



## Decree Sets Accounting Standards for Registration of Transactions Carried Out in Cryptoassets

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The Providence issued Presidential Decree No. 4,025 on Nov. 19, 2019, in *Official Gazette* No. 41,763, by means of which it instructed public and private individuals and legal entities to file their accounting records declared in bolívares soberanos and cryptoassets (petros), in a single accounting record under both currencies. For these purposes, the aforementioned decree established that Venezuela's National Superintendence of Cryptoassets and Related Activities (SUNACRIP) would dictate the regulations and legislation that will regulate accounting expression in bolívares soberanos and petros within a period of 60 days, computed from the effective date of said decree. The decree granted the aforementioned Superintendence the broadest powers of consultation, against both public sector agencies and private organizations, which possess technical skills in the accounting sector.

In the exercise of the aforementioned decree, the SUNACRIP issued on Dec. 23, 2019, Providence No. 097-2019, in *Official Gazette* No. 41,787, the parameters that must be carried out by natural persons and public and private identities located in the territory of the Bolivarian Republic of Venezuela for the restatement of accounting records of transactions and economic events declared in cryptoassets. The Providence established the following:

1. Double-entry accounting must be carried out. Therefore, accounting books will be expressed in bolívares soberanos and petros, the legal currencies of Venezuela.
2. The regulators responsible for the establishment of accounting parameters applicable to the above liable entities, shall issue any necessary norms in concert with the SUNACRIP.
3. The body and agency assigned with the technical administration of public accounting shall comply with the provisions issued by this Providence with regard to the registration of economic transactions carried out in cryptoassets, and shall coordinate with SUNACRIP any regulations to be issued on this matter.
4. The Providence established that the Venezuelan Federation of Certified Public Accountants (FCCPV), with prior authorization from the SUNACRIP, will issue the technical norms with regard to the recognition, measurement, submission and disclosure for the declaration of the corresponding records.
5. As to the effective date, the Providence established that the technical accounting record guidelines will be applicable to the fiscal year that will begin on or after Jan. 1, 2020.

In response to the mandate entrusted to the FCCPV to establish the technical standards to register accounting transactions in cryptoassets, the FCCPV on Feb. 15, 2010, approved the International Financial Reporting Standards of Venezuela (VEN-IFRS) No. 12-0 Application Bulletin. Ownership of cryptoassets.

The aforementioned Bulletin establishes the accounting standards related to the recognition, measurement, submission and disclosure for the ownership of cryptoassets, in Financial Statements



issued in accordance with the accounting standards generally accepted by the government of Venezuela. In essence, the technical accounting standard related to the registration of cryptoasset transactions establishes the following:

1. The first phase of the regulation is the ownership of cryptoassets.
2. This Bulletin is applicable to all entities and individuals that issue general financial information, in accordance with accounting standards generally accepted by the government of Venezuela (VEN-NIF).
3. Entities must acknowledge the possession of cryptoassets in their financial information and statements, if they expect to obtain economic benefits from it, and when such entities obtain its control and ownership through a selected storage and management mechanism.
4. An entity has control over a cryptoasset when it is protected in a wallet or any another computer program that is directly or indirectly administered by the entity, and such wallet or program allows the entity to carry out transactions with said cryptoasset.
5. Cryptoassets must be treated as a new and separate accounting entry of other entries regulated by the VEN-NIF, as they have unique characteristics, and will be classified as current assets or noncurrent assets, according to the period of time that the entity intends to maintain ownership of the cryptoasset.
6. The entity shall file the financial statements declared in cryptoassets as additional information, converting such information to the reference value of the cryptoasset reported to that date, upon request of another user or if required by any legal or regulation provisions.

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