involving a client who was new to dealing with cryptocurrency. The client needed assistance in preparing their year-end accounts, which brought several complexities to the forefront. This blog explores how we tackled these challenges and the positive outcomes that resulted from our efforts.

## The Problem?

Our client, who had recently started dealing with cryptocurrency, reached out to us with a pressing issue: they needed help preparing their year-end accounts for a new customer involved in crypto transactions. The difficulties included:

- **New Territory:** The cryptocurrency market was unfamiliar, and there was a lack of clarity on the applicable accounting policies.
- **Regulatory Uncertainty:** The laws and accounting practices for cryptocurrency transactions were not well-defined, creating confusion.
- **Limited Experience:** The client had not previously managed cryptocurrency transactions and lacked knowledge in this area.

## Corient Solution

To address these challenges, we undertook several strategic steps:

- **Research and Analysis:** Corient conducted in-depth research into cryptocurrency transactions and their accounting implications.
- **Understanding Client's Trading:** We analyzed how the client engaged in trading to tailor our approach effectively.



The best accountants  
are the architects of  
financial legacies.

– Laura Anderson



- **Documentation and Reporting:** We compiled a list of necessary documents and reports, which helped in accurate reporting to HMRC.
- **Consultation with Accounting Bodies:** We sought clarification from relevant accounting bodies to ensure compliance with the regulations.

## Challenges Faced

The implementation of our solutions came with its own set of hurdles:

- **Absence of SOPs:** There were no established Standard Operating Procedures (SOPs) or documentation from the client, complicating the process.
- **New Reports and Valuations:** The reports and cryptocurrency valuations were unfamiliar and complex.
- **Lack of Clear Regulations:** The absence of clear regulations from accounting bodies made it difficult to navigate.
- **Complex Transaction Data:** Reading and interpreting extensive and complex transaction reports posed significant challenges.

## Overcoming the Challenges

We adopted several strategies to tackle these issues effectively:

- **Currency Conversion:** We converted over 15 types of cryptocurrencies into the reporting currency to simplify calculations.
- **Customized Reports:** We created tailored spreadsheet reports using data from various crypto portals, employing pivot tables to calculate margins and account for charges.
- **Client Education:** We educated the client on the importance of specific reports, enabling them to provide necessary data efficiently.
- **Margin Accounting:** We tracked margins with detailed backups monthly, making the process more transparent and manageable.
- **Reconciliation:** We reconciled cryptocurrency transactions with the closing stock summary to ensure all sales and purchases were accurately accounted for.



“  
**Behind every good  
business is a great  
accountant.**

– Anonymous  
”



## Result Achieved

The solutions implemented led to significant improvements:

- **Clarity and Focus:** The client overcame their initial concerns and gained clarity on accounting practices, allowing them to concentrate on reporting.
- **Streamlined Processes:** Finalizing accounts and reporting became more efficient and timely year after year.
- **Increased Confidence:** The client's confidence in our services grew, leading them to entrust us with their entire bookkeeping process, from transaction mapping to vendor payments.

## Conclusion

Outsourcing accounting for cryptocurrency transactions can be a complex yet rewarding endeavor. By addressing the unique challenges and providing tailored solutions, Corient successfully navigated the intricacies of cryptocurrency accounting for our client. This case study highlights the benefits of expert outsourced accounting services, which not only streamline financial processes but also enable businesses to focus on their core activities. If you're grappling with similar challenges in cryptocurrency accounting, consider how outsourced accounting might offer the expertise and efficiency you need.



The road to success and the road to failure  
are almost exactly the same.

– Colin R. Davis

