Cryptocurrency Regulation and Accounting Challenges: A Comparative Analysis of Bangladesh and Regional Frameworks

Tahmid Hossain

This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

Cryptocurrency Regulation and Accounting Challenges: A Comparative Analysis of Bangladesh and Regional Frameworks

Submitted to:

Dr. Mohammad Tariq Hasan

Associate Professor

United International **University**

Submitted by:

Tahmid Hossain

114 221 028

Registration Trimester: Fall 2025

School of Business and Economics

United International **University**

Date of submission: March 11, 2026

Letter of Transmittal

March 11, 2026

To,

Dr. Mohammad Tariq Hasan

Associate Professor

School of Business and Economics

United International **University**

Subject: Submission of Project Report/Thesis

Dear Sir,

With due respect and humble submission, I am pleased to submit my research report/thesis entitled:

"Cryptocurrency Regulation and Accounting Challenges: A Comparative Analysis of Bangladesh and Regional Frameworks"

Throughout this research journey, I have maintained academic rigor and ethical standards in data collection, analysis, and interpretation. All sources have been properly acknowledged, and the work represents my original contribution to the field of cryptocurrency accounting and regulation.

I sincerely appreciate your invaluable guidance throughout this research. I hope the report meets your expectations and welcome your feedback.

Thanking you,

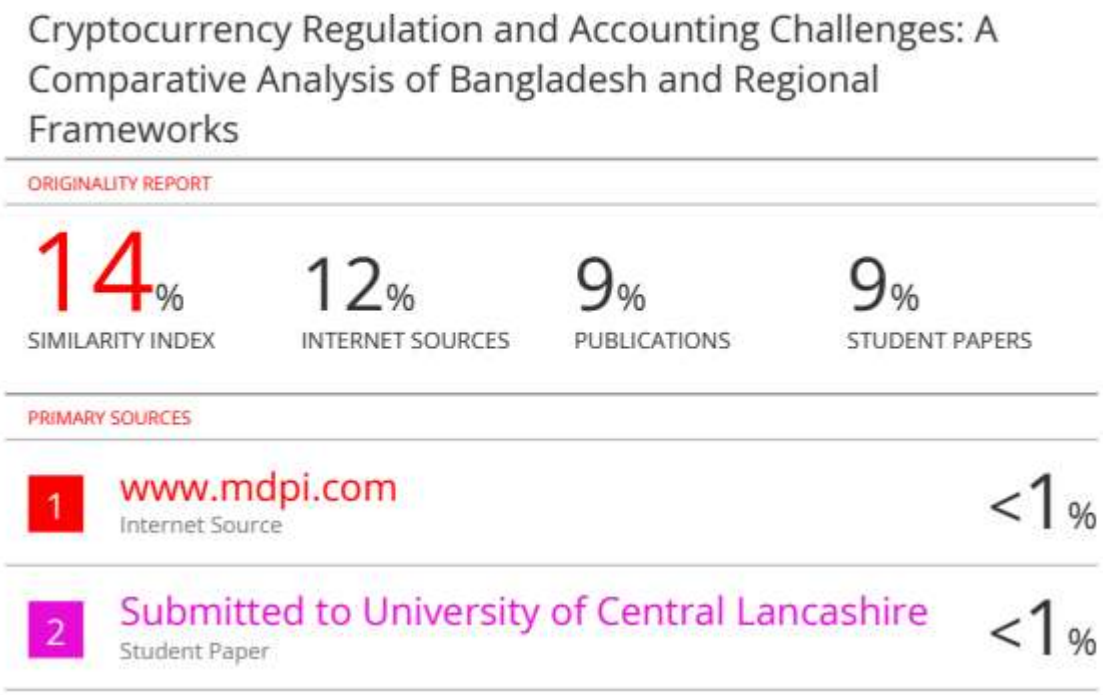
Yours sincerely,

Tahmid Hossain

ID: 114 221 028

BBA In AIS

Certification of Similarity Index



This is to certify that the research report/thesis entitled:

"Cryptocurrency Regulation and Accounting Challenges: A Comparative Analysis of Bangladesh and Regional Frameworks"

Similarity Index Results:

Overall Similarity Index: 14 %

Date of Plagiarism Check: March 9, 2026

The similarity index is within the acceptable limits as prescribed by the university regulations. The research maintains academic integrity with proper citation and referencing of all sources.

Certified by:

Dr. Mohammad Tariq Hasan

Associate Professor

School of Business and Economics

United International **University**

Date: March 11, 2026

Declaration of the Student

I, Tahmid Hossain, do hereby declare that the research report/thesis entitled:

"Cryptocurrency Regulation and Accounting Challenges: A Comparative Analysis of Bangladesh and Regional Frameworks"

submitted in partial fulfillment of the requirements for the degree of Bachelor of Business Administration, in the School of Business & Economics, United International University is my own original work and has not been submitted elsewhere for any degree or diploma.

I further declare that:

1. This research is the result of my own investigation and study, except where otherwise stated and duly acknowledged through proper citations and references.

2. All sources of information, including published and unpublished materials, have been properly acknowledged and referenced in accordance with academic standards.

3. This work has not been previously submitted in whole or in part for any other academic qualification at this or any other institution.

4. The research has been conducted in accordance with ethical guidelines and regulations prescribed by the university.

5. I understand that any act of plagiarism, fabrication, or falsification of data is a serious academic offense and accept full responsibility for the authenticity and originality of this work.

6. I grant permission to United International University to reproduce this thesis by photocopying or other means, in whole or in part, at the request of other institutions or individuals for scholarly research purposes, subject to appropriate acknowledgment.

Signature: 

Name: Tahmid Hossain

ID: 114 221 028

Program: BBA In AIS

Department: School of Business and Economics

University: [**United** International **University**

Date: March 11, 2026

Acknowledgement

All praise is due to the Almighty, whose blessings enabled me to successfully complete this project report.

I wish to express my deepest gratitude to my supervisor, Dr. Mohammad Tariq Hasan, for his invaluable guidance, insightful feedback, and constant encouragement throughout this endeavor. His scholarly mentorship has been instrumental in shaping this work, and I feel privileged to have learned from his expertise—both through this project and the courses I undertook under his supervision during my undergraduate studies. His unwavering support has truly enriched my academic journey, and I look forward to continuing to benefit from his wisdom in the future.

I also extend my sincere appreciation to the faculty members and administrative staff of the School of Business and Economics for their consistent support and cooperation throughout my time at United International University.

Abstract

This PRISMA-guided systematic review (219 documents) investigates Bangladesh's cryptocurrency prohibition (FEPD 24/2022) against enabling frameworks in South and East Asia. While peers like India, Pakistan, and Singapore adopt regulated models, Bangladesh remains isolated due to a ten-factor institutional capacity deficit covering financial stability, AML/CFT, and infrastructure. This "Bangladesh Paradox" identifies digital-ready demographics—including 80 million bKash users—constrained by regulatory gaps rather than technical barriers. For the accounting profession, prohibition breeds ICAB competency deficits in asset classification (IAS 38 vs. IAS 2) and audit verification. The study proposes a 36–48 month, four-phase adoption framework—modeled on ASEAN practices—incorporating five-layer safeguards for FATF compliance. Findings suggest that while prohibition is a defensible interim risk strategy, it becomes unsustainable before the 2028–2030 FATF evaluation. Proactive professional capacity building is urged to bridge the widening competitive gap and address growing national opportunity costs effectively.

Keywords: Cryptocurrency regulation, Bangladesh, ASEAN, accounting challenges, IFRS, institutional capacity, AML/CFT, regulatory framework, systematic review, PRISMA.

Table of Contents

List of Figures

List of Tables

List of Acronyms & Abbreviations

Acronym/Abbreviation	Full Form
AI	Artificial Intelligence
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
API	Application Programming Interface
ASEAN	Association of Southeast Asian Nations
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFIU	Bangladesh Financial Intelligence Unit
BIS	Bank for International Settlements
BOT	Bank of Thailand
BSEC	Bangladesh Securities and Exchange Commission
BSP	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
BTRC	Bangladesh Telecommunication Regulatory Commission
CARF	Crypto-Asset Reporting Framework
CASP	Crypto Asset Service Provider
CBDC	Central Bank Digital Currency
CBSL	Central Bank of Sri Lanka
CCA	Certified Cryptocurrency Accountant
CFT	Combating the Financing of Terrorism
CID	Criminal Investigation Department
COVID-19	Coronavirus Disease 2019
CPA	Certified Public Accountant
CPE	Continuing Professional Education
DFA	Digital Financial Asset
DLT	Distributed Ledger Technology
DSA	Digital Security Act
ESG	Environmental, Social, and Governance
ETF	Exchange-Traded Fund
FASB	Financial Accounting Standards Board
FATF	Financial Action Task Force
FEPD	Foreign Exchange Policy Department
FER	Foreign Exchange Regulation

FERA	Foreign Exchange Regulation Act
FIA	Federal Investigation Agency (Pakistan)
FIEA	Financial Instruments and Exchange Act (Japan)
FIU	Financial Intelligence Unit
FIU-IND	Financial Intelligence Unit - India
FSA	Financial Services Agency (Japan)
FSC	Financial Services Commission
FSMA	Financial Services and Markets Act
FTX	FTX Exchange (Cryptocurrency exchange)
GAAP	Generally Accepted Accounting Principles
HKMA	Hong Kong Monetary Authority
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICAB	Institute of Chartered Accountants of Bangladesh
ICO	Initial Coin Offering
ICT	Information and Communication Technology
IDR	Indonesian Rupiah
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
INR	Indian Rupee
IOSCO	International Organization of Securities Commissions
IP	Internet Protocol
ISO	International Organization for Standardization
ITR	Income Tax Return
KRW	South Korean Won
KYC	Know Your Customer
LKR	Sri Lankan Rupee
MAS	Monetary Authority of Singapore
MBA	Master of Business Administration
MFS	Mobile Financial Services
ML/TF	Money Laundering and Terrorist Financing
MLPA	Money Laundering Prevention Act
MOU	Memorandum of Understanding

MPI	Major Payment Institution
NAV	Net Asset Value
NBER	National Bureau of Economic Research
NBR	National Board of Revenue (Bangladesh)
NFT	Non-Fungible Token
NID	National Identification (Smart NID Card)
NPL	Non-Performing Loan
NRV	Net Realizable Value
OECD	Organisation for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
OJK	Otoritas Jasa Keuangan (Financial Services Authority of Indonesia)
OTC	Over-the-Counter
P2P	Peer-to-Peer
P2SK	Development and Strengthening of the Financial Sector (Indonesian law)
PBOC	People's Bank of China
PHP	Philippine Peso
PHPC	Philippine Peso Stablecoin
PKR	Pakistani Rupee
PMLA	Prevention of Money Laundering Act
PoS	Proof of Stake
PoW	Proof of Work
PRISMA	Preferred Reporting Items for Systematic Reviews and Meta-Analyses
PSA	Payment Services Act
PVARA	Pakistan Virtual Assets Regulatory Authority Act
RBI	Reserve Bank of India
RFP	Request for Proposal
SBP	State Bank of Pakistan
SDG	Sustainable Development Goal
SEC	Securities and Exchange Commission
SECP	Securities and Exchange Commission of Pakistan
SFC	Securities and Futures Commission (Hong Kong)
SGD	Singapore Dollar
SLR	Systematic Literature Review
SOC	System and Organization Controls
SOP	Standard Operating Procedure

SPI	Standard Payment Institution
SSRN	Social Science Research Network
STR	Suspicious Transaction Report
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TDS	Tax Deducted at Source
THB	Thai Baht
UI	Ultra-Accredited Investor
UN	United Nations
USD	United States Dollar
USDC	USD Coin (Stablecoin)
USDT	Tether (Stablecoin)
VASP	Virtual Asset Service Provider
VAT	Value Added Tax
VAUPA	Virtual Asset User Protection Act
VDA	Virtual Digital Asset
VPN	Virtual Private Network

CHAPTER ONE: INTRODUCTION

1.1 Introduction

The world economy is now going through the Fourth Industrial Revolution, a transformational period where usual models of money, business, and regulation are being radically reorganized by the digitalized revolution (Esther Chinonye Ugochukwu et al. 2024). At the core of this disruption is the technology of blockchain that was introduced in 2008 as the underlying infrastructure of decentralized digital assets. What started as a small experimental cryptographical project has since expanded to a multi-trillion-dollar asset class in the world, with the total market capitalization increasing not only to US 1 billion 2014, but also to the staggering US 3.36 trillion as of January 2025 (Atree and Tripathy 2025). Such meteoric growth has compelled a radical rethinking of financial transactions, shifting to peer-to-peer ecosystems instead of centralizing intermediation (Makridis et al. 2022). The increased popularity of cryptocurrency has also led to a great desire to discover how it affects the conventional financial market and disrupts the traditional banking institutions and current regulatory frameworks (Krishna, Panda, & Sindhuja, 2023; Miraz, Hye, et al., 2020; Miraz, Jin, Hasan, Hossain, & Hoque, 2024; Miraz, Mohd Sharif, Hassan, & Hasan, 2020).

Nevertheless, the growth of digital currencies has surpassed the development of accounting and auditing standards in the world. The profession of accountants now has to confront the issue of triple-entry accounting, in which blockchain becomes an immutable, transparent, and decentralized third entry that makes real-time verification (Alsalmi, Ullah, & Rafique, 2023; Miraz, Hasan, Masum, Alam, & Sarkar, 2020; Miraz, Hasan, Rekabder, & Akhter, 2022a; Miraz, Hasan, Sumi, Sarkar, & Majumder, 2020a, 2020b). The technological revolution is not only a change in tools but a paradigm shift in which the concept of stewardship by accountants regarding recognizing, measuring, and disclosing transactions is in question (Miraz, Hasan, Sumi, Sarkar, & Hossain, 2022; Ugochukwu et al., 2024). This phenomenon of the world has taken a complex regulatory and professional paradox in the context of Bangladesh. A country like Bangladesh is now undertaking a very ambitious digital roadmap as demonstrated by the draft National Digital Transformation Strategy (2025). This plan is a digital transformation of physical infrastructure (such as MyGov) and the introduction of Artificial Intelligence (AI) and blockchain to strengthen the digital economy (Miraz,

Hasan, Rekabder, & Akhter, 2022b; Miraz, Hasan, Sumi, et al., 2022; Miraz, Hye, et al., 2020; Miraz et al., 2024; Miraz, Mohd Sharif, et al., 2020). Moreover, the unveiling of a Universal Payment Gateway and the Interoperable Instant Payment System (IIPS) are an indication of a serious shift to a cashless society.

Paradoxically, as the government promotes a digital future, its position on the decentralized digital currencies is rigidly prohibitive. Bangladesh Bank (BB) has already issued a number of circulars, the most significant of which is FE Circular No. 24 of 2022, which clearly states that the virtual currencies do not fall under the scope of the Foreign Exchange Regulation Act (FERA), 1947, and any transaction with such assets is considered a breach of this law (Bangladesh Bank. 2022). The main factors influencing this restrictive position are the issues of money laundering, financing of terror, and financial stability (Hasan, 2009, 2020; Kanu, 2025; Masum et al., 2024).

Although this is officially prohibited, informal cryptocurrency usage is high in Bangladesh, especially in remittances and speculative investment. This is what presents the accounting profession with a grey area. Organizations could either have assets or transact economically real but formally outlawed transactions and leave the practitioners without local guidance by the Institute of Chartered Accountants of Bangladesh (ICAB). International standards do not offer much relief either (Hasan, 2020; Hasan, Hossain, Rekabder, Molla, & Ashif, 2022; Hasan & Rahman, 2017); the International Accounting Standards Board (IASB) has not issued a particular IFRS regarding digital currencies, but uses a 2019 IFRIC interpretation that identifies such liquid and volatile assets as either IAS 38 (Intangible Assets) or IAS 2 (Inventories)- respectively, which many researchers claim do not offer a faithful representation (Adznan, Muhamad Sori, & Mohamad, 2024; Hasan & Rahman, 2019; Klopper & Brink, 2023).

The combination of fast informal adoption, strong regulatory prohibitions, and a gap in accounting standards puts the environment of the highest degree of uncertainty. The present study, hence, aims at reviewing the accounting issues and standardization in Bangladesh, giving a detailed analysis of how a developing economy can strike a balance between technological inevitability and regulatory care.

1.2 Background of the Study

Innovative disruptive technologies that have revolutionized industries, economies and societies have characterized the 21st century. The most striking of them is the technology of blockchain that was developed in 2008 as the foundation of the first decentralized digital currency Bitcoin. Digital currencies (a broad term that also encompasses cryptocurrencies) began as a niche concept, before going exponentially into a multi-trillion-dollar asset sector across the world, compelling a complete reassessment of money, assets and financial transactions. This wave of technology has not spared the accounting and auditing profession because it has hit the shores of this profession that is centuries old and its roots established on the basis of the double-entry bookkeeping. The concept of blockchain as an immutable, transparent, and decentralized registry, also known as triple-entry accounting is a menace to the very essence of the process of recording, verifying, and reporting transactions (Hasan, Miraz, Sumi, & Sarkar, 2021; Miraz et al., 2024).

Behavioral psychology and financial literacy also affect the adoption of digital currencies. Cryptocurrencies can be interpreted by many investors in the context of System 1 thinking, which is intuitive and emotional, and not logical, and this results in herding and speculative bubbles (Böhme, Christin, Edelman, & Moore, 2015; Makarchuk, Granovska, & Makarchuk, 2023). Also, empirical studies shows that technology awareness and subjective financial literacy are critical moderators of adoption (Kumari et al., 2023). In such countries as Bangladesh, where financial literacy is quite diverse, the threat of mass greed and following financial devastation is one of the central concerns of the regulators (Makarchuk et al., 2023). Digital currencies have become an industry with an exponentially growing market, where recent products like stablecoins, non-fungible tokens (NFTs), and Central Bank Digital Currencies (CBDCs) have become a vast ecosystem comprising more than 12,000 products (Alsalmi et al. 2023). By 2024, microstrategy, Tesla, and Block Inc. are publicly-traded companies that are billions of dollars in the digital asset books (Kanu 2025). The motivation of this integration in the corporate finance is based on the potential of improved financial privacy, lower transactions costs, and greater accessibility (Atree and Tripathy 2025).

Cryptocurrency's extreme price swings create an environment of excessive uncertainty, which directly conflicts with the Shariah ban on 'gharar' (undue

uncertainty) because contracts must be based on predictable outcomes (Alfi Fuadah 2025). The unpredictable changes that occur fast make the parties unable to reliably estimate the value of the asset they are trading and it is hard to perform the obligations without speculative risk. This volatility also promotes short-term and profit-driven trading that is more of a gambling which is also ‘maysir’ which is prohibited by Shariah further exacerbating the ‘gharar’ problem. In addition, because of the absence of intrinsic value, which is an asset-backed value, price variations are pre-determined by the market sentiment instead of real-economy fundamentals that further increase the uncertainty and diminish the stability of Sharia-compliant financing (Alfi Fuadah 2025).

The expression of this global phenomenon in Bangladesh is special and complicated. Digital transformation is an ambitious path that the country is undergoing and this is demonstrated by the draft of the National Digital Transformation Strategy released by the government in 2025. This roadmap provides an elaborate plan to modernize the digital public infrastructure, to improve governance using platforms such as ‘MyGov’, and to increase the digital economy incorporating technologies such as AI and blockchain. Ironically, the government is preaching this digital future yet its policies on decentralized digital currencies are very restrictive. Bangladesh Bank (BB) has issued numerous warnings and circulars according to which the possession and trading of cryptocurrencies is prohibited. According to FECircular No. 24 of September 15, 2022, the virtual currencies are not covered by the Foreign Exchange Regulation Act (FERA), 1947 and any deal with these currencies constitutes a violation of the law (Bangladesh Bank. 2022). This ban processes cryptocurrency transactions as possibly unlawful in case of money laundering or terror financing. This official ban notwithstanding, there is an indication that there is a high and increasing use of cryptocurrencies in the country. Bangladesh has been surprisingly high in the world crypto adoption rates which means that the informal sector around digital assets continues to grow in the country, commonly utilized in remittances, online transactions, and speculative investment (Masum et al., 2024). This is a sharp contrast: a technologically savvy population that interacts with an international financial innovation, and a regulation system that drives such practices into the background. To make the situation even more complex, the government is exploring the possibility of a Central Bank Digital Currency (CBDC), which is an admission of the potential of the digital currency technology and an attempt to retain sovereign authority.

This combination of fast informal adoption, official outlawing and government-led discovery of digital currency presents a context of extreme uncertainty to the accounting profession in Bangladesh. The main issue is the following; how should an entity record the assets and transactions that are formally forbidden and yet taking place? This challenge is worsened by the fact that there is no particular guidance by global and local standard-setting bodies. IASB has not yet established a particular International Financial Reporting Standard (IFRS) of digital currencies. In 2019, an IFRIC agenda decision held that the holdings of cryptocurrencies are normally subject to IAS 38 Intangible Assets or to IAS 2 Inventories when they are held in the ordinary course of business. Nevertheless, some people claim that this classification is unsatisfactory. The fact that a highly liquid asset that is invested is treated as an intangible asset at cost less impairment does not reflect its economic reality and the changes in its value. In Bangladesh, the Institute of Chartered Accountants of Bangladesh (ICAB) that has adopted IFRS as Bangladesh Accounting Standards (BAS) has not provided any local guidance, and practitioners and businesses are left in a gray area. In the same way, there is uncertainty over the tax treatment. Although no official crypto tax system exists, the National Board of Revenue (NBR) may tax gains and levies them under the general income tax or capital gains provisions in case the transactions are identified. The rationale behind the motivation of this systematic review is thus the critical need to comprehend and report the complex issues at the cross play of digital currency, accounting, and regulation with the context of Bangladesh, in particular.

1.3 Statement of the Problem

The current situation in Bangladesh shows a complete clash between official governmental policies and actual institutional practices which handle cryptocurrency. The FEPD Circular No. 24 (2022) from Bangladesh Bank establishes an all-encompassing legal ban on virtual currencies which operates under the Foreign Exchange Regulation Act of 1947 and the Money Laundering Prevention Act of 2012 and the Digital Security Act of 2018. Bangladesh maintains a position among the top 30 countries worldwide for cryptocurrency usage while approximately USD 500 million to USD 1 billion in yearly cryptocurrency activity transmits through unregulated peer-to-peer networks and mobile financial systems and offshore trading platforms. The

study investigates the fundamental issue which emerges from the gap between declared official policy and actual economic conditions. The accounting profession in Bangladesh suffers from multiple regulatory problems which lead to institutional gridlock because three distinct yet interconnected regulatory problems together with research evidence about their impact on the profession create operational restrictions.

This paper assumes that the main problem is not one issue, but a combination of three interrelated gaps that form an institutional gridlock state:

1. **Regulatory Gap:** Because of administrative circular prohibition, Bangladesh generates zero tax revenue while informal channels see an estimated USD 500 million to USD 1 billion annual flow. The absence of positive legal regulations leads to underground activities which increase systemic risk according to (Bangladesh Bank. 2022) and in contrast to the 30 percent VDA tax system in India and the (PVARA 2026) legislation in Pakistan.
2. **The Accounting Gap:** It exists because IFRS fails to provide sufficient guidance while ICAB has not published any BAS interpretation documents and its CPD programs do not teach about digital assets and auditors do not have official methods to check cryptocurrency holdings. Clients increasingly hold undisclosed digital assets which create material financial statement risks and enable them to manipulate their earnings (IFRS 2019; Anderson et al. 2022).
3. **The Capacity Gap:** Bangladesh Bank BFIU NBR and ICAB do not possess the necessary technological systems and regulatory policies to control and tax and audit digital currencies. The ten-factor risk matrix in Chapter IV provides a measurement for this regulatory readiness shortfall which prevents secure market liberalization from being possible.

The main issue is the increasing distance between the actuality of the use of digital currency and the institutional framework developed to regulate financial operations, which is putting a significant threat to investors, creditors, and the stability of the economy as a whole.

1.4 Objectives of the Study

In accordance with the PRISMA 2020 guidelines (Page et al., 2021), this systematic review pursues four primary objectives, each anchored to a specific dimension of the institutional gap identified in Section I.1:

1. **To methodically find, appraise and compile** the available scholarly and professional literature on the accounting and auditing issues and financial reporting issues related to digital currencies, and specifically in the Bangladesh regulatory environment.
2. **To critically examine and document** on the existing regulatory stance of Bangladesh Bank on digital currencies the BFIU, BSEC and NBR, the mapping of the tripartite prohibition framework of the FER Act 1947; MLPA 2012; Digital Security Act 2018, against the enabling regulatory frameworks of ASEAN comparators (Singapore PSA 2019; Thailand Royal Decree 2018; Philippines BSP Circulars 944/1108) and South Asian counterparts (India Finance Act 2022; PVARA 2026).
3. **To identify and analyze the ten critical institutional risk factors**, including systemic financial stability, cybersecurity, capital flight, investor protection, market manipulation, AML/CFT, tax evasion, accounting standards, regulatory arbitrage, and monetary policy, which, based on the empirical evidence but not on predetermined theoretical assumptions, should lead to the current prohibition policy in Bangladesh and the capability requirements to gradually liberalize the market.
4. **To develop a conceptual framework** connecting the regulatory findings to the competency gap of Bangladesh's accounting profession, providing actionable recommendations for ICAB, Bangladesh Bank, and NBR that are grounded in the phased liberalization model derived from comparative regulatory analysis.

To summarize the results of the literature review and regulatory research to give a full picture of the most relevant issues and to offer a conceptual framework to be used in the further policy making, standard-setting, and academic studies in Bangladesh.

1.5 Scope and Limitations of the Study

This research has the limitations of a systematic review of publicly available literature such as academic journals, conference proceedings, professional and regulatory publications. The review is devoted to the issues and standardization, which are associated with accounting of digital currencies, mostly in the framework of Bangladesh. The literature search period will be between January 2016 and February 2026, which is the period of a rapid increase in the digital currency adoption and regulation. It is qualitative research that uses thematic synthesis to analyze its findings.

The research is limited in a number of ways. First, since the issue is still young and sensitive in Bangladesh, there is limited available empirical academic research with most of the literature being conceptual, or even in international settings. Second, the literature is restricted to the publication in English language and this might be lacking pertinent discourse in Bengali. Third, like any systematic review, it is possible to experience the publication bias, such that studies that have significant or positive findings have a higher possibility to be published. Lastly, the fast-developing state of technology and regulation implies that the results can be altered in the near future after the study is completed.

1.6 Definition of Key Terms

- **Digital Currency:** This is a general term defining any type of currency or money-like item that is mainly administered, stored or traded via computer systems (and particularly via the internet). It encompasses cryptocurrencies, virtual currencies and central bank digital currencies.

- **Cryptocurrency:** It is a form of electronic currency, which is secured through cryptography. Cryptocurrencies represent a blockchain-based network that is decentralized, i.e., a distributed registry that is implemented by a decentralized network of computers. Such examples are Bitcoin and Ethereum.

- **Virtual Asset:** According to the definition provided by the Financial Action Task Force (FATF) and mentioned by Bangladesh Bank, a virtual asset is a digital form of value that can be traded, or transferred, digitally, and used to pay or invest. It does not involve the computerized versions of fiat currencies and securities.

- **Virtual Asset Service Provider (VASP):** Every person who engages in any business operation involving exchange of virtual assets, fiat currencies, transfer of virtual asset, custody of virtual assets, management of instruments that would allow control of virtual assets or involvement in ICO services. No VASP licensing framework exists at the moment in Bangladesh; the entire VASP activity is banned by FEPD Circular No. 24/2022.

- **Stablecoin:** It is a type of cryptocurrency created to maintain a stable value relative to a reference asset, usually a fiat currency such as US dollar or commodity. Chapter IV refers to stablecoins as a capital-flight risk of specific interest to Bangladesh since they offer a value equivalent to USD without the need to open a foreign bank account, and the cross-border transfer of stablecoins cannot be detected without blockchain analytics technologies.

- **Blockchain Technology:** This is a distributed, decentralized and often publicly available, digital registry of records in the form of blocks that are used to record the transactions involving a high number of computers such that that any block in the chain cannot be retroactively altered, without altering all the subsequent blocks.

- **Central Bank Digital Currency (CBDC):** A digital form of a country's fiat currency that is a direct liability of the central bank.

- **International Financial Reporting Standards (IFRS):** An accounting concept that has been established by the International Accounting Standards Board (IASB) which is taking over as the worldwide standard of financial reporting of the account of a finance company in the public.

- **Bangladesh Accounting Standards (BAS):** The accounting standards that are used in Bangladesh, and are mostly on the basis of IFRS and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

1.7 Organization of the Remaining Chapter

The rest of this paper is organized in the following way: Chapter II contains the review of the theories that are relevant and a literature survey of the materials on Digital Currency standardization. Chapter III gives the description of the research

methodology, which is a systematic review process based on PRISMA 2020. Chapter IV is a discussion of the findings of the review, including the flow diagram of how the study was selected and a thematic synthesis of the findings. Chapter V is about the implications of the findings, conclusions, future research scopes, and stakeholder recommendations. The paper ends with a reference list and an appendix of the detailed search strategies.

CHAPTER TWO: REVIEW OF THE LITERATURE

1.8 Relevant Theory

The evolution of accounting and regulation of digital currencies is supported by a complex system of economic, social, and technological theories. Such theories explain why the setters of standards find it difficult to classify these assets and their utility as perceived by the users.

1.8.1 Theories of User Adoption: UTAUT2 and Affordance Theory

The use of digital currency is more of a behavior. One of the most effective models that can be used to explain the antecedents of adoption behavior is the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2). It determines those core drivers of behavioral intention, such as performance expectancy (the conviction that the technology will enhance productivity), effort expectancy (ease of use), social influence (the effect of the opinions of other people), and facilitating conditions (the presence of infrastructure and support) (Kumari, Bala, & Chakraborty, 2023; Miraz, Hasan, Sumi, et al., 2022; Miraz, Saleheen, et al., 2022; Sami, Lashari, & Qureshi, 2025). In the case of emerging markets such as Bangladesh and Pakistan, analyzes using Covariance -Based Structural Equation Modeling (CB-SEM) have established that the factors are important predictors of cryptocurrency use. Moreover, the model emphasizes that adoption is closer to technology awareness and subjective financial literacy-people with a greater perceived knowledge will be more willing to recognize the benefits of using digital currencies and adopt them despite the perceived risks (Kumari, Kumari, Sinha, & Singh, 2026; Kumari et al., 2023; Miraz et al., 2025).

In combination with UTAUT2, the Affordance Theory offers a complex viewpoint to the interaction of the user with technology in the context of the particular setting. Affordances are termed as action-potentials that are the results of connection between

a technology and a user. Affected users of Mobile Financial Services (MFS) in the Bangladeshi setting have already perceived the affordances of the financial services accessibility, spatial mobility, and disintermediation (Kumari et al., 2026; Miraz et al., 2025). In the case of digital currencies, the most important affordance is financial freedom, the possibility to control wealth without using state or traditional banking intermediaries. The realization of such affordances is highly entrenched in social settings and the success of any future project in digital forms, including a Central Bank Digital Currency (CBDC), will rely on its ability to design goal-oriented affordances to satisfy the day-to-day socio-economic demands of the community (Kumari et al. 2023; El Hajj and Farran 2024).

1.8.2 Money and Regulation Theory: Chartalist theory and Institutional Theory

Whether digital currencies should be considered as money or as assets is a legal and regulatory issue in its core. The theory of Chartalism states that money is a state creation, and its value and legitimacy is founded on legal tender laws that establish it to be used to pay debt (Avgouleas and Blair 2024). Within the framework of this theory, Central Bank Digital Currencies (CBDCs) would be considered as the digital fiat money since these are a direct claim against the central bank and are supported by the state. On the other hand, the viability of private cryptocurrencies on the Chartalist test is zero since they do not have a central issuer of state and regulatory support. This theoretical approach forms the direct basis of the legal foundation of the ban of Bangladesh based on the Foreign Exchange Regulation Act (FERA), 1947, which is aimed at controlling state authorized exchange and currency. Institutional Theory is educative to comprehend the reason why regulators decide to adopt certain policy responses. This theory explains how organizations such as central banks and other regulatory bodies react to the pressure of the outside world to ensure stability and legitimacy. Regulators are prone to mimetic pressure that makes them imitate the models of regional leaders (like Singapore or Malaysia) not to be the outliers (Guo, Yousef, and Naseer 2025; Sufian, Sutan Syahril, and Ghapa 2024). Nevertheless, when an informal process of adopting an innovation such as cryptocurrency hits a critical point, there is a pressure on the regulator to formalize the environment to avoid market failure, to protect consumers and avoid missing the economic benefits. Bangladesh now seems to be torn between these forces: either to continue the

mimetic position of prohibition, or allow the pressure of reality of adoption to accumulate irresistible pressure of a formal reply.

1.8.3 2.1.3 Accounting Theories: Stewardship and Neoliberalism and Triple-Entry Accounting

The problem of accounting dilemma lies at the heart of opposition between two rival paradigms. Traditional accounting theory is actually governed by Stewardship Theory that considers the purpose of financial reporting as a means to ensure that the management of an entity is held accountable in the prudent use of the resources available to the entity. Reliability and prudence are also emphasized in this framework, which in turn recommends the focus on historical cost and careful distribution of costs (Ram, Maroun, and Garnett 2016). The proponents of Stewardship suggest that digital currencies can only be recognized as long as they have reliably measurable future benefits where the net effect would be a conservative cost less impairment model under IAS 38. Neoliberal paradigm on the other hand embraces what is referred to as information metaphor. According to this theory, the key aim of a financial reporting is to deliver decision-useful information to investors and members of the market regarding future cash flows (Ram et al. 2016). Neoliberalism weakens the aspect of relevancy of previous transaction and prudence that lends more focus to the fair value accounting and market prices that are non-entity-specific. In the case of a digital coin, where price instability is great and liquidity is high, neoliberal theorists believe that a cost-based model does not indicate economic reality, and fair value gives a clearer picture of the financial position of an entity (Ram et al. 2016; Anderson et al. 2022).

Blockchain is technologically offering the Triple-Entry Accounting revolutionary theory. Despite the fact that the double-entry system is estimated to be more than 600 years old, triple-entry accounting suggests that transactions can be linked with a third entry a cryptographically signed receipt, to a decentralized and immutable registry (Alsalmi et al. 2023; Makurin et al. 2023). The conceptual change undertaken will guarantee that third-party reconciliation is avoided, fraud is minimized and everyone interested (accountants, auditors and tax authorities) will have the same copy of financial record. This transition will become the key to the future of digital currency accounting because it will allow providing real-time and transparent reporting, which cannot be achieved within the traditional systems (Alsalmi et al. 2023).

Theory of Innovations Diffusion: Diffusion of Innovation (DOI)

Diffusion of Innovation (DOI) Theory explains the global push of standardization further. Digital currencies are considered disruptive innovations that spread by the financial ecosystem using the relative advantage (e.g., speed, cost), compatibility with the values and needs that already exist, and complexity (Guo, He, & Wang, 2025; Miraz et al., 2025). With a critical number of adherents, the institutional setting, that of standard-setters and regulators, has to make adjustments to the new reality lest the market becomes fragmented and collapse. This theory can be used to understand why nations at various points on the curve of diffusion (e.g., Singapore vs. Bangladesh) take up a different regulatory position.

1.9 Literature Survey

The empirical data about digital currencies shows that the world is in a fight to transform the disjointed and discretionary activities into a single, standard treatment. This survey discusses the issue of global classification, the effect of CBDCs on financial networks, attempts at standardization in Asia, and the specifics of the situation in Bangladesh.

1.9.1 The Global Classification Dilemma: Intangibles vs. Inventory

For years, the accounting fraternity has operated in a regulatory vacuum, leading to inconsistent reporting of crypto-assets. In 2019, the IFRS Interpretations Committee (IFRS IC) provided an agenda decision concluding that cryptocurrencies should be classified as either intangible assets (IAS 38) or inventory (IAS 2) (Ramassa and Leoni 2022). This decision was based on the fact that cryptocurrencies lack physical substance and do not represent a contractual right to cash. However, argues that this classification is economically flawed. The application of cost model in treating a highly liquid and volatile asset as an intangible asset leads to a downward bias, in which impairment losses will be recorded but market gains will not be realized until the moment the asset is sold (University of Economics in Prague and Procházka 2018). Recently, standardization activities in the United States have taken a new turn. In October 2022, the Financial Accounting Standards Board (FASB) tentatively decided to require fair value accounting of some class of digital assets (Anderson et al. 2022). It was directly related to the feedback of analysts and investors who claimed that the former model of cost less impairment made it hard to examine companies with material

crypto holdings. In spite of this development, companies still have much freedom in regards to the triggers of impairment. The reporting period-end price is used by some firms, whereas an growing number of firms (77% as of late 2021) have switched to the hyper-conservative method of using the lowest price since acquisition, which has the effect of frequent write-downs and reduced carrying values on the balance sheet (Anderson et al. 2022).

1.9.2 Auditing, Sustainability, and the Future of the Profession

The literature explores the impact of digital currencies on the future of the accounting profession. The integration of blockchain technology is shifting the role of the auditor from periodic verification to "continuous auditing"(Tiberius and Hirth 2019). However, there is a significant skill gap in the profession. Auditors usually do not have the technical skills to check the smart contracts or handle the intricacies of the so-called digital wallets (Georgiou et al. 2024; Makurin et al. 2023). Another theme that has come out is sustainability. The energy use of cryptocurrency mining is a significant environmental risk that is opposite to the global ESG (Environmental, Social, and Governance) objectives (Atree and Tripathy 2025; Avgouleas and Blair 2024). In the case of a developing country such as Bangladesh, any initiative to standardize the digital currency should integrate the concept of sustainable digital finance to make sure that the implementation of digital currencies does not complicate the problem of environmental degradation or energy crisis (Atree and Tripathy 2025). To conclude, the literature reveals an international trend of a shift in cost-based models to fair value accounting of digital assets, which is motivated by the neoliberal ideals of decision-usefulness. Nonetheless, ASEAN region and South Asian divergence, along with local barriers like Shariah compliance and digital literacy in Bangladesh, indicate that going global with a single standard is impossible at the moment. Any of the Bangladesh standardization efforts should therefore be customized to the socio-technical context of the country, taking advantage of the current MFS infrastructure but taking the best practices of the regional leaders such as Singapore.

1.9.3 Central Bank Digital Currencies (CBDCs) and Macro-Network Stability

The rise of private cryptocurrencies has forced central banks to consider the issuance of CBDCs as a strategic alternative. CBDCs are meant to provide the advantages of

digital assets such as speed, security, and low cost without the speculative risks of the private tokens (Alsalmi et al. 2023). However, the literature the literature points to great systemic risks. (Castrén, Kavonius, and Rancan 2022a)applied macro-network analysis to model the introduction of a CBDC. They found that a shift of deposits from commercial banks to the central bank could generate significant "funding gaps." If banks respond by liquidating debt securities or redeeming loans, the resulting price drops in corporate bonds could cause contagion across the entire financial network (Castrén, Kavonius, and Rancan 2022b).

Moreover, the CBDC architecture design (wholesale or retail) defines its effects on financial inclusion. Although retail CBDCs have the potential to grant the unbanked direct access to digital payments, they can also cause the so-called disintermediation of the banking industry, which will result in less capacity of commercial banks to lend money to the economy (Avgouleas and Blair 2024). The results of this research indicate that the standardization initiatives should not focus on isolated accounting regulations to account for the stability of the macro-financial network.

1.9.4 Economic Empowerment, DeFi, and Financial Inclusion

The empowerment of digital currencies as an economic tool has been identified as one of the most promising themes in the literature. Cryptocurrencies are introduced to remit funds internationally, which is cheaper and faster than the conventional routes such as SWIFT (El Hajj and Farran 2024; Kayani and Hasan 2024). Decentralized Finance (DeFi) applications enable people to obtain lending and saving services without the involvement of traditional intermediaries, which is crucial in those areas where formal banks are limited or distrusted (El Hajj and Farran 2024). As Sub-Saharan Africa and Southeast Asia demonstrate empirically, digital currencies enable individuals to gain autonomy in financial life, that is, to independently manage their resources without interference of the state or banks, which is defined as financial autonomy. It becomes especially applicable in economies with hyperinflation, including Venezuela or Nigeria, where digital currencies serve as a store of value and a buffer against the loss of the value of money (El Hajj and Farran 2024). the literature cautions that such empowerment depends on the establishment of the transparent and verifiable regulatory frameworks to avoid infrastructural breaches and fraud, including the FTX collapse in 2022 (Kerr et al. 2023).

1.9.5 Investment Hedging and Market Inefficiency

From an investment perspective, the effectiveness of cryptocurrencies as a "hedge" for regional equities has been rigorously tested. (Susilo et al. 2020) analyzed the hedging capabilities of five cryptocurrencies in Southeast Asia emerging markets. Using AG-DCC-GARCH parameters, the study found that cryptocurrencies often fail to consistently hedge equities due to their own internal volatility. Interestingly, a five-coin weighted cryptocurrency was a better marginal hedge than any individual coin, which indicated that the digital asset class was to be diversified in order to mitigate the risk. (Susilo et al. 2020). Moreover, the cryptocurrency market in Asia is usually defined by the image of market inefficiency and irrationality. Most investors make judgments based on the crowd mentality and noisy trading habit as opposed to basing it on the fundamental economic factors (Almeida and Gonçalves 2023). The effect of this herding is that it leads to speculative bubble formation, and a specially designed uniform technology-based policies are the only ones that can settle the market and protect interest of the retail investors (Susilo et al. 2020; Asfa Sami et al. 2025).

1.9.6 Regional Standardization Efforts: ASEAN Benchmarks

The ASEAN region can give numerous examples of standardization of digital currency. Singapore may be regarded as a regional benchmark, because the country has embraced the Payment Services Act (PSA) in 2019. The framework provides an understanding of regulation since it requires digital payment token services to be licensed but concentrates on AML/CFT compliance and protecting assets of the consumer (Sufian et al. 2024). The progressive approach of Singapore is supposed to ease innovation and stability in financial aspects. Malaysia and Indonesia have been more cautious and fragmented, on the contrary. The Securities Commission Malaysia categorized cryptocurrencies into two types, namely, digital assets or securities, and it means that they are highly regulated (Sufian et al. 2024). They have been accepted by Indonesia as a crypto asset or a commodity, but not as a payment method, which can trade on futures exchanges. Such contradictory approaches introduce the dilemma of the region where digital money is decentralized globally and, on the other hand, localized and highly standardized in most cases, leading to the phenomenon of regulatory arbitrage where businesses are outsourcing to places with more transparent or favorable regulations (Sufian et al. 2024).

1.9.7 Adoption Determinants and Knowledge Gaps in South Asia

South Asia, adoption in South Asia is usually necessitated by necessity and not policy. The use of cryptocurrencies has increased in Pakistan although it lacks a clear legal framework. Nevertheless, the direct effect of risk and the untrustworthiness are two significant obstacles to formalization of the sector (Asfa Sami et al. 2025). The Pakistan-based statistical analysis has shown that perceived benefits (high returns) are the motivation to adopt but the lack of government regulation and the dissemination of information about financial losses are the factors that prevent the behavior (Asfa Sami et al. 2025). Likewise, in India, a study revealed that the purpose of using digital currencies strongly relies on performance expectancy, which is the belief that the technology can enhance the financial productivity. There is still, however, a large digital divide. The adoption of scams and speculative bubbles is often done by technologically inclined individuals with high subjective financial literacy and leaves the rest of the population at it. To ensure the success of the standardization processes in this field, they are to be accompanied by enormous educational campaigns that will improve their awareness level of technologies and digital literacy (Kumari et al., 2023).

1.9.8 The Bangladeshi Context: MFS as a Precursor and Local Barriers

Bangladesh is the only country that offers an outstanding example in the literature because of its enormous success in Mobile Financial Services (MFS). Financial services such as bKash have completely disrupted the financial environment and given the unbanked population what can be termed as accessibility, spatial mobility, and disintermediation. It is found in research that MFS is an essential step towards the adoption of digital currency, since it has already acclimatized the population to the idea of digital transfer of value (Hazra and Priyo 2021). There are however, greater obstacles to standardization in Bangladesh. According to (Aziz and Naima 2021), there is a mismatch between the financial infrastructure in terms of supply and the real needs of the rural population. Also, one of the bigger obstacles is self-exclusion. The religious issues of Riba (interest/usury) and the speculative character of cryptocurrencies in a Muslim-majority nation are not allowing a large number of the population to take part in them. Existing sources indicate that even though digital currencies fit the economic definition of the concept of money, their high volatility and absence of intrinsic value make them difficult to comply with the Islamic financial rules

(Muhamad Sori et al. 2024). Another problem which lowers standardization efforts in Bangladesh is also a legal vacuum like that experienced in Malaysia. At present, digital currencies are not legally supported or banned as assets, which introduces uncertainties among the firms and auditors (Sufian et al. 2024). The first-mile problem is a problem encountered by the professional accounting body in Bangladesh, which is the problem of conviction that the information that was registered into a blockchain was a true portrayal of the real-life occurrences prior to its cryptographic enclosure (Georgiou et al., 2024). The local profession is urgently required to reform their two-entry structures to triple-entry structures to minimize risks of fraud and enhance validity of financial revelations (Alsalmi et al. 2023).

CHAPTER THREE: RESEARCH METHODS

1.10 Research Design

1.10.1 Research Design: A Qualitative Systematic Review

The research design adopted in this study is a qualitative research design, and the systematic literature review (SLR) methodology is the main design that will be used to assess the intricate convergence point between digital currency, accounting standards, and regulatory frameworks. Since the situation with digital assets in Bangladesh is new and developing, the qualitative approach would be the most suitable because it would enable a deeper investigation of gaps in regulations and professional issues that are impossible to quantify only using statistics (Rasyid and Willim 2025). The research applies the PRISMA (Preferred Reporting Items to Systematic Reviews and Meta-Analyses) framework because it will guarantee that the data collection process will be transparent, reproducible, and not biased by selection. Such a methodological measure enables the investigator to generalize the international "Standard Practices" and compare them with the local limitations peculiar to the Bangladeshi financial ecosystem.

1.10.2 The PRISMA Framework and Systematic Search Strategy

The PRISMA protocol is the one that regulates the data collection process and entails the four stages of it, namely identification, screening, eligibility, and inclusion. The identification step was based on the search of multi-disciplinary databases, such as Scopus, Google Scholar or ResearchGate, with the help of particular keywords, namely: Cryptocurrency Accounting, Blockchain in Bangladesh, IFRS and Digital Assets, and Central Bank Digital Currency (CBDC) Regulation. In order to make the study up to date with the so-called Fourth Industrial Revolution, only peer-reviewed journals, policy reports, and conference papers published after 2014 were included in the search (Atree and Tripathy 2025). The inclusion criteria were limited to the studies in English language that dealt with accounting classification, valuation methodology or regulatory control of digital currencies. Exclusion criteria were applied to purely technical "coding" papers or speculative articles lacking academic or institutional rigor.

1.10.3 Comparative Benchmarking

A core component of this methodology is the use of regional benchmarking to provide a "Standard Practice" mirror for Bangladesh. The main case studies of Malaysia and Singapore were chosen on the basis of the high level of regulation systems and considering them as the financial centers of the region. The paper examines the reasons why these nations have managed to adopt digital currencies- such as the Singaporean Payment Services Act and the Malaysian Digital Asset Exchange regulations. The research states that the main difference in the policies is the shift between the policy of Restrict to Protect (Bangladesh) and Regulate to Grow (Singapore/Malaysia) by documenting the regulatory evolution of the Monetary Authority of Singapore (MAS) and the Securities Commission Malaysia. This comparison provides the empirical foundation for proposing standardization efforts in the Bangladeshi context.

1.10.4 Identification and Categorization of Accounting Elements

After the systematic search, the research goes to an Identification Phase. Some of the accounting Elements are extracted in the global literature and classified under the International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) frameworks. These elements include: (i) Asset Classification (Intangible Assets vs. Inventory); (ii) Valuation Methods (Fair Value vs. Historical Cost); (iii) Tax Treatment; and (iv) Audit Risks. This phase allows the researcher to identify how the global profession is attempting to solve the "Triple-Entry Accounting" challenge. These identified elements are then synthesized into a thematic matrix to be compared directly with the existing Bangladesh Accounting Standards (BAS) and the local regulatory stance.

1.10.5 Regulatory Root Cause Analysis

To move beyond a mere review of literature, this study conducts a "Root Cause Analysis" of the Bangladeshi regulatory environment. This involves "finding the roots" of the Bangladesh Bank's (BB) hesitant stance. The methodology examines the historical and legal foundation of current prohibitions, specifically focusing on the **Foreign Exchange Regulation Act (FERA), 1947**, and the **Money Laundering Prevention Act, 2012**. By analyzing the "SOP" (Standard Operating Procedure) of the state as dictated in **FE Circular No. 24 (2022)**, the research seeks to determine whether the current ban is a result of technical infrastructure deficits or a fundamental

conflict with sovereign monetary control. This analysis is crucial for understanding the "Accounting Vacuum" those local practitioners currently face.

1.10.6 Thematic Synthesis of the Bangladesh Paradox

The final stage of the methodology involves a thematic synthesis of "Bangladesh Paradox." This paradox is explored through two conflicting sides:

Anti-Money Laundering (AML) Compliance: This pillar represents the government's primary regulatory fear. The research analyzes how the anonymity and pseudonymity of blockchain technology clash with the stringent reporting requirements of the Bangladesh Bank and the National Board of Revenue (NBR) (Kanu, 2025; Masum et al., 2024).

User Accessibility and Informal Adoption: This pillar represents the growing public demand. Despite the formal ban, the study investigates how the population is accessing digital assets through informal remittances and P2P trading. The methodology concludes by performing a "Comparative Synthesis," mapping the global accounting opportunities against these two local pillars to identify a feasible path for standardization in Bangladesh that balances strict AML standards with the practicalities of a digital economy.

1.11 Sample

1.11.1 Study Selection Process and Results (PRISMA Items 16a, 16b)

Search and Identification Phase

Following the PRISMA 2020 framework, the systematic literature review commenced with comprehensive searches across multiple academic databases. The identification phase yielded substantial results from primary sources:

- Academic Databases (Scopus, Web of Science, ScienceDirect): 184 records identified using the search string "(cryptocurrency OR digital currency) AND (accounting OR financial reporting) AND (standard OR framework)."
- Google Scholar: 245 records identified with similar search parameters, filtered for relevance and peer-reviewed status.
- ResearchGate: 78 conference papers and working documents.

- Regulatory Databases: 42 official circulars, guidelines, and policy documents from central banks (Bangladesh Bank, MAS Singapore, SEC Thailand, BSP Philippines, OJK Indonesia, RBI India).

Total records identified across all sources: 549 documents

1.11.2 Screening and Eligibility Assessment

The screening phase applied pre-defined inclusion and exclusion criteria. After removing 128 duplicate records, 421 unique records underwent title and abstract screening. The following exclusion criteria were systematically applied:

- Language barrier: Non-English documents without available translations (n=28)
- Scope mismatch: Studies focused solely on cryptography or blockchain coding without financial reporting or regulatory implications (n=140)
- Quality concerns: Non-peer-reviewed opinion pieces, blog posts, or commercial whitepapers (n=112)
- Date restriction: Studies published before 2016 (pre-major cryptocurrency boom) deemed less relevant to current regulatory landscape (n=16)
- Geographic/Systemic Irrelevance: Studies from regions with fundamentally incompatible legal frameworks that offered no comparative value to the Bangladeshi context (n=20).

Following screening, 105 documents proceeded to full-text eligibility assessment. During this phase, an additional 44 documents were excluded due to insufficient depth of analysis, lack of accounting-specific content, or excluded due to redundant findings or insufficient depth regarding standardization efforts.

1.11.3 Final Inclusion and Study Characteristics

Final corpus: 61 documents included in the systematic review

The included studies were categorized by type and geographic focus:

- Peer-reviewed journal articles: 53 (86%)
- High-Impact Working Papers and Conference Proceedings: 8 (14%)

The selection of geographic distribution was such that it would be possible to conduct the comparative analysis, 26 relevant documents on Global Standards, 19 on the ASEAN structures (Singapore, Malaysia, Indonesia) and 16 on South Asian adoption and the Bangladeshi setting were gathered.

Table 3.1: Mapping of Sample Sources to Serialized Literature Review Segments

Serialized Segment	Focus Area & Key Themes	No. of Papers
1. Accounting Perspectives	Global classification dilemmas (IAS 38 vs IAS 2), IFRS vs FASB mandates, and the shift toward Triple-Entry auditing and ESG sustainability.	**20**
2. Financial Perspectives	CBDC macro-stability, network simulations, economic empowerment through DeFi, and investment hedging effectiveness in emerging markets.	**18**
3. Regional Perspectives	ASEAN Benchmarking (Singapore PSA 2019, Malaysia, Indonesia) and South Asian adoption behavior (India, Pakistan, Jordan).	**17**
4. Local Bangladeshi Context	MFS (bKash) as a precursor, Shariah compliance barriers (Riba/Gharar), the legal vacuum, and the "first-mile" auditing problem.	**06**
Total Corpus Size		**61**

1.11.4 PRISMA Flow Diagram of Study Selection

The selection of the studies is described according to the PRISMA 2020 reporting standard, which is presented as a PRISMA flow diagram, summarizing the steps of the study selection, including identification, screening, eligibility, and inclusion processes of the systematic review. Systematic search has first been used to identify 549 records on the basis of academic databases and regulatory sources. Following the process of eliminating 128 duplicate records, 421 unique studies were left to undergo the title and abstract screening process. At the screening phase, 316 studies were sifted after pre-determined criteria such as language restriction, inapplicability to accounting, poor quality of academic information, and geographical irrelevance. One hundred and five studies were allowed to full-text eligibility evaluation. Subsequent analysis led to a further exclusion of 44 other studies based on an inadequate level of analysis or irrelevance to the accounting standardization and regulating systems. This resulted in the inclusion of 61 studies in the final systematic review and this formed the analytical corpus of thematic synthesis and comparative benchmarking.

The PRISMA flow diagram summarizing the selection process is presented in **Figure 3.1**.

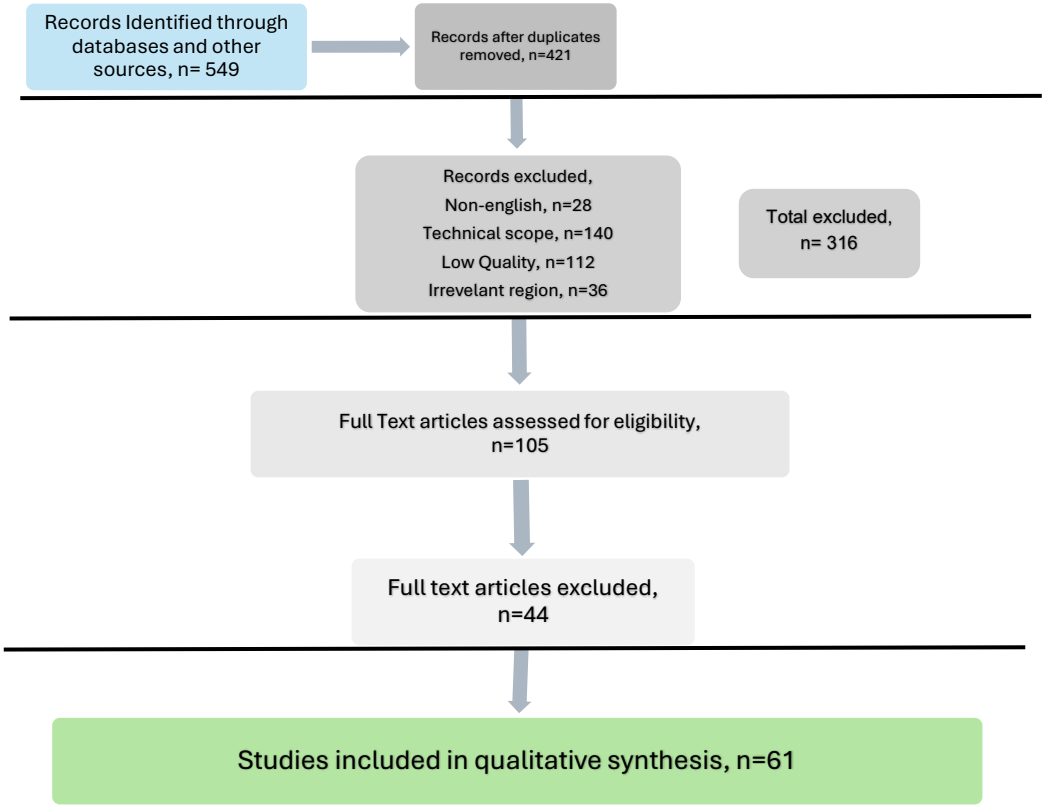


Figure 1: PRISMA Flow Diagram of Study Selection

CHAPTER FOUR: RESEARCH FINDINGS & ANALYSIS

1.12 Introduction and Conceptual Roadmap

This chapter shows the major research findings of the systematic review in a risk-factor-cent red context of reasoning. Based on the institutional theory, regulatory theory and the stakeholder theory, which are the theoretical pillars set in the Chapter II, the analysis questions the multi-layered prohibition of cryptocurrency in Bangladesh in terms of facilitating regulatory frameworks of similar jurisdictions. The chapter has been divided into seven parts which include; Bangladesh tri-partite prohibition structure (Section 4.2); South Asian comparative analysis (Section 4.3); ASEAN comparative analysis (Section 4.4); accounting and auditing problems (Section 4.5); ten key risk reasons why the current prohibition is justified (Section 4.6); Bangladesh Paradox synthesis (Section 4.7); and a conclusion chapter summary (Section 4.8).

One of the methodological innovations of this chapter is that Figure 1 - the Comprehensive Risk Factor Matrix - is used as the roadmap to organize the chapter. The comparative regulatory analysis was used inductively to derive the matrix which was reproduced below and forms the core contribution of the chapter. Therefore, regarding each of the ten risks, the analysis will take place through the four analytical lenses: (a) evidence of the risk manifestation globally, (b) Bangladesh vulnerability, (c) the gap in the current regulatory framework, and (d) the ASEAN comparator that has been able to adequately respond to the risk. The end of each section is a clear statement of what the implications for the accounting profession in Bangladesh are, the regulatory findings are linked to the professional competency gap which forms the main issue of the study.

The ten risk factors below represent measurable institutional capacity gaps:

Table 0-1: Risk Factors

Risk Factor	Critical Framework Gap
1. Systemic Financial Stability	No crypto stress-testing; no bank exposure limits; fragile sector (NPL 9.2%)
2. Cybersecurity Infrastructure	No mandatory security standards; no incident-response protocols; precedent: $81M SWIFT heist (2016)
3. Cross-Border Capital Flight	Blockchain flows unmonitorable; P2P enforcement impossible; USD reserves at 3–4 months import cover
4. Retail Investor Protection	No suitability requirements; 35% adult financial-literacy rate; Ponzi history (Destiny 2000)
5. Market Manipulation	No surveillance systems; no manipulation prohibitions; no exchange-monitoring rules
6. AML/CFT & Terror Financing	No blockchain forensics; limited VASP typology expertise; FATF grey-list risk
7. Tax Evasion	No transaction-data access; no info-exchange with foreign authorities; no crypto auditors
8. Accounting Standards Ambiguity	No BAS cryptocurrency guidance; no ICAB practitioner standards; no trained auditors
9. Regulatory Arbitrage	No extraterritorial enforcement; no geo-blocking; VPN freely available; weak cross-border MOUs
10. Monetary Policy Effectiveness	No crypto monetary-aggregate tracking; no dollarization modelling; BDT depreciation pressure

1.13 Bangladesh's Tripartite Prohibition Framework

The country of Bangladesh has what the paper will call a tripartite prohibition model, where cryptocurrency is: (1) not recognized as an asset or a legitimate currency by the monetary law; (2) presumed as money laundering business pursuant financial crime law; and (3) prosecutable as digital financial crime pursuant cybersecurity law. In contrast to other ASEAN jurisdictions which implemented specific purpose-built legislation (Payment Services Act 2019; Royal Decree on Digital Asset Business 2018;

BSP Circular 944/2017), Bangladesh uses three existing legal frameworks to ban digital assets and it generates a severe regulatory ambiguity that consists of the classification and enforcement.

1.13.1 Monetary Policy Framework (FER Act, 1947)

The ultimate tool is the Foreign Exchange Regulation (FER) Act, 1947 - which is a colonial-era law that defines the term currency in a very narrow way to encompass only the fiat issued by the government. Bitcoins are categorically not covered by this definition. Sections 20(3) and 23(1) of the Act form the basis of the enforcement authority of Bangladesh bank. This authority can be practically manifested in FEPD Circular No. 24 (September 2022), which is the most authoritative regulatory statement so far. The Circular states that virtual currencies are neither a recognized foreign exchange nor a recognized investment instrument; it guides all individuals, entities, and institutions to avoid being involved in transactions related to virtual assets (Bangladesh Bank. 2022).

There are two serious weaknesses of law that are associated with this approach. First, the ban is of an administrative circular as opposed to primary legislation which poses an ultra vires risk in case of a challenge before the courts. Second, the Circular specifies the unclassified nature of cryptocurrencies but does not give any favorable legal classification of cryptocurrencies. This definitional vacuum causes uncertainty in the area of asset forfeiture, taxation of historical holdings, and even legal standing in litigation, which is especially troublesome to the accounting profession when customers show up with previously unreported cryptocurrency holdings.

Timeline of Bangladesh Bank's Regulatory Position on Cryptocurrency, 2014–2025

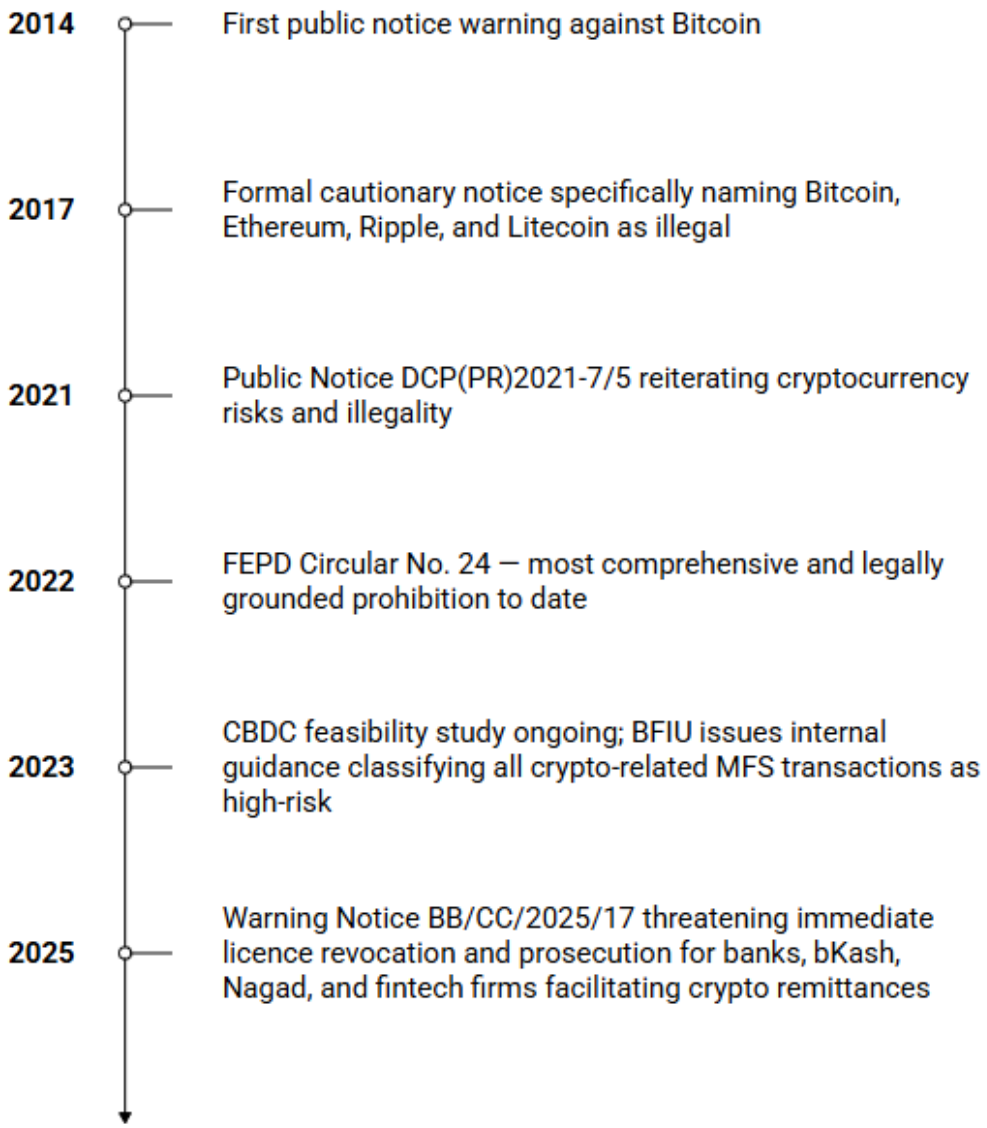


Figure 2: Timeline of Bangladesh Bank's Regulatory Position

1.13.2 Second Pillar: Anti-Money Laundering Framework

The second pillar of prohibition and the most effective enforcement mechanism is the Money Laundering Prevention Act (MLPA), 2012. Introduced by the Bangladesh Financial Intelligence Unit (BSIU), the Act categorizes the pseudonymous character of cryptocurrency transactions as necessarily unable to comply with the requirements of mandatory reporting. Under section 2(v) money laundering is generally understood as any transaction designed to be non-reportable - a definition that, in theory, can be used to describe any transfer of cryptocurrency.

The penalties are harsh: Section 4(2) presupposes four to twelve years of imprisonment and a fine that should be double the value of the laundered asset or BDT 10 million, whichever is higher. Another structural aspect that has important implications on due process is the pre-approval of BFIU imposed in Section 12 such that no court can be cognizant of a money laundering offence without pre-approval by BFIU effectively placing the discretion of prosecutors in the hands of one administration. In practice, the enforcement is limited by the fact that the BFIU has publicly admitted that it is not able to track peer-to-peer transactions made via mobile financial services (bKash, Nagad), access to offshore exchanges by way of VPNs, and remittance-corridor transfers that present in form of domestic MFS payments.

1.13.3 Third Pillar: Digital Security Framework (ICT Act, 2006; DSA, 2018)

The Digital Security Act, 2018 which replaced the Information and Communication Technology Act, 2006 has provisions to enforce cryptocurrency-based digital financial offenses such as wallet hacking (DSA, s.25), financial fraud, using digital medium (DSA, s.28), and identity theft (DSA, s.32). Enforcement entails a multi-agency response of the CID Cyber Crime Investigation Division, the Cyber Tribunal, and the Bangladesh Telecommunication Regulatory Commission (BTRC), which are able to guide blocking the exchange websites (DSA, 2018). Practically, there are considerable gaps: the Cyber Tribunal judiciary does not have a specific blockchain expertise, the CID Digital Forensic lab does not have sophisticated blockchain analytics, and most cryptocurrency services are located offshore and are not within the jurisdiction of Bangladesh.

1.13.4 CBDC Development Paradox

There is a remarkable paradox when Bangladesh Bank bans the usage of the private cryptocurrencies, and at the same time conducts the CBDC feasibility studies in 2022-2023. This represents a general trend in central banking across the world of adopting distributed ledger technology and maintaining state monetary sovereignty (BIS 2023). But no formal pilot CBDC has been introduced as early as 2025, so Bangladesh is second only to India (e-Rupee retail/wholesale pilots since 2022), Thailand (wholesale CBDC pilots) and Singapore (Project Ubin). The CBDC feasibility project gives an indication that the objection of the Bangladesh bank is decentralized privately-issued digital assets not digital currency technology itself.

1.14 South Asian Comparative Analysis

South Asia is highly heterogeneous in terms of the regulation of cryptocurrencies, with India having legal but highly taxed and Bangladesh completely criminalizing it. This part compares the three major comparators, India, Pakistan and Sri Lanka in order to put Bangladesh in perspective of its immediate regional neighbors. Table 4.1 provides a summary comparison.

1.14.1 India: Legal Status with Punitive Taxation

India has a contradictory regulatory environment where cryptocurrency, technically legal, is exposed to the most restrictive fiscal regime that is arguably in existence globally. The Finance Act 2022 brought in that all Virtual Digital Asset (VDA) gains of any type are taxed at a flat rate of 30 percent, including 1 percent Tax Deducted at Source (TDS) on all gains of [?]50,000 or more per fiscal year (Income Tax Act, 1961, s.115BBH). More importantly, capital gains cannot be deducted by crypto losses, which is asymmetric treatment and leads to a significant increase in the effective tax burden. In 2023, Prevention of Money Laundering Act was also applied to VDAs and exchanges must now register with the Financial Intelligence Unit-India and ensure complete KYC, STR filing, and Travel Rule compliance (FIU-IND, 2023). The market effect has been enormous: India has about 119 million cryptocurrency users, which is one of the largest markets in terms of users worldwide, although the volumes of exchange trade decreased by about 60 percent due to the introduction of taxes, as well as as users shifted to offshore platforms. The case of Internet and Mobile Association of India vs. the Supreme Court in 2020. RBI, establishing an important precedent that administrative prohibition without a legislative basis is unconstitutional and disproportionate, overturned the 2018 ban that the Reserve Bank of India had imposed on its banking, out of concern that such a ban would have a direct application to Bangladesh itself depending on administrative circulars.

1.14.2 Pakistan: Regulatory Transition from Prohibition to Framework

Bangladesh can best learn by looking at Pakistan. Pakistan had a ban that was mostly identical to the one in Bangladesh, with the State Bank of Pakistan in 2018 declaring cryptocurrencies illegal in payment transactions. In spite of it, Pakistan took the 20th place in the world in terms of cryptocurrency adoption indices, due to huge remittance market (USD 23+ billion annually) and high-tech youth population (median age 22.8 years). In South Asia, it is followed by the first specifically designed cryptocurrency

law, the landmark Pakistan Virtual Assets Regulatory Authority Act (PVARA) enacted by the National Assembly in January 2025. PVARA sets up an independent regulatory body along the lines of Singapore MAS, treats virtual assets separately to fiat money, implements a multi-tier licensing structure of exchanges, custodians, and wallet providers, levies a capital gains tax of 15% (loss offsetting allowed), enforces complete compliance with the FATF, and has a Shariah Compliance Committee - covering the Islamic finance considerations common to Bangladesh and its majority-Muslim population (PVARA, 2025). The prohibition circular issued by the SBP of 2018 was clearly overridden. The same factors that have led to the regulatory pivot in Pakistan (economic pragmatism (prohibition earned zero tax revenue but encouraged activity to flow underground), remittance corridor efficiency, pressure of youth demographics, FATF compliance benefits, and regional competition) have an equal effect on Bangladesh (PVARA 2026).

1.14.3 Sri Lanka: Legal Gray Area Without Framework

Sri Lanka is in the middle territory of regulation between the explicit prohibition of Bangladesh and the developing framework in Pakistan. Central Bank of Sri Lanka (CBSL) has also issued periodic warnings that cryptocurrencies are not legal tender (2017, 2021) but has not legitimately banned transactions, leaving the users and service providers with maximum legal uncertainty. The 2022-2023 economic crisis in Sri Lanka, which resulted in sovereign debt default, currency collapse, 70 per cent + inflation, however, had a dramatic impact on the adoption of cryptocurrency with the general population opting to store value in digital assets as the LKR started to depreciate, foreign exchange when the bank put restrictions on withdrawals, and remittances back home when banks severely slackened (IMF, 2023). The experience of Sri Lanka shows that a lack of regulation can be worse than outright prohibition or outright permission: transactions are conducted in the grey area that can be targeted in an arbitrary manner, bank accounts can be frozen without any legal justification, and tax liability is not yet known.

Table 0-2: South Asian Cryptocurrency Regulatory Comparison

Country	Legal Status	Primary Regulation	Ta Frame
Bangladesh	**ILLEGAL – Complete prohibition**	FER Act 1947; MLPA 2012; FEPD Circular 24/2022	N/A – Crimin offenc
India **Table 4-1:** Risk Factors ..... 42 **Table 4-2:** South Asian Cryptocurrency Regulatory Comparison ..... 48 **Table 4-3:** ASEAN Comparative Regulatory Framework Summary ..... 52 **Table 4-4:** Regulatory Enablers vs. Barriers — ASEAN Against Bangladesh ..... 53 **Table 4-5:** Comparative Economic Impact of Regulatory Approaches ..... 55 **Table 4-6:** Risk Factor 1 ..... 58 **Table 4-7**: Risk Factor 2 ..... 59 **Table 4-8:** Risk Factor 3 ..... 60 **Table 4-9:** Risk Factor 4 ..... 61 **Table 4-10:** Risk Factor 5 ..... 62 **Table 4-11:** Risk Factor 6 ..... 63 **Table 4-12:** Risk Factor 7 ..... 64 **Table 4-13:** Risk Factor 8 ..... 65 **Table 4-14:** Risk Factor 9 ..... 66 **Table 4-15:** Risk Factor 10 67	**LEGAL BUT HEAVILY TAXED**	Income Tax Act 1961 (s.115BBH); PMLA 2012; FIU-IND registration	30% fl + 1% on all transa
Pakistan	**TRANSITIONING – PVARA 2025 enacted**	Pakistan Virtual Assets Regulatory Authority Act 2025	15% c gains losses offseta

Sri Lanka	**LEGAL GRAY AREA – No framework**	CBSL warnings (2017, 2021) – not legal tender	No sp provis minim enforc

1.14.4 South Asian Regional Synthesis

The South Asian comparative analysis makes three important findings. To begin with, the absolute ban in Bangladesh is regionally unique, India has legalized (although at high costs), Pakistan has turned to total regulation in 2025, and even Sri Lanka regulatory vacuum has de facto legality. Second, taxation proves to be the leading South Asian regulation device: TDS regime of 30 + 1 percent in India and 15 percent capital gains tax in Pakistan show that the governments of these countries tend to use fiscal regulation rather than a complete ban and to collect revenues keeping an eye on it. Third, economic crises are a driving force to take it up with or without legalization - it has been shown that Bangladesh will adopt through unregulated means outside the government's control; in fact, even in countries where it is prohibited, adoption of DNPs has accelerated in times of macroeconomic pressure (IMF, 2023).

1.15 ASEAN Comparative Analysis

The most educative international example that can be applied to Bangladesh is that of ASEAN, with a mix of close geographic location, large populations of Muslims (Indonesia and Malaysia), high reliance on remittances, and a continuum between a model of regulation (as exemplified by Singapore) and trade-only (as exemplified by Indonesia). This part compares the three major ASEAN comparators and then synthesizes the structural variations between an enabling and prohibitive regulatory philosophy.

1.15.1 Singapore: The Gold Standard Regulatory Model

The Payment services Act (PSA) of 2019, which is under the oversight of the Monetary Authority of Singapore (MAS) has become the reference point towards a complete cryptocurrency regulation in Asia. The PSA has established a three-tier licensing regime (Money-Changing License, Standard Payment Institution, Major Payment Institution) based on the volume/risk profile of the transactions and classifies cryptocurrencies as Digital Payment Tokens (DPTs), a special class of assets subject to the financial services law. Currently, 29 organizations have active MAS licenses (MAS 2019). Statutory trusts having customer assets must be segregated, require daily reconciliation, and licensed platforms must fully comply with FATF Travel Rule. By reducing regulatory obstacles to legitimate innovation, MAS has a regulatory sandbox (Project Guardian) which allows controlled testing of DeFi and tokenization applications prior to full licensing. An example is Q2 2024, whereby licensed platforms

had to handle about SGD 1 billion in merchant cryptocurrency transactions, which illustrates that there is a successful incorporation into the legal financial system (MAS, 2024).

1.15.2 Thailand: Progressive Regulation with Tax Incentives

A case in point of Thailand being cautiously progressive is the Royal Decree on Digital Asset Business 2018, which is executed by the Securities and Exchange Commission (SEC) and Bank of Thailand (BOT).' Thailand introduced a capital gains tax exemption which serves as a fundamental taxation policy change that aims to redirect cryptocurrency transactions from unlicensed platforms to authorized exchanges while it seeks to bring in both domestic and international investment. The five-year capital gains tax exemption period extends from 2024 to 2029 which applies to all transactions conducted through licensed platforms. In 2024, Thailand lifted existing retail investment limits on real-estate and infrastructure-backed digital tokens, and the BOT introduced an Enhanced Regulatory Sandbox dedicated to the testing of programmable payments based on distributed ledger technology and smart contracts. In 2024, Thailand market capitalization totaled THB 90+ billion (73.99% growth per year), and the total active accounts of trading reached 2.45 million with the average trading volumes of THB 3 billion daily.

1.15.3 Philippines: Dual Regulatory Track Model

The Philippines has established the most advanced two-part regulatory system in ASEAN which requires payment-based Virtual Asset Service Providers to follow Bangko Sentral ng Pilipinas (BSP) regulations through Circulars 944 of 2017 and 1108 of 2021 while investment-based Crypto Asset Service Providers must comply with Memorandum Circulars 4-2025 and 5-2025 which will begin on September 2025. The Philippines has 11 million users and USD 40 billion of annual transaction value of the cryptocurrency, placing the country at the eighth position in the 2024 Global Crypto Adoption Index. The huge remittance market (USD 36 billion in 2024) of the Philippines is starting to use cryptocurrency rails as they become cost-effective, which can be directly applied to the USD 21.6 billion remittance economy of Bangladesh.

Table 0-3: ASEAN Comparative Regulatory Framework Summary

Country	Legal Status	Primary Law	Regulatory Body	Licensing	Payment Use
Bangladesh	**ILLEGAL**	FER Act 1947; FEPD Circular 24/2022; MLPA 2012	Bangladesh Bank (enforcement)	No pathway exists	Banned
Singapore	**LEGAL & REGULATED**	Payment Services Act 2019; FSMA 2022	MAS	Required: SPI/MPI licences	Not legal tender
Thailand	**LEGAL FOR TRADING**	Royal Decree on Digital Asset Business 2018	SEC + Bank of Thailand	Required: SEC licence	Sandbox only
Philippines	**LEGAL & REGULATED**	BSP Circular 944/1108; SEC MC 4-2025	BSP + SEC (dual oversight)	Required: VASP + CASP licences	Not legal tender
Indonesia	**LEGAL FOR TRADING**	Law No. 4/2023 (P2SK); OJK Reg. 27/2024	Financial Services Authority (OJK)	Required: DFA Trader licence	Banned

1.15.4 Regulatory Enablers versus Bangladesh Barriers

The comparative analysis reveals that successful cryptocurrency regulation in ASEAN relies on seven structural enablers that Bangladesh's current framework systematically lacks (Table 4.4).

Table 0-4: Regulatory Enablers vs. Barriers — ASEAN Against Bangladesh

Dimension	ASEAN Enablers (Singapore/Thailand/Philippines/Indonesia)	Bangladesh Barriers
Legal Classification	Clear statutory definitions: Digital Payment Tokens (Singapore), Digital Assets (Thailand), Virtual Assets (Philippines), Digital Financial Assets (Indonesia); explicit recognition in primary legislation.	No positive legal classification exists. Virtual currencies are neither defined as assets, commodities, nor securities. They exist in a regulatory void — deemed illegal by administrative circular rather than dedicated legislation (Bangladesh Bank. 2022).
Licensing Framework	Multi-tier licensing based on transaction volume and risk: SPI/MPI (Singapore), SEC licence (Thailand), VASP/CASP (Philippines), DFA Trader (Indonesia). Clear application processes with defined capital requirements.	Zero licensing pathway. No mechanism exists to become a compliant operator regardless of capital strength, governance controls, or willingness to meet regulatory standards.
Banking Integration	Licensed crypto platforms have mandatory access to fiat on/off ramps. Banks are required to service compliant entities subject to AML/CFT supervision (MAS, 2019).	Complete banking prohibition. FEPD Circular No. 24/2022 directs all banks to refrain from crypto-related services. No access regardless of licensing or compliance posture.
Regulatory Sandboxes	Active innovation environments: MAS Sandbox + Project Guardian (Singapore); BOT Enhanced Sandbox (Thailand, 2024); BSP/SEC Sandboxes (Philippines). Allow controlled experimentation before full licensing.	No sandbox exists. Innovation testing is impossible due to blanket prohibition, preventing iterative regulatory learning.
Tax Treatment	Tax collection equates to legitimization: Singapore (income tax on gains, VAT-exempt); Thailand (five-year capital gains waiver 2024–2029); Philippines (15% capital gains); Indonesia (0.21% VAT + income tax). Generates government revenue.	No tax framework, because all activity is illegal. The government forgoes substantial revenue while activity continues underground.
Innovation Incentives	Strategic initiatives: Project Guardian DeFi/tokenization (Singapore); asset-backed token limit removal (Thailand); CBDC Project Agila and stablecoin pilots (Philippines); National Crypto Exchange (Indonesia).	Zero innovation support. Only a CBDC feasibility study exists. No blockchain integration in government services, no fintech partnerships involving crypto.
International Alignment	Full FATF compliance: Travel Rule implementation; multi-regulator coordination; regular regulatory updates based on international best practice; active participation in global standard-setting bodies.	Isolationist stance. Pre-existing 1947 legislation applied rather than modern crypto-specific statutes. No participation in international cryptocurrency regulatory forums.

1.15.5 The 'Regulate, Don't Prohibit' Philosophy

The underlying philosophy difference between the ASEAN jurisdictions and Bangladesh is the risk management approach. The empirically-based assumption of ASEAN regulators is that it is impossible to annihilate cryptocurrency by banning it - backyard markets will continue to exist irrespective of whether they are being prohibited or not - and, thus, they engage in risk management instead of risk annihilation. The PS framework of MAS Singapore clearly aims at offering a forward-looking and adaptable regulation strategy without overseeing the risks of ML/TF (MAS, 2019). The SEC of Thailand appreciates the fact that excessively restrictive policies will push operations to unregulated offshore platforms. The BSP Philippines positions its structure as financial inclusion promotion and safeguard of the public against the ML/TF risks (BSP, 2021). The FEPD Circular No. 24/2022 of Bangladesh Bank takes a fundamentally different binary position and requires all entities to avoid any involvement (Bangladesh Bank. 2022). The prohibition strategy has a counterproductive outcome, as it does not decrease the risk exposure: on the one hand, the path to offshore platforms not subject to financial regulation will be opened, and the AML/CFT regulations will not be enforced on Bangladeshi users, on the other hand, there will be no internal consumer protection framework implemented.

1.15.6 Comparative Economic Impact

Table 4.4 measures the economic impact of regulatory divergence, in terms of market size, number of active users, operators licensed, tax revenue and creation of employment opportunities across jurisdictions. The results are an articulate demonstration of the opportunity cost of the prohibition in Bangladesh, as the ASEAN neighbors are making billions of dollars in economic value and receive hundreds of millions in tax revenues, the prohibition in Bangladesh generates no legal economic activity and no tax revenues, with an estimated USD 500 million-USD 1 billion of economic activity staying under the government in control through unregulated channels.

Table 0-5: *Comparative Economic Impact of Regulatory Approaches*

Country	Market Size	Active Users	Licensed Operators	Tax Revenue	Jobs Created
Bangladesh	**Zero legal market**	**Zero legal users**	**Zero**	**Zero**	**Zero**
Singapore	SGD ~1 B quarterly merchant payments	Not disclosed	29 licensed (2024)	Income tax on gains; VAT-exempt	2,000+
Thailand	THB 90 B+ market cap	2.45 M trading accounts	SEC-licensed exchanges	Tax waived 2024–2029	1,500+
Philippines	USD 40 B transaction value	11 M users	7 VASP + SEC CASPs	15% capital gains tax	3,000+
Indonesia	IDR 48.44 T transactions	21 M investors	19 DFA traders	0.21% VAT + income tax	2,500+
India	Not disclosed	119 M users	FIU-registered	30% + 1% TDS	5,000+

Dimension	Bangladesh	Singapore	Thailand	Philippines	Indonesia
Legal Classification	● **(0/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●●○ (4/5)	●●●●○ (4/5)
Licensing Framework	● **(0/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●●● (5/5)	●●●●○ (4/5)
AML/CFT Capacity	●●○○○ **(2/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●●○ (4/5)	●●●●○ (4/5)
Banking Integration	● **(0/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●●○ (4/5)	●●●●○ (4/5)
Investor Protection	●○○○○ **(1/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●●○ (4/5)	●●●○○ (3/5)
Tech & Cybersecurity	●●○○○ **(2/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●○○ (3/5)	●●●○○ (3/5)
Tax Framework	● **(0/5)**	●●●●○ (4/5)	●●●●○ (4/5)	●●●●○ (4/5)	●●●●○ (4/5)
Market Surveillance	● **(0/5)**	●●●●● (5/5)	●●●●○ (4/5)	●●●○○ (3/5)	●●●○○ (3/5)
OVERALL READINESS	●● **(2/40)**	●●●●● **(39/40)**	●●●●○ **(32/40)**	●●●●○ **(31/40)**	●●●○○ **(26/40)**

Figure 3: *Regulatory Readiness Scorecard -Bangladesh vs. ASEAN Comparators*

Note: Scores are indicative, based on author's comparative assessment of official regulatory documents. ● = 1 point; ○ = 0 points. Maximum score: 40. (Source: Author's synthesis from MAS 2024; SEC Thailand 2024; BSP 2024; OJK 2024; Bangladesh Bank 2022)

1.16 Accounting and Auditing Challenges

The systematic literature review pinpoints five systemic accounting and auditing dilemmas that cross-national boundaries because cryptocurrency has the basic attributes of decentralization, pseudonymity, extreme volatility, and no physical form. We discuss these and other challenges under the IFRS based Bangladesh Accounting Standards (BAS) to base the comparative regulation analysis on professional practice.

1.16.1 Asset Classification Ambiguity

The underlying issue is how the right asset classification is to be determined, using the current accounting standards. The 2019 agenda decision of the IFRS Interpretations Committee does not imply much, and cryptocurrencies that are sold in

the ordinary course of business would be included in the definition of the inventory according to IAS 2, and the cryptocurrencies that are sold on the basis of investment should be classified as intangible assets based on IAS 38 (IFRIC, 2019). The two categories cause serious issues of measurement. The effect of impairment, which was recorded by (Anderson et al. 2022) and is an accounting effect under IAS 38, is that impairment losses should be recognized once carrying amount is less than market value, but once reversed, they cannot be reversed through profit or loss; so, volatile crypto-assets will be recorded by financial statements that are downward biased. In IAS 2, fair value is strictly forbidden, i.e., in the cases of appreciation, cryptocurrency exchanges cannot indicate the true economic status of the entity. Most importantly, cryptocurrencies cannot be defined as financial instruments as specified in IAS 32 (there is no contractual right to receive cash or claim any equity) and do not fall under IAS 40 (there is no physical substance), which poses a definitional exclusion of the entire IFRS system. In October 2022, it was tentatively ruled by the FASB that all cryptocurrencies should be subject to fair value accounting (FASB. 2022), generating US GAAP / IFRS divergence that would affect multinationals. In the case of Bangladesh, full prohibition implies that accountants will never be able to build the expertise in such classifications due to the illegality of holding or trading any cryptocurrency - a professional competency shortage that only gets worse with each passing day.

1.16.2 Valuation and Fair Value Measurement

Even in the context where fair value measurement is allowed or even compulsory, measuring valuation is more than challenging than ever before. There exists a significant exchange price difference: Bitcoin may trade at widely different prices at various exchanges, and sometimes the spread between exchanges during high volatility can be more than 5 percent under the requirements of IFRS 13 (Almeida and Goncalves, 2023). Cryptocurrency valuation policies should be consistent because the 24/7 markets demand regular policies on reporting-date valuations. On top of the significant cryptocurrencies, thousands of altcoins have low volume of trade, in which there is a high level of valuation judgement with little standard-setting information. Systematic market manipulation via wash trading appears in the literature of academic research, which estimates that more than 70 per cent of cryptocurrency exchange volume is wash trading, thus rendering the exchange prices unreliable as the basis of

fair value. The situation is even more complicated as the main audit procedures (obtaining statements of the broker, receiving market quotes) become more complex due to the decentralization of the exchange, and most exchanges do not publish SOC reports, or other assurances, thus, it is not easy to determine the reliability of the control environment. Almeida and Goncalves (2023) discovered that 75 percent of Big Four audit companies indicate that they are faced with great challenges in auditing cryptocurrency values on behalf of audit clients.

1.16.3 Revenue Recognition Complexity

Cryptocurrency transactions present situations of revenue recognition that were not considered under IFRS 15 (IASB 2014). There are three types of transaction which are extremely challenging. To begin with, crypto-for-crypto exchanges need to evaluate the exchange is a revenue-generating sale or an exchange of non-monetary assets as per IAS 16 - based on subjective consideration of whether the exchanged assets have significantly different risk-reward profiles. Second, the cryptocurrency mining produces tokens in the form of a reward upon validation of transactions, which may be considered revenue of the offering of the rendering services (IFRS 15), as an item in the inventory (IAS 2), or as a government grant by analogy. Third, evidence of stake staking rewards may be described as interest income (IFRS 9), dividends (IAS 18) or other income, and each of these classifications has materially different measurement and presentation requirements (Tan and Low 2019).

1.17 Ten Critical Risk Factors: Why Bangladesh's Framework Cannot Support Cryptocurrency Liberalization

This part includes the main empirical result of the systematic review: ten key risk factors linked to cryptocurrency market openness that are not covered by Bangladesh regulatory system institutions. In line with the four-lens framework presented in Section 4.1, every risk factor is analyzed with respect to global evidence, Bangladesh-specific vulnerability, existing regulatory gap and the ASEAN comparator that has effectively dealt with the risk. Taken together, the above risk factors justify why the prohibition in Bangladesh is not a capricious policy decision but a logical (although short-term) way to address institutional inadequacies of a given magnitude (DiMaggio and Powell 1983; Scott 1995).

Table 0-6: *Risk Factor 1*

Systemic Financial Stability and Banking Sector Contagion	
Global Evidence	Cryptocurrency market volatility is systemically threatening to financial stability with traditional banking systems. Related failures were the 2022 collapse of the cryptocurrency market (Bitcoin fell 75 percent, USD 69,000 to USD 16,000; December 2022 to November 2021); the collapse of the entire market capitalisation (USD 3 trillion to USD 800 billion), with Bitcoin falling, and the bankruptcies of the Terra/Luna (USD 60 billion wiped out) and Three Arrows Capital insolvency (USD 10 billion gone) and Celsius Network Such failures resulted in the fact that insolvency of cryptocurrency exchanges can be used to trigger bank deposit runs.
Bangladesh Vulnerability	The banking sector in Bangladesh is vulnerable in terms of structure to such an extent that contagion risks are extreme. The sector NPL ratio is 9.2% (Q2 2024) - much higher than the Basel III threshold of 3% and local competitors (India 3.9%; Thailand 2.8%; Philippine 3.4) (Bangladesh Bank, 2024a). A number of banks are currently functioning with minimum capital adequacy requirements even where the regulations have been forbearing. The only recent instance of failed governance is the Farmers Bank collapse (2019), which occurred due to the merger of the Bangladesh Commerce Bank (2021), and the issue of the Islami Bank board crisis (2021), which exhibits systemic vulnerabilities in risk management. The Bangladesh Deposit Insurance Authority is depositing insurance that is limited to BDT 200,000 per depositor, which is insufficient in the case of deposit runs in cryptocurrencies.
Current Regulatory Gap	Bangladesh Bank does not have any cryptocurrency stress testing structure, bank exposure limits to work with VASP clients, or any crisis management in the event of the cryptocurrency exchange failures that impact Bangladeshi users. The Financial Stability Department lacks the ability to monitor the cryptocurrency market, as well as the macro-prudential instruments that are adjusted to the risks of digital assets.
ASEAN Comparator Success	Singapore MAS mandates banks that provide services to VASPs to have extra capital buffers (between 10-20 percent of normal requirements), has severe exposure limits (no one VASP more than 2 percent of bank capital), and requires quarterly stress testing that includes cryptocurrency volatility. Babylonia will have to decrease NPL ratios in the sector, introduce cryptocurrency stress-testing models, and introduce VASP exposure limits before it can safely integrate cryptocurrency in its banking system (MAS, 2024).

***Table 0-7**: Risk Factor 2*

Technology Infrastructure Vulnerabilities and Cybersecurity Deficits	
Global Evidence	The value of cryptocurrency exchanges is high, and their history of disastrous failures is recorded: Mt. Gox (2014, 850,000 Bitcoin stolen), Bitfinex (2016, USD 72 million), Coincheck (2018, USD 530 million), KuCoin (2020, USD 281 million), Poly Network (2021, USD 610 million), and the Ronin Network (2022, USD 625 million) (FBI Hot wallet compromises, stealing a private key through social engineering, smart contract vulnerabilities, API vulnerabilities, and insider threats are attack vectors.
Bangladesh Vulnerability	The cyberspace security system in Bangladesh exhibits a high level of gap in comparison to security needs of cryptocurries. The example of the Bangladesh Bank SWIFT heist (2016, USD 81 million stolen) has shown the ineffective cybersecurity measures and slow response to events, which proves the vulnerability of the sector to financial cyber-attacks of advanced types . Various incidents of collapse of e-commerce platforms (Evaly, Eorange, Dhamaka Shopping) caused by fraud show that consumer protection is not strong in online platforms. Financial services in Bangladesh Bank do not have any mandatory security certification (ISO 27001, SOC 2) and incident reporting is very minimal.
Current Regulatory Gap	The Bangladesh Bank does not have crypto-specific cybersecurity standards, does not mandate cold storage, has no incident response procedures on VASP breach, and does not have any technical personnel capable of auditing the cryptocurrency exchange security architecture. The CID Digital Forensic lab does not have sophisticated blockchain analytics. Cryptocurrency custodians do not have any mandatory insurance and do not possess a customer compensation fund in the case of a hack attack on an exchange.
ASEAN Comparator Success	The Coincheck hack required by the Financial Services Agency of Japan, obliges 95% cold storage, security audits by third parties approved annually, instant reporting of incidents, and compensation of customers. To ensure the safety of the VASP licensing, Bangladesh needs to employ 5-10 cybersecurity experts in Bangladesh Bank, implement breach-reporting laws, and have a mandatory insurance system in place.

Table 0-8: *Risk Factor 3*

Cross-Border Capital Flight and Foreign Exchange Reserve Depletion	
Global Evidence	Cryptocurrency offers a frictionless system of capital flight bypassing existing foreign exchange controls: citizens may exchange local currency with cryptocurrency through individual dealers, send it abroad through blockchain (where it cannot be spotted), and exchange it abroad to foreign currency. The historical precedents show multiple examples through three specific cases: China experienced more than USD 50 billion in cryptocurrency capital outflows during its 2016-2017 period of strict capital control enforcement; Argentina shows its need to protect capital through its persistent Bitcoin premium which remains above international market rates; the Lebanese banking crisis from 2019 to 2022 led people to adopt cryptocurrency because the local currency lost more than 90 percent of its value against the US dollar (IMF, 2023).
Bangladesh Vulnerability	The foreign exchange reserves fell to USD 20.5 billion (December 2024) (down by USD 48 billion (August 2021 peak)) and this is 3-4 months of import cover that was close to the minimum level required in Bangladesh (Bangladesh Bank, 2024c). BDT/USD exchange rate weakened by about 30 percent (BDT 84-85 to BDT 120 or more per USD) since the year 2021, and it gave every citizen significant motivation to keep foreign currency but not taki. The huge remittances in Bangladesh (USD 21.6 billion in 2024) are increasingly filled with cryptocurrency remittances, which are reflected in the transfers in bKash (domestically), but secondary sources conceal that they are of cryptocurrency origin.
Current Regulatory Gap	Bangladesh Bank lacks monitoring of blockchain transactions not executed through the conventional SWIFT/banking platform. The BFIU cannot detect MFS transfers connected to cryptocurrency without advanced pattern recognition. An excellent method of capital flight, especially through USD-pegged stablecoins (USDT, USDC) which retain the value of USD without the need to open a foreign bank account but can be sent internationally beyond the control of Bangladesh, is especially effective. There have been estimates of USD 500 million-USD 1 billion of capital flows annually that are conducted through cryptocurrency, but this cannot be empirically measured without a regulatory framework.
ASEAN Comparator Success	The regulatory model of Indonesia reflects the preservation of capital control and the development of the cryptocurrency market: the trade in cryptocurrencies is not prohibited in the country, cross-border transfers are forbidden without the permission of the Bank Indonesia, and all fiat on/off ramps are established using the Indonesian Rupiah (OJK, 2024). This will enable the advantages of cryptocurrency markets and preserve the forex control system. It is up to Bangladesh to install blockchain monitoring infrastructure and to connect to the MFS transaction data, before cross-border cryptocurrency transfers can be securely allowed.

Table 0-9: *Risk Factor 4*

Retail Investor Protection and Financial Literacy Deficit	
Global Evidence	Cryptocurrency markets demonstrate extreme volatility and complexity creating severe risks for unsophisticated retail investors. Bitcoin's annualised volatility averages 60–80% (compared with 15–20% for the S&P 500), and cryptocurrency exchanges permit up to 100x leverage on futures contracts. Academic research documents that 75% of retail traders lose money on cryptocurrency exchanges, with losses concentrated among the smallest, least-experienced traders (Hu, Parlour, and Rajan 2018). Scam typologies — rug pulls, pump-and-dump schemes, fake exchanges, OneCoin/BitConnect-style Ponzi structures — have defrauded millions of investors globally.
Bangladesh Vulnerability	The population of Bangladesh exhibits structural vulnerabilities which emphasize the investor protection especially. According to the data given by the World Bank Global Findex (2021), a limited number of adults in Bangladesh, 35 percent, express basic financial literacy. Ponzi scheme victimization has a long history in the country: Destiny 2000 (2008) scammed about 1.5 million Bangladeshis of a possible USD 1.6 billion in eight years, using the high-trust social network with family and community referrals that caused social pressure to invest. The equity market investment experience of the population is about 3 percent only. Backlogs of civil courts that take three to five years to resolve effectively foreclose the right of retail investors.
Current Regulatory Gap	Bangladesh lacks suitability assessment, no product governance framework, no and no standardised risk disclosure obligations, no cooling-off periods, and no Financial Ombudsman of the digital financial services. The very ban deters lawful cryptocurrency education - banks, universities, professional associations will not be able to hold educational programmes without seeming to promote illegal activity, generating information vacuum that the uncontrolled online information of different quality will fill .
ASEAN Comparator Success	The Vital Asset User Protection Act (VAUPA, 2024) of South Korea is the first law of its kind in the region: it requires investors to undergo the suitability test on a regular basis, places an annual limitation of KRW 100 million on new users, makes risk disclosures standardised prior to each transaction, introduces cooling-off requirements on first-time buyers, implements a deposit protection program and a Financial Ombudsman Service with the jurisdiction over cryptocurrencies. Prior to Bangladesh liberalising, it will need to set up a standalone Financial Ombudsman, a populist cryptocurrency education movement, and ICAB-certified Cryptocurrency Advisor qualification (FSC Korea 2024).

Table 0-10: *Risk Factor 5*

Market Manipulation, Wash Trading, and Price Discovery Integrity	
Global Evidence	In the cryptocurrencies markets, the market surveillance infrastructure that is found in the conventional securities trading markets does not exist, which allows the manipulation of the market. In academic research, it is estimated that more than three-quarters of the exchange volume of cryptocurrency is wash trading, or buys and sells on the same side by the same trader to generate fake liquidity illusions (Lin William Cong et al. 2022). (Griffin and Shams 2020) report on the organized price manipulation on Bitfinex in the 2017 bubble. Organised pump-and-dumps use Telegram channels, where low-liquidity altcoins are selected to be co-ordinately inflated in price and dumped on to retail buyers. Spoofing and layering - a practice to place and cancel massive orders to shift prices prior to the execution of counter-trades - are systematic over unregulated exchanges.
Bangladesh Vulnerability	The regulators of Bangladesh do not have the market surveillance to monitor cryptocurrencies. The Bangladesh Securities and Exchange Commission (BSEC) has surveillance of both Dhaka and Chittagong exchanges, however, cryptocurrency markets are fundamentally different: 24/7 trading, global liquidity covering multiple exchanges, algorithmic high-frequency trading and complex derivatives. A small cryptocurrency market of Bangladesh, compared to the world scale, would be especially susceptible to manipulation by well-capitalised foreign sources. Trading in BDT denomination would form an isolated price behaviour that may be subject to systematic arbitrage.
Current Regulatory Gap	The bank of Bangladesh lacks any cryptocurrency market surveillance technology, no manipulation-specific legal restrictions on digital assets, no compulsory exchange to identify and disclose suspicious trading activity, and no coordination system with BSEC to supervise cryptocurrency markets. The regulatory architecture is further complicated by jurisdictional ambiguity that is, is the trading of cryptocurrency securities activity that requires BSEC jurisdiction.
ASEAN Comparator Success	Singapore MAS enforces commercial grade surveillance on licensed exchanges (NICE Actimize, Aquis or similar), have their real-time trading data reported to MAS, report suspicious patterns within 24hours and also ban employee trading on their own systems. Faster enforcement is possible through the use of civil penalty imposing a preponderance-of-evidence standard (as opposed to criminal beyond-reasonable-doubt standard). Before it is safe to grant licences to the exchange, Bangladesh will need to obtain cryptocurrency market-surveillance systems and educate expert analysts (MAS, 2024).

Table 0-11: *Risk Factor 6*

Money Laundering Typologies and Terrorism Financing Vectors	
Global Evidence	Cryptocurrency facilitates the evasion of AML/CFT through typologies that cannot be identified by conventional financial surveillance: transaction layering through mixer services (Tornado Cash, Wasabi Wallet), which hides blockchain trails; trade-based money laundering with cryptocurrency-payable invoices; layering by the use of cryptocurrency casinos and gambling platforms; cross-border structuring below reporting limits (smurfing); and numerous small transactions on P2P platforms to evade surveillance (FATF, 2021). Such a measure was adopted by the FATF in Recommendation 15 in 2019, which mandates member jurisdictions to extend AML/CFT measures to Virtual Asset Service Providers, which at present the Bangladesh government is not able to do within its institutional and technical capacity constraints.
Bangladesh Vulnerability	In 2021, Bangladesh came dangerously close to FATF greylisting due to increased AML/CFT efforts and regulators know too well that allowing cryptocurrency without effective VASP controls is the least trigger to re-evaluation (BFIU, 2021). BFIU does not have blockchain forensic applications (Elliptic, CipherTrace) that could track the transactions via mixer services and public blockchains. The absence of these capabilities makes enforcement solely based on the conventional financial surveillance, which is ineffective in detecting cryptocurrencies. Bangladesh has shown AML/CFT weaknesses with the conventional financial system; further monitoring cryptocurrency without the corresponding development of capabilities would only add to the existing threat (FATF, 2021).
Current Regulatory Gap	BFIU lacks blockchain forensics, does not train investigators on VASP typology, cannot follow mixer-obfuscated transactions, and lacks operational information sharing MUOs with other cryptocurrency regulators outside of the US. Implementation of Travel Rule This is a mandatory part of FATF Recommendation 15, which entails technical infrastructure that the Bangladesh Bank as yet does not have.
ASEAN Comparator Success	The SEC of Thailand has deployed blockchain analytics into its AML monitoring system, enforced full Travel Rule enforcement and created an information-sharing agreement with the region. Before safely allowing the VASP operation, Bangladesh needs to finalize its FATF Recommendation 15 capability roadmap, such as the acquisition of blockchain analytics, training of BFIU experts, and a signature of operational MOUs with other peer financial intelligence units.

***Table 0-12:** Risk Factor 7*

Tax Evasion Mechanisms and Revenue Leakage	
Global Evidence	The pseudonymous characteristics of cryptocurrency enable several vectors of tax evasion; offshore exchanges are not reported as capital gains, and thus invisible to local tax authorities; freelancers earning income in cryptocurrency can use it to conceal their income; non-custodial wallets that cannot be detected by the government allow their wealth to be held in other countries; and selling cryptocurrency as goods can evade sales taxes. In the absence of the required information reporting systems that are similar to the US 1099-DA or the Indian Schedule VDA, cryptocurrency gains cannot be collected taxes (OECD 2023). In 2022, the OECD Crypto-Asset Reporting Framework (CARF) became a multilateral framework of tax information exchange of cryptocurrencies - a framework with which Bangladesh has not interacted.
Bangladesh Vulnerability	The National Board of Revenue in Bangladesh does not have access to information in cryptocurrency transactions, no links with the international exchange information sharing networks, no trained cryptocurrency tax auditors, and no blockchain analysis software to help identify unreported holdings. The very fact of the ban does not allow developing a tax system - NBR will not be able to issue tax guidance on cryptocurrency development on the activity that the Bangladesh Bank declares as a crime. This results in a structural revenue loss: an informal cryptocurrency activity of USD 500 million-USD 1 billion yearly will bring no tax revenue.
Current Regulatory Gap	There is no taxation system to address cryptocurrency since all the operations are criminal. Until the position of the Bangladesh Bank is changed on prohibiting VDA, NBR will not be able to revise the Income Tax Ordinance to fit into the taxation of VDA. This regulatory stalemate is stopping the revenue creation that can partially compensate the institutional capacity investment of VASP regulation. Bangladesh does not have any bilateral information exchange agreements with cryptocurrency with any jurisdiction.
ASEAN Comparator Success	The most closely similar model of taxation is that of India: the 30 per cent flat VDA tax and 1 per cent TDS withholding mechanism directly disclose the information to FIU-IND and offer an incentive of self-reporting through ITR Schedule VDA disclosures (Income Tax Act, 1961, s.115BBH). The capital gains tax of 15% in Pakistan under PVARA (2025) is an alternative that would be friendlier to investors since it has the option of a loss offset. The accounting profession in Bangladesh, which is represented by ICAB, has a direct institutional interest to see NBR come up with a viable VDA tax regime because it would create a lot of advisory and compliance services demand.

Table 0-13: *Risk Factor 8*

Accounting Standards Ambiguity and Financial Reporting Quality	
Global Evidence	Cryptocurrency accounting is also facing some inherent classification and measurement issues as discussed in Section 4.5 under the IFRS-based standards. The 2019 agenda decision of IFRS Interpretations Committee, which gives guidance on how to treat IAS 2 and IAS 38, is currently broadly viewed as insufficient to deal with the complexity of cryptocurrency markets (IFRIC, 2019; Anderson et al., 2022). The 2022 decision by the FASB requiring fair value accounting under the US GAAP provides an increasing amount of IFRS/US GAAP divergence. The lack of specific cryptocurrency accounting standards and interpretive guidance has the systemic effects of compromising the quality of financial reporting of entities holding cryptocurrency, which and weakens the protection of investors and their prudential oversight (Tan and Low 2019).
Bangladesh Vulnerability	In Bangladesh, the given challenge manifests itself in the most critical way: not only is there no yet BAS cryptocurrency accounting standards established, but an actual experiencing field does not grow at all. ICAB has not provided any interpretive guidance, no CPD modules cover cryptocurrency accounting and no university courses cover digital asset accounting. What the institutional theory (DiMaggio and Powell, 1983) would define as the form of coercive isomorphism is being experimented by the profession being structurally locked out of the production of expertise that, as per its regulatory context, is irrelevant, and which is increasingly being demanded by the wider professional context.
Current Regulatory Gap	Under BAS, ICAB does not have any cryptocurrency-specific advice. Auditing processes of checking the cryptocurrencies are not well developed. There are no auditor training programmes which cover digital asset audit methodology. The Department of Off-Site Supervision of Bangladesh Bank has no examination procedures of financial reporting of cryptocurrency. The prohibitory regulation does not allow ICAB to consult with practitioners on any emergent issues since it may be considered to be approving of the illegal activity.
ASEAN Comparator Success	The CPA Association of Japan has released extensive cryptocurrency accounting standards, required CPD training of auditors of cryptocurrency companies, and liaised with the FSA concerning examination process. ICAB must also create interpretive guidance within the framework of BAS, based on advising multinational clients and future policy cases and not acceptance of existing unlawful practice but creation of CPD modules on digital asset accounting as the first step towards bridging the regional competency gap.

Table 0-14: *Risk Factor 9*

Regulatory Arbitrage and Jurisdiction Shopping	
Global Evidence	Global cryptocurrency markets enable regulatory arbitrage: VASPs incorporate in permissive jurisdictions while serving customers globally. Bangladeshi users currently access exchanges licensed in permissive jurisdictions (Seychelles, Cayman Islands) with limited AML/CFT standards; cryptocurrency derivatives exchanges offer products prohibited in Bangladesh-to-Bangladesh users via VPN; stablecoin issuers operate in unregulated jurisdictions; and DeFi protocols operate without any licensing whatsoever (IOSCO, 2023). This creates a situation in which Bangladesh's prohibition drives Bangladeshi users to the least-regulated, highest-risk platforms — the precise opposite of the consumer protection objective.
Bangladesh Vulnerability	Bangladesh lacks extraterritorial enforcement capability over foreign VASPs serving Bangladesh users, geo-blocking requirements preventing foreign VASP access, cross-border cooperation agreements with virtual asset regulators, and technical capabilities (IP blocking, VPN detection) to enforce domestic-only access. BTRC can direct blocking of exchange websites, but VPN penetration among Bangladeshi cryptocurrency users is near-universal, rendering website blocking effectively unenforced.
Current Regulatory Gap	No framework exists for licensing foreign VASPs serving Bangladesh users, for requiring geo-blocking of Bangladesh users from unlicensed platforms, or for negotiating operational MOUs with foreign financial intelligence units on VASP oversight. Bangladesh is not a member of the International Organization of Securities Commissions (IOSCO) and participates only minimally in international cryptocurrency regulatory forums.
ASEAN Comparator Success	Singapore MAS requires that foreign VASPs serving Singapore users obtain an MAS licence, mandates geo-blocking of Singapore users from unlicensed platforms, and has established comprehensive enforcement coordination with partner regulators. Before Bangladesh liberalises, it must enact VASP legislation with extraterritorial reach, negotiate MOUs with at least MAS (Singapore) and SEC Thailand, and develop VPN-resistant geo-blocking capability (MAS, 2024).

Table 0-15: *Risk Factor 10*

Monetary Policy Effectiveness and Dollarization Risk	
Global Evidence	The mass use of cryptocurrency, especially USD-pegged stablecoins, is a threat to the efficacy of monetary policy in a number of ways. In case citizens are not holding huge wealth in BDT but in USDT or USDC, the interest rate decisions made by Bangladesh Bank have minimal effects on the savings and investment behavior. Day-to-day transactions through stablecoins lead to de facto dollarization, as the assets of BDT will be less in demand, and the monetary base will be eroded. Monetary aggregates (M1, M2) are invalid when a significant amount of value is stored in cryptocurrency not in accordance with the traditional banking system. The seriousness of this risk in the emerging economies is shown by historical examples: the financial crisis in Lebanon experienced the USD black market exchange rate deviating extremely far off the official one as the use of cryptocurrencies increased (IMF, 2023).
Bangladesh Vulnerability	The foreign exchange status of Bangladesh, i.e., reserves close to minimum adequacy levels, BDT depreciation level, and controlled exchange rate regime predisposes dollarisation risk owing to the introduction of stablecoins, in a particularly acute manner. The current situation with the monetary policy transmission of Bangladesh Bank is already problematic because of the high NPL ratios that undermine the bank lending channel. The adoption of cryptocurrency by the 80+ million bKash users of Bangladesh who are already at ease using non-traditional digital financial platforms may change quickly with the BDT's recent devaluation by 30% (Hazra and Priyo 2021).
Current Regulatory Gap	Bangladesh has no cryptocurrency monitoring framework, cryptocurrency adoption effects modelling tools, cryptocurrency usage restrictions aimed at preserving the legal tender status of the BDT, or studies of macroeconomic impact, comparable to the BIS CBDC analytical frameworks.
ASEAN Comparator Success	The regulatory model (as followed in Indonesia) can serve as the standard of the monetary sovereignty protection: the cryptocurrency trading is allowed as an investment option, but the cryptocurrency as a payment option is not, as there is a threat to the legal tender of the Rupiah. The structure of the OJK separates the functions of investment and payment of cryptocurrency with the former being permissible and the latter being inhibited by the fact that it can negatively affect the monetary policy (OJK, 2024). Bangladesh would also need to take a similar course of action in the context of any type of liberalization and allow investment but clearly ban cryptocurrency payments.

1.17.1 Synthesis: From Prohibition to Phased Liberalization

The above ten risk factors give empirical support to the present prohibition policy in Bangladesh but at the same time outline the road map of institutional capacity that they need to fulfil before safe liberalization. There are three conclusions to the analysis. To begin with, the ban is not unreasonable: all risk factors are actual institutional capacity deficits that the ASEAN counterparts spent years of time and substantial institutional investment to correct. Second, the ban is time-limited: since the transitioning of Pakistan in 2025 has proven, South Asia jurisdictions with comparable institutional starting points can effectively enact cryptocurrency regulation when capacity conditions have been satisfied. Third, the ban is growing more expensive: the economic impact comparison (Table 4.4) shows that zero tax revenue, zero job creation, and USD 500 million- USD 1 billion of unregulated underground activity annually are becoming increasingly costly opportunity costs, which will become even more significant as regional peers regulate their regulatory benefits. In line with the institutional pillars model proposed by Scott (1995), the risk factors are projected on three institutional levels: regulatory pillar deficits (Risk Factors 1-3, 5-6, 9), normative pillar deficits (Risk Factors 4, 7, 8), and cognitive pillar deficits (Risk Factors 8, 10). The development of the sustainable cryptocurrency market is impossible without movement in all three dimensions at the same time, a regulatory framework with no normative capacity (informed investors, qualified professionals) and no cognitive capacity (understood standards, informed public) will not work.

1.18 The Bangladesh Paradox: Thematic Synthesis

The systematic review concludes with the discovery of what this paper will refer to as the Bangladesh Paradox the inherent contradiction between Bangladesh Digital Bangladesh 2.0 transformation strategy and its categorically prohibitive policy on decentralized digital currencies. The two competing pillars which constitute this paradox are (1) AML/CFT compliance interests and regulatory fear which dictate prohibition; (2) user accessibility requirements and informal adoption which undercuts said prohibition. The paradox can only be solved when the decision is not a balancing act between these two poles, but a risky transition in regulatory measures, like the one that Pakistan has shown in 2025.

1.18.1 AML/CFT Compliance and Institutional Capacity Constraints

The main reason that can be provided by Bangladesh Bank to justify the ban on cryptocurrencies revolves around AML/CFT issues, which are formalized in FEPD Circular No. 24/2022, Public Notice DCP(PR)1/ 2021-5/7, and internal high-risk transaction guidelines of the BFIU. The institutional analysis displays three structural factors that are behind this prohibitive stance. First, there is the deficiency of institutional capacity: Bangladesh Bank and BFIU do not have blockchain analytical tools, and they can only enforce them using conventional financial monitoring which is incapable of identifying cryptocurrencies. It is a gap, not a preference, which is empirically measurable and which causes prohibition to be the default risk management strategy in the present capabilities. Second, FATF evasion of grey listing: Bangladesh has just evaded grey listing in 2021; regulators have rational reasons to believe that allowing cryptocurrency without stringent VASP controls may lead to re-examination with dire effects on global banking relations. Third, prevention of capital flight: Bitcoin and stablecoins offer uncontrollable channels of capital flight that would endanger USD 20.5 billion of the foreign exchange reserves of Bangladesh, which is a macroeconomic stability instrument and not a regulatory preference. These three structural reasons give an explanation why the prohibition continues in Bangladesh in spite of regional divergence. They also spell out what would have to change it: creation of blockchain analytics functionality, the fulfilment of the FATF Recommendation 15 compliance, and stabilization of the foreign exchange reserve of exceeding 5-6 months of import coverage would eliminate the three major reasons to keep it absolutely prohibited.

1.18.2 User Accessibility and the Limits of Prohibition

Bangladesh has a high rate of informal cryptocurrency use that cannot be reined by the regulatory framework despite being prohibited officially. Regardless of the prohibition by law, Bangladesh is always among the 30 nations in the world in terms of cryptocurrency adoption indicators. In Bangladesh, the country of origin, cryptocurrency is becoming more popular among expatriates working in the Middle East and Southeast Asia to send money back home without incurring the usual banking expenses of 8-12 percent and the time factor to process their money. The beneficiaries exchange cryptocurrency to BDT by informal P2P systems that run on Telegrams, Facebook groups, and exchanges such as Binance P2P - all of which look

like local bKash remittances, hiding the source of their cryptocurrency. Perhaps the most acute form of the Bangladesh Paradox is the one in the comparison of bKash and cryptocurrency. The mobile financial services ecosystem in Bangladesh, 80+ million bKash users who make daily digital payments, proves the fact that the population is not only capable of using non-traditional digital financial platforms but also eager to do so. On the one hand, the government is promoting Digital Bangladesh 2.0 and praising bKash as a financial inclusion success; and on the other, it is making criminal acts of citizens using the new generation digital financial technology. This transformative potential that has given bKash a roll of success is also the transformative potential that makes prohibition less and less sustainable (Hazra and Priyo 2021).

1.18.3 The Paradox Resolved: Phased Risk-Managed Liberalization

The answer to the Bangladesh Paradox does not lie in an either/or situation between further prohibition and immediate liberalization, but rather in a gradual risk-controlled liberalization pegged on the institutional capacity preconditions revealed in Figure 1. The gradual plan, which can be compared to the timeline of the implementation of PVARA in Pakistan (February2025), would consist of phases of development of the regulatory infrastructure (Phase 1: 1218 months), domestic trading pilot with vigilant capital controls (Phase 2: 1824 months), and full VASP licensing with thorough AML/CFT supervision (Phase 3: 2436 months). Phase 4 would only be liberalized to cross-border remittance once forex reserve stability has been established. This incremental strategy fills the institutional logic of all three of the pillars that Scott (1995) describes in a unified way: The regulatory pillar is met by VASP licensing and by FATF compliance; the normative pillar is met by investor protection frameworks and by ICAB professional standards; and the cognitive pillar is met by public education, university courses, and by the interpretive guidance of the BAS. Figure 1 shows the ten risk factors in the empirical content of this phased transition, each risk factor determines a particular capability that should be attained in a particular stage before the next stage of liberalization is safe.

CHAPTER FIVE: DISCUSSION

1.19 Conclusions

This systematic review was used to investigate cryptocurrency accounting, auditing, and regulatory guidelines in Bangladesh, South Asia, East Asia, and ASEAN to answer the following central research question: Why does Bangladesh still have cryptocurrency prohibition and its regional counterparts implement enabling regulatory framework? The PRISMA-based analysis of 61 documents identified important insights with critical implications on the accounting profession and policy-making in Bangladesh.

Principal Research Finding: Institutional Capacity Deficit as Prohibition Rationale. The lack of institutional capacity as the rationale of Prohibition. The main contribution of this study is that ten main critical risk factors are identified and documented systematically, which in the current regulatory environment in Bangladesh are not managed well by the institutions. These include the threat of systemic financial instability, vulnerability of technology infrastructure, cross-border capital flight processes, lack of protection with retail investors, susceptibility in market manipulation, typology in money laundering, tax evasion, ambiguity in accounting standards, regulatory arbitrage, and concerns of the effectiveness of monetary policy. This observation restructures the inability of Bangladesh to choose arbitrary policy to rational interim risk management strategy due to quantifiable institutional constraints.

The Bangladesh Paradox: Digital Readiness Constrained by Regulatory Capacity. The Digital Readiness Limited by Regulatory Capacity. The study has found that there exists an inherent paradox of Bangladesh having very high enablers of cryptocurrency adoption, such as well-developed Mobile Financial Services infrastructure (80+ million bKash users), a friendly age demographic (65% under 35), a huge remittance market (USD 21.6 billion annually), and Digital Bangladesh 2.0 infrastructure, but continues to prohibit it because of regulatory capacity limitations as opposed to technological barriers. This paradox puts the accounting profession of Bangladesh in a precarious situation, where avoiding cryptocurrency transactions is unavoidable, but professional advice on how to approach them is lacking, which puts the profession in a liability situation without any potential satisfactory way of escape.

Regional Divergence and Competitive Implications: Comparative analysis showed tremendous deviation with Bangladesh and regional counterparts. The neighboring countries in South Asia have shown diverse strategies: India allows trading with punitive taxation to serve 119 million users, Pakistan had introduced extensive PVARA 2025, and Sri Lanka has retained vague legality. The jurisdictions in ASEAN took a bold step towards the facilitation of regulation: Singapore authorized 29 operators, Thailand five years of tax exemption, Philippines serving 11 million users, Indonesia regulating 21 million investors. Bangladesh alone upholds complete prohibition, which causes opportunity cost: zero tax income, zero formal joblessness, lack of professional competency, and brain drain.

Accounting Profession-Specific Implications: There are five major accounting and audit issues that do not obey jurisdictional borders: uncertainty of asset classification, the use of complicated valuation, recognition of revenues in new transactions, audit trail verification, and disclosure obligation in the conditions of regulatory uncertainty. The ban of Bangladesh produces its own professional liability accountants in ASEAN and South Asia gain professional experience by practicing under such regulation, whereas the ban on all knowledge in Bangladesh introduces competency gaps that increase over time.

Policy Sustainability Assessment: Evidence on the research reveals that the Bangladesh ban is justifiable as transitional risk management but not sustainable as long-term action plan. Prohibition does not prevent informal adoption, the following FATF mutual evaluation will evaluate the supervision of virtual assets, and the postponement of the creation of institutional capacity will ensure that Bangladesh will be open to the regulation of cryptocurrency eventually, 5-7 years behind the ASEAN counterparts, and it may not be able to compete competitively.

1.20 Scope for Future Study

The systematic review offers a basis to the future research in various aspects. There are seven areas of focus that should be investigated:

Quantitative Impact Assessment Studies. Future methods must quantify the opportunity cost of Bangladesh by employing econometric models: estimation of the volumes of informal cryptocurrency adoption, calculation of lost tax revenues in the case of hypothetical controlled conditions, analysis of brain drain, impact analysis of

employment, and analysis of cost-benefit of remittance. Such research would offer factual evidence that would form the basis of the cost-benefit analysis of policies that is currently founded on qualitative evaluations.

Longitudinal Regulatory Development Tracking: With regional jurisdictions still working out new structures, longitudinal research might follow: the progress of PVARA 2025 implementation in Pakistan, the effect of tax regime on India, the experiment with a tax waiver in Thailand, comparison of the effects of phased and immediate liberalization strategies. These evaluations would guide the ultimate transition path-way in Bangladesh.

Institutional Capacity Development Methodologies: As an institution, it has been proposed that capacity development methods should involve institutional approaches. A study exploring the process of capacity building may explore: comparison of the efficacy of regulatory sandboxes, international technical assistance frameworks, channels of technological transfer of blockchain forensics, and human capital building strategies. Such studies would give functional road maps of the institutional development of Bangladesh Bank.

Accounting Profession Adaptation Case Studies: Case study research would be in-depth to investigate: the development of cryptocurrency knowledge in individual accounting firms in ASEAN, the reaction of ICAB-equivalent organizations, the evolution of the audit methodology, and integration of academic curricula. The case studies would guide the preparation strategies of ICAB.

Capital Flight Measurement and Control Effectiveness: Since we have capital flight as the main force behind prohibition, the studies can explore: blockchain analytics to estimate capital flight, the effectiveness of control mechanisms in different jurisdictions, risks specific to stablecoins, and remittance of cryptocurrencies across borders. Such studies would be used in the design of the capital control framework in Bangladesh.

FATF Compliance Frameworks for Emerging Markets: Studies that focus on new market situations may focus on: the cost benefit analysis of VASP regulation versus banning, resource constraining challenges in Travel Rule implementation, adaptation of supervisory examination procedures, and regional cooperation instruments.

Behavioral Economics of Cryptocurrency Adoption: The knowledge about adoption drivers may be used to design a policy: a survey study on the motivations of Bangladeshi users to use cryptocurrency, financial literacy, the role of trust in the comparison between MFS and cryptocurrencies, and consumer protection preferences. Investor protection framework would be informed by these behavioral insights.

1.21 Recommendations

According to the systematic findings, the study recommends specific policies to policymakers, regulators, accounting profession, and institutions of learning. Such recommendations are accepting of existing prohibition as reasonable within institutional capacity constraints, but offer practical ways to achieve safe liberalization eventually.

1.21.1 Recommendations for Policymakers and Bangladesh Bank

1. Introduce Immediate Phase 1 Capacity Building: Present Virtual Asset Service Provider Act to parliament. Funding in institutional infrastructure entails using three activities that involve the procurement of blockchain forensic gear between BDT 50 million and BDT 80 million and employing 10 to 15 personnel in the Virtual Asset Monitoring Unit and establishing global technical support relations. The small regulatory sandbox will perform the assessment of 3-5 participants in the tight-regulated conditions.
2. Perform Thorough Cost-Benefit Analysis: Independent Commission research of measuring opportunity costs in relation to risks. Contract foreign professionals who work in cryptocurrencies regulation. Develop inter-ministerial working group on regulatory fragmentation.
3. Devise Phased Liberalization Roadmap: Adopt 36-48 months program as per Pakistan PVARA model. Phase 1 (foundation) is the first stage, then there is Phase 2 (Issues pilot licenses), Phase 3 (A wider ecosystem service) and Phase 4 (Full FATF compliance). The road map must be made public as it offers some certainty of policy to the development in future.
4. Strengthen Capital Control Integration: The system should come up with a cryptocurrency solution that will facilitate domestic BDT trading to facilitate foreign exchange management via Capital Control Integration. The system

must be able to allow transactions in BDT between domestic but not cryptocurrency payments and initial cross-border transfer and define regulations and limits of stablecoins that abide by the forex policy. Establish AML/CFT Excellence Standards: Be better than the FATF minimums to become a regional leader: require biometric Smart NID linkage, require bank account linkage, real-time monitoring with mandatory filing of STR, require adoption of Travel Rule compliance, prohibit use of privacy coins, set up an industry-funded compensation pool.

1.21.2 Recommendations for Institute of Chartered Accountants of Bangladesh

1. prepare Cryptocurrency Accounting Guidance Framework: form ICAB Technical Committee which will analyze IAS 38/IAS 2 application, develop revenue recognition guidance, develop audit procedures, and issue disclosure requirement guidance. Seek international accounting firms to have the technical support.
2. Introduce Cryptocurrency Professional Development Program: Develop innovative training program, Foundation, Intermediate, and Advanced. Establish case study library and establish Certified Cryptocurrency Accountant designation. Require audit engagement partners of future licensed VASPs to become members of CCA.
3. Develop Cryptocurrency Ethics and Liability Policies: Resolve ethical peculiarities in terms of client disclosures in the context of existing prohibition, establish reporting policies, give instructions on liability protection. Establish ethics hotline The company should have a confidential ethics hotline and collaborate with insurance companies to develop cryptocurrency-specific professional liability insurance.
4. Engage in Policy Advocacy and Regulatory Dialogue: Complain in writing about draft legislation, nominate ICAB representatives to regulatory working groups, conduct research on regional accounting practices, hold stakeholder forums, and issue white paper informing the regulatory discussions.

1.21.3 Recommendations for Educational Institutions

1. Introduce Cryptocurrency into Accounting Curricula: Universities need to introduce cryptocurrency courses systematically at the undergraduate level (2-3 weeks course), provide graduate-level electives and include in professional

MBA courses. Design case studies and make them Bangladesh-based and faculties are to be developed.

2. Create Blockchain and Cryptocurrency Research Centers: Build specific research centers to engage in applied research on the opportunity to answer Bangladesh-specific questions, offer technical support to regulators, offer executive education opportunities to regulators, and have cryptocurrency regulatory databases.

1.21.4 Recommendations for Banking Sector

1. Plan Future VASP Account Servicing: Banks need to revise KYC/AML policies to include cryptocurrency-related red flags, expand systems to monitor transactions, educate compliance officers about virtual asset money laundering red flags, and come up with enhanced due diligence protocols. Assign 2-3 banks as future VASP servicing pilots.

2. Strengthen Cybersecurity Infrastructure: Banks should purchase ISO 27001 certification, install state-of-the-art threat detection related to cryptocurrency attacks, create a concrete incident response plan in case of cryptocurrency attacks, and regularly undertake penetration testing including cryptocurrency simulation attacks.

Reference

Adznan, S. B., Muhamad Sori, Z. B., & Mohamad, S. (2024). Intellectual capital disclosures (ICD) of Islamic banks under IFRS versus AAOIFI regimes: an international evidence. *Journal of Islamic Accounting and Business Research, 15*(6), 1009-1027.

Alsalmi, N., Ullah, S., & Rafique, M. (2023). Accounting for digital currencies. *Research in International Business and Finance, 64*, 101897.

Böhme, R., Christin, N., Edelman, B., & Moore, T. (2015). Bitcoin: Economics, technology, and governance. *Journal of economic Perspectives, 29*(2), 213-238.

Guo, Q., He, Z., & Wang, Z. (2025). Assessing the effectiveness of long short-term memory and artificial neural network in predicting daily ozone concentrations in Liaocheng City. *Scientific Reports, 15*(1), 6798.

Hasan, M. T. (2009). An Evaluation of Capital Market in Bangladesh Through statistical measurement. *The Bangladesh Accountant, 62*(5), 48-56.

Hasan, M. T. (2020). *The effect of IFRS adoption on earnings management and the moderating role of corporate governance: Evidence from Bangladesh.* (Doctor of Philosophy Doctoral), Universiti Utara Malaysia. Retrieved from https://etd.uum.edu.my/9413/ (9413)

Hasan, M. T., Hossain, M. K., Rekabder, M. S., Molla, M. S., & Ashif, A. S. M. (2022). IFRS adoption and real earnings management in Bangladesh: The role of board characteristics. *Cogent Business & Management, 9*(1), 2094587.

Hasan, M. T., Miraz, M. H., Sumi, F. R., & Sarkar, S. (2021). A Blockchain Research Review. *Financial Risk and Management Reviews, 7*(1), 26-35.

Hasan, M. T., & Rahman, A. A. (2017). IFRS Adoption and earnings management: A review and justification of earnings management model for developing countries. *ELK ASIA PACIFIC JOURNAL OF FINANCE AND RISK MANAGEMENT, 8*(3), 43-60. doi: 10.16962/EAPJFRM/issn.

Hasan, M. T., & Rahman, A. A. (2019). Conceptual framework for IFRS adoption, audit quality and earnings management: The case of Bangladesh. *International Business and Accounting Research Journal, 3*(1), 58-66.

Kanu, D. H. (2025). Digital Currencies Financial Reporting and Auditing: A New Concern for Accounting Professionals in the Accounting Industry. *Available at SSRN 5138691*.

Klopper, N., & Brink, S. M. (2023). Determining the appropriate accounting treatment of cryptocurrencies based on accounting theory. *Journal of Risk and Financial Management, 16*(9), 379.

Krishna, S. J. S., Panda, A., & Sindhuja, P. (2023). Cryptocurrency adoption and its influence on traditional financial markets. *Dynamics, 8*(11), 1-7.

Kumari, A., Kumari, D., Sinha, B. C., & Singh, V. N. (2026). Examining the drivers and deterrents of mobile wallet adoption among rural consumers. *International Journal of Process Management and Benchmarking, 22*(3), 378-399.

Kumari, V., Bala, P. K., & Chakraborty, S. (2023). An empirical study of user adoption of cryptocurrency using blockchain technology: Analysing role of success factors like technology awareness and financial literacy. *Journal of Theoretical and Applied Electronic Commerce Research, 18*(3), 1580-1600.

Makarchuk, I., Granovska, I., & Makarchuk, I. (2023). Cryptocurrencies from a behavioural finance perspective. *University Economic Bulletin, 18*(4), 17-23.

Masum, M. H., Banik, A., Hasan, M. T., Zolkaflil, S., Naz, S. N. F. S. M., Razali, F. M., & Tarmizi, M. A. (2024). Anti-money laundering and emerging economy—Evidence from Bangladesh. *Journal of Infrastructure, Policy and Development, 8*(6), 3720.

Miraz, M. H., Hasan, M. T., Masum, M. H., Alam, M. M., & Sarkar, S. (2020). Factors affecting consumers intention to use blockchain-based services (BBS) in the hotel industry. *International Journal of Mechanical and Production Engineering Research and Development (IJMPERD), 10*(3), 8891-8902.

Miraz, M. H., Hasan, M. T., Rekabder, M. S., & Akhter, R. (2022a). Trust, transaction transparency, volatility, facilitating condition performance expectancy towards cryptocurrency adoption through intention to use. *Journal of Management Information and Decision Sciences, 25*(S1), 1-20.

Miraz, M. H., Hasan, M. T., Rekabder, M. S., & Akhter, R. (2022b). Trust, transaction transparency, volatility, facilitating condition, performance expectancy towards cryptocurrency adoption through intention to use. *Journal of Management Information and Decision Sciences, 25*(S1), 1-20.

Miraz, M. H., Hasan, M. T., Sumi, F. R., Sarkar, S., & Hossain, M. A. (2022). Industry 5.0: The Integration of Modern Technologies *Machine Vision for Industry 4.0* (pp. 285-300): CRC Press.

Miraz, M. H., Hasan, M. T., Sumi, F. R., Sarkar, S., & Majumder, M. I. (2020a). THE INNOVATION OF BLOCKCHAIN TRANSPARENCY& TRACEABILITY IN LOGISTIC FOOD CHAIN. *International Journal of Mechanical and Production Engineering Research and Development (IJMPERD), 10*(3).

Miraz, M. H., Hasan, M. T., Sumi, F. R., Sarkar, S., & Majumder, M. I. (2020b). UNDERSTANDING, SUPERVISION, STRATEGY AND ACCEPTANCE EFFECT INTO THE BLOCKCHAIN EMPLOYMENT IN MALAYSIA. *International Journal of Mechanical and Production Engineering Research and Development (IJMPERD), 10*(3), 8339-8360.

Miraz, M. H., Hye, A. M., Alkurtehe, K. A. M., Habib, M., Ahmed, M. S., Molla, M. S., & Hasan, M. T. (2020). The Effect of Blockchain in Transportation Malaysia. *International Supply Chain Technology Journal, 6*(01).

Miraz, M. H., Jin, H. H., Hasan, M. T., Hossain, M. A., & Hoque, M. K. (2024). Factors affecting the blockchain operation in Asia-Europe. *International Journal of Management, 13*(2), 309-319. doi: 10.18488/11.v13i2.3671

Miraz, M. H., Jin, H. H., Ibrahim, M., Hasan, M. T., Alam, M. F., Salleh, N. M., & Hoang, N. V. (2025). *Digital Forensics Techniques, Applications, and Innovations: In Depth Interview.* Paper presented at the CYBERSECURITY, DIGITAL FORENSICS, AND AI APPLICATIONS, Astana, Kazakhstan.

Miraz, M. H., Mohd Sharif, K. I., Hassan, M. G., & Hasan, M. T. (2020). Trust impact on Blockchain & Bitcoin monetary transaction. *Journal of Advanced Research in Dynamical and Control Systems, 12*(SP3), 155-162.

Miraz, M. H., Saleheen, F., Almunawar, M. N., Sumi, F. R., Sarkar, S., & Hasan, M. T. (2022). Factors affecting on IoT-based business management in the post-pandemic period *Handbook of Research on Green, Circular, and Digital Economies as Tools for Recovery and Sustainability* (pp. 66-83): IGI Global.

Sami, A., Lashari, I., & Qureshi, F. (2025). Assessing Determinants of Adoption Behaviour of the Cryptocurrency in Pakistan. *International Journal of Trends and Innovations in Business & Social Sciences, 3*(1), 63-72.

Ugochukwu, E. C., Falaiye, T., Mhlongo, N. Z., Nwankwo, E. E., Ugochukwu, E., Falaiye, T., . . . Nwankwo, E. (2024). Accounting for digital currencies: A review of challenges and standardization efforts. *International Journal of Science and Research Archive, 11*(1), 2438-2453.

Alfi Fuadah. 2025. ‘The Intersection of Islamic Banking and Cryptocurrency: Opportunities and Challenges for Global Finance’. Brilliant International Journal Of Management And Tourism 5(3):360–71. doi:10.55606/bijmt.v5i3.6305.

Almeida, José, and Tiago Cruz Gonçalves. 2023. ‘A Systematic Literature Review of Investor Behavior in the Cryptocurrency Markets’. Journal of Behavioral and Experimental Finance 37:100785. doi:10.1016/j.jbef.2022.100785.

Alsalmi, Noora, Subhan Ullah, and Muhammad Rafique. 2023. ‘Accounting for Digital Currencies’. Research in International Business and Finance 64:101897. doi:10.1016/j.ribaf.2023.101897.

Anderson, Chelsea M., Vivian W. Fang, James R. Moon, and Jonathan E. Shipman. 2022. ‘Accounting for Cryptocurrencies*’. Journal of Accounting Research 64(1):45–79. doi:10.1111/1475-679x.70018.

Asfa Sami, Intzar Lashari (Ph. D), and Fiza Qureshi (Ph. D). 2025. ‘Assessing Determinants of Adoption Behaviour of the Cryptocurrency in Pakistan’. doi:10.5281/ZENODO.15221631.

Atree, Manish Kumar, and Naliniprava Tripathy. 2025. ‘Cryptocurrency Research: Bibliometric Review and Content Analysis’. International Review of Economics & Finance 98:103940. doi:10.1016/j.iref.2025.103940.

Avgouleas, Emilios, and William Blair. 2024. ‘A Critical Evaluation of Central Bank Digital Currencies (CBDCs): Payments’ Final Frontier?’ Capital Markets Law Journal 19(2):103–12. doi:10.1093/cmlj/kmae002.

Aziz, Abdul, and Umma Naima. 2021. ‘Rethinking Digital Financial Inclusion: Evidence from Bangladesh’. Technology in Society 64:101509. doi:10.1016/j.techsoc.2020.101509.

Bangladesh Bank. 2022. ‘Prohibition Regarding Virtual Assets, Virtual Currencies and Facilitating Their Exchangetransfertrading’.

BIS, ed. 2023. Lessons Learnt on CBDCs: Report Submitted to the G20 Finance Ministers and Central Bank Governors. Basel: BIS.

Castrén, Olli, Ilja Kristian Kavonius, and Michela Rancan. 2022a. ‘Digital Currencies in Financial Networks’. Journal of Financial Stability 60:101000. doi:10.1016/j.jfs.2022.101000.

Castrén, Olli, Ilja Kristian Kavonius, and Michela Rancan. 2022b. ‘Digital Currencies in Financial Networks’. Journal of Financial Stability 60:101000. doi:10.1016/j.jfs.2022.101000.

DiMaggio, Paul J., and Walter W. Powell. 1983. ‘The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields’. American Sociological Review 48(2):147. doi:10.2307/2095101.

El Hajj, Mohammad, and Imad Farran. 2024. ‘The Cryptocurrencies in Emerging Markets: Enhancing Financial Inclusion and Economic Empowerment’. Journal of Risk and Financial Management 17(10):467. doi:10.3390/jrfm17100467.

Esther Chinonye Ugochukwu, Titilola Falaiye, Noluthando Zamanjomane Mhlongo, and Ekene Ezinwa Nwankwo. 2024. ‘Accounting for Digital Currencies: A Review of Challenges and Standardization Efforts’. International Journal of Science and Research Archive 11(1):2438–53. doi:10.30574/ijsra.2024.11.1.0317.

FASB. 2022. ‘Accounting for and Disclosure of Crypto Assets—Tentative Board Decisions to Date’.

FATF,. 2021. ‘Updated Guidance for a Risk-Based Approach: Virtual Assets and Virtual Asset Service Providers’.

FSC Korea. 2024. ‘Virtual Asset User Protection Act Implementation Guidelines.’

Georgiou, Ifigenia, Svetlana Sapuric, Petros Lois, and Alkis Thrassou. 2024. 'Blockchain for Accounting and Auditing—Accounting and Auditing for Cryptocurrencies: A Systematic Literature Review and Future Research Directions'. Journal of Risk and Financial Management 17(7):276. doi:10.3390/jrfm17070276.

Griffin, John M., and Amin Shams. 2020. 'Is Bitcoin Really Untethered?' The Journal of Finance 75(4):1913–64. doi:10.1111/jofi.12903.

Guo, Yongsheng, Ezaddin Yousef, and Mirza Muhammad Naseer. 2025. 'Cryptocurrencies and Central Bank Digital Currencies in Global Perspective'. Journal of Risk and Financial Management 18(11):644. doi:10.3390/jrfm18110644.

Hazra, Ummaha, and Asad Karim Khan Priyo. 2021. 'Mobile Financial Services in Bangladesh: Understanding the Affordances'. THE ELECTRONIC JOURNAL OF INFORMATION SYSTEMS IN DEVELOPING COUNTRIES 87(3):e12166. doi:10.1002/isd2.12166.

Hu, Albert, Christine A. Parlour, and Uday Rajan. 2018. 'Cryptocurrencies: Stylized Facts on a New Investible Instrument'. SSRN Electronic Journal. doi:10.2139/ssrn.3182113.

IASB. 2014. 'IFRS 15: Revenue from Contracts with Customers.'

IFRS. 2019. 'Holdings of Cryptocurrencies: Agenda Decision'. https://www.ifrs.org/content/dam/ifrs/supporting-implementation/agenda-decisions/2019/holdings-of-cryptocurrencies-june-2019.pdf.

IMF. 2023. 'Sri Lanka 2023 Article IV Consultation Staff Report'.

India Finance Act. 2022. 'Tax on Virtual Digital Assets. Government of India'. https://incometaxindia.gov.in/Acts/Income-tax%2520Act,%25201961/2022/102120000000079592.htm.

IOSCO. 2023. 'Policy Recommendations for Crypto and Digital Asset Markets.'

Kanu, David Hope. 2025. 'Digital Currencies Financial Reporting and Auditing: A New Concern for Accounting Professionals in the Accounting Industry'. International Journal of Economics, Business and Management Research 09(01):311–51. doi:10.51505/IJEBMR.2025.9123.

Kayani, Umar, and Fakhrul Hasan. 2024. 'Unveiling Cryptocurrency Impact on Financial Markets and Traditional Banking Systems: Lessons for Sustainable Blockchain and Interdisciplinary Collaborations'. Journal of Risk and Financial Management 17(2):58. doi:10.3390/jrfm17020058.

Kerr, David S., Karen A. Loveland, Katherine Taken Smith, and Lawrence Murphy Smith. 2023. 'Cryptocurrency Risks, Fraud Cases, and Financial Performance'. Risks 11(3):51. doi:10.3390/risks11030051.

Klopper, Nicolette, and Sophia Magaretha Brink. 2023. ‘Determining the Appropriate Accounting Treatment of Cryptocurrencies Based on Accounting Theory’. Journal of Risk and Financial Management 16(9):379. doi:10.3390/jrfm16090379.

Kumari, Vandana, Pradip Kumar Bala, and Shibashish Chakraborty. 2023. ‘An Empirical Study of User Adoption of Cryptocurrency Using Blockchain Technology: Analysing Role of Success Factors like Technology Awareness and Financial Literacy’. Journal of Theoretical and Applied Electronic Commerce Research 18(3):1580–1600. doi:10.3390/jtaer18030080.

Lin William Cong, Xi Li, Ke Tang, and Yang Yang. 2022. ‘Crypto Wash Trading (NBER Working Paper No. 30037)’.

Makarchuk, Inna, Inna Granovska, and Ivan Makarchuk. 2023. ‘Cryptocurrencies from a Behavioural Finance Perspective’. University Economic Bulletin 18(4):17–23. doi:10.31470/2306-546X-2023-4-17-23.

Makridis, Christos A., Michael Fröwis, Kiran Sridhar, and Rainer Böhme. 2022. ‘The Rise of Decentralized Cryptocurrency Exchanges: Evaluating the Role of Airdrops and Governance Tokens’.

Makurin, Andrii, Andrii Maliienko, Olena Tryfonova, and Lyudmyla Masina. 2023. ‘Management of Cryptocurrency Transactions from Accounting Aspects’. Economics. Ecology. Socium 7(3):26–35. doi:10.31520/2616-7107/2023.7.3-3.

MAS. 2019. ‘Payment Services Act 2019’.

Muhamad Sori, Zulkarnain, Shamsher Mohamad, Aimi Adibah Yasmin Ahmad, and Mohammad Noor Hisham Osman. 2024. ‘The Accounting Treatment of Cryptocurrencies: The Perspective of Current Accounting Standards’. International Journal of Economics and Management 18(2):179–96. doi:10.47836/ijeam.18.2.03.

OECD. 2023. International Standards on Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 Update to the Common Reporting Standard. OECD Publishing.

PVARA. 2026. ‘Pakistan Virtual Assets Regulatory Authority Act 2026’.

Ram, Asheer, Warren Maroun, and Robert Garnett. 2016. ‘Accounting for the Bitcoin: Accountability, Neoliberalism and a Correspondence Analysis’. Meditari Accountancy Research 24(1):2–35. doi:10.1108/MEDAR-07-2015-0035.

Ramassa, Paola, and Giulia Leoni. 2022. ‘Standard Setting in Times of Technological Change: Accounting for Cryptocurrency Holdings’. Accounting, Auditing & Accountability Journal 35(7):1598–1624. doi:10.1108/AAAJ-10-2020-4968.

Rasyid, Abdul, and Andre Prasetya Willim. 2025. ‘Cryptocurrency and the Law: The Challenges of Regulating Decentralized Finance in Global Markets’.

Sankar Krishna, S. V. S. P. P. Jaya, Akankhya Panda, and Akankhya Panda. 2023. ‘Cryptocurrency Adoption and Its Influence on Traditional Financial Markets’. INTERANTIONAL JOURNAL OF SCIENTIFIC RESEARCH IN ENGINEERING AND MANAGEMENT 07(11):1–11. doi:10.55041/IJSREM27054.

Scott, W. Richard. 1995. ‘W. Richard SCOTT (1995), Institutions and Organizations. Ideas, Interests and Identities.: Paperback: 360 pages Publisher: Sage (1995) Language: English ISBN: 978-142242224’. M@n@gement 17(2):136. doi:10.3917/mana.172.0136.

Sufian, Muhammad HafizuddinSufia, Nur Amisha Sutan Syahril, and Norhasliza Ghapa. 2024. ‘Regulatory Framework for Cryptocurrency: A Comparative Analysis of Malaysia, Indonesia and Singapore’. Malaysian Journal of Social Sciences and Humanities (MJSSH) 9(11):e003113. doi:10.47405/mjssh.v9i11.3113.

Susilo, Didik, Sugeng Wahyudi, Irene Rini Demi Pangestuti, Bayu Adi Nugroho, and Robiyanto Robiyanto. 2020. ‘Cryptocurrencies: Hedging Opportunities From Domestic Perspectives in Southeast Asia Emerging Markets’. Sage Open 10(4):2158244020971609. doi:10.1177/2158244020971609.

Tan, Boon Seng, and Kin Yew Low. 2019. ‘Blockchain as the Database Engine in the Accounting System’. Australian Accounting Review 29(2):312–18. doi:10.1111/auar.12278.

Tiberius, Victor, and Stefanie Hirth. 2019. ‘Impacts of Digitization on Auditing: A Delphi Study for Germany’. Journal of International Accounting, Auditing and Taxation 37:100288. doi:10.1016/j.intaccaudtax.2019.100288.