

Cryptocurrency, Central Bank Digital Currency (CBDC), and the Future of Accounting and Financial Reporting

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ARTICLE INFORMATION	ABSTRACT
Article history: Published: August 2026	The fast growth of digital financial technologies has changed rapidly in the global financial ecosystem, leading to the advent of cryptocurrencies and Central Bank Digital Currencies (CBDCs) as other forms of digital money, while cryptocurrencies control on decentralized blockchain networks. Central Bank Digital Currencies (CBDCs) are digital forms of money issued and backed by the government, they are designed to make payments faster and easier, improve access to financial services, support the implementation of monetary policies and strengthen the financial system. Along with cryptocurrencies, these digital currencies create new opportunities but also bring challenges for accounting and financial reporting. Traditional accounting methods were developed for regular financial assets and may not fully address the unique features of digital currencies, these challenges include how to value digital assets, deal with changes in their prices, verify ownership, handle taxes, meet reporting requirements, and comply with regulations. This study examines how cryptocurrencies and CBDCs affect accounting systems and financial reporting. It focuses on whether these digital currencies improve the quality, transparency, reliability, and comparability of financial reports, as well as the quality of audits. The study also explores how government regulations can help ensure accurate and effective financial reporting. To achieve this, the study uses a quantitative survey involving accountants, auditors, financial managers, and regulatory officials in Nigeria's financial sector. The findings are expected to help accounting standard setters, regulators, policymakers, and financial institutions develop better accounting guidelines for digital currencies. This will improve accountability, increase investor confidence, and support reliable and sustainable financial reporting.
Keywords: Cryptocurrency Accounting Information Financial Reporting Digital Assets	

1. Introduction

The global financial system has changed rapidly because of advances in digital technology, artificial intelligence (AI), blockchain, cloud computing, and other financial innovations, one of the biggest changes is the rise of cryptocurrencies and Central Bank Digital Currencies (CBDCs). These digital currencies have changed the way people save, invest, make payments, and prepare financial reports. Digital currencies make financial transactions faster, more transparent, and more secure than many traditional payment methods. As a result, accountants, auditors, financial institutions, investors, regulators, and governments now face new challenges in recording and reporting financial information. This has created a need to update existing accounting rules and financial reporting standards. Cryptocurrencies, such as Bitcoin, operate on blockchain technology and are not controlled by governments or central banks. Since Bitcoin was introduced in 2009, cryptocurrencies have become more widely accepted around the world. Other digital currencies, including Ethereum, Solana, Ripple (XRP), and Binance Coin, are now used for investment and, in some cases, as payment methods. Many businesses also hold these digital assets as part of their investments.

However, cryptocurrencies also create several accounting challenges. Their prices can change quickly, making it difficult to determine their true value. There are also questions about how they should be classified, measured, taxed, reported, and disclosed in financial statements. Although the International Financial Reporting Standards (IFRS) provide some guidance, the existing rules do not fully address these issues. As a result, different organizations often use different accounting methods, leading to inconsistencies in how cryptocurrencies are recognized, measured, and presented in financial reports.

Unlike cryptocurrencies central Bank Digital Currencies (CBDCs) are digital versions of a country's official currency, they are issued and controlled by the country's central bank and are recognized as legal money. Many countries, including China, Nigeria, India, the Bahamas, and some European countries have introduced or tested CBDCs to make payments faster, improve access to financial services, reduce transaction costs, fight financial crimes, and make monetary policies more effective.

In 2021, Nigeria became the first African country to launch a CBDC known as the eNaira, this was an important step in the country's move toward a digital financial system. Although CBDCs are generally more stable than cryptocurrencies because they are backed

by the government, they still create new challenges for accountants. For example, organizations need to determine how to record digital cash, keep accurate transaction records, strengthen internal controls, protect digital systems from cyber threats, carry out audits, and present these transactions clearly in financial statements.

As more businesses begin to use cryptocurrencies and CBDCs, traditional accounting methods are becoming less suitable because they were designed mainly for physical cash and other conventional financial assets. Businesses now need clear accounting policies for recognizing digital assets, determining their value, accounting for taxes, reporting income, and providing enough information in their financial reports. Auditors also need new skills and procedures to verify blockchain transactions, identify cybersecurity risks, and ensure that organizations comply with relevant laws and regulations. At the same time international accounting organizations such as the International Accounting Standards Board (IASB) and the International Federation of Accountants (IFAC) are working to develop accounting standards that better address digital currencies. In the future, accounting and financial reporting are expected to rely more on blockchain technology, artificial intelligence, real-time financial reporting, and standardized reporting guidelines. This study examines how the growing use of cryptocurrencies and Central Bank Digital Currencies (CBDCs) is affecting the future of accounting and financial reporting with a particular focus on Nigeria's financial sector.

1.1 Statement of the Problem

The rapid growth of cryptocurrencies and the introduction of Central Bank Digital Currencies (CBDCs) have changed the way the global financial system operates as more businesses and financial institutions begin to use digital currencies, accountants and financial reporting professionals are facing new challenges. One major problem is that existing accounting standards do not provide enough clear guidance on how to record, measure, value, tax, disclose, and audit cryptocurrency transactions because of this, different organizations often use different accounting methods, making it difficult to compare financial statements and reducing their reliability, transparency, and consistency. Another challenge is that cryptocurrency prices can rise and fall very quickly. This makes it difficult for accountants to determine their correct value, recognize gains or losses and assess whether their value has declined, auditors also face challenges in confirming who owns digital assets, verifying blockchain transactions, identifying cybersecurity risks, and ensuring that organizations comply with changing laws and regulations.

Although Central Bank Digital Currencies (CBDCs) are more stable because they are issued and backed by central banks, they also create new accounting challenges. Organizations must know how to record digital cash transactions, maintain effective internal controls, prepare accurate financial reports, carry out proper audits, and protect digital financial systems from cyber threats.

In Nigeria, the launch of the eNaira and the growing use of cryptocurrencies have increased the country's shift toward a digital financial system. This has created a greater need for modern accounting standards and reporting frameworks that can effectively handle digital financial transactions and support accurate, transparent, and reliable financial reporting.

Although digital currencies are becoming more important in today's financial system there is still limited research on how they affect accounting and financial reporting especially in developing countries like Nigeria, there is also no clear and widely accepted accounting guidance on how to recognize, measure, report, and audit digital currency transactions. As a result, accountants, auditors, regulators, financial institutions, and businesses are often uncertain about the best way to account for these transactions. Because organizations use different accounting methods, it becomes difficult to compare financial statements, reducing their transparency, consistency, and reliability. This can also affect investors' confidence and make effective corporate governance more challenging. In addition, there is still limited knowledge about how the growing use of cryptocurrencies and Central Bank Digital Currencies (CBDCs) affects accounting practices, the quality of financial reporting, audit processes, and compliance with regulations. Filling this knowledge gap is important because it will help develop better accounting policies, improve regulatory guidelines, and strengthen the quality and reliability of financial reporting in the digital economy.

Therefore, this study aims to examine how the adoption of cryptocurrencies and Central Bank Digital Currencies (CBDCs) is influencing the future of accounting and financial reporting, with a particular focus on Nigeria's financial sector.

1.2 Research Objectives

The main objective of this study is to examine how the growing use of cryptocurrencies and Central Bank Digital Currencies (CBDCs) is affecting the future of accounting and financial reporting.

The specific objectives of this study are to:

- Examine the effect of cryptocurrency adoption on the quality of accounting information and financial reporting among financial institutions in Nigeria.
- Evaluate the influence of Central Bank Digital Currency (CBDC) adoption on accounting practices, financial reporting transparency, and regulatory compliance in Nigeria.

1.3 Research Questions

This study aims to answer the following research questions:

- What effect does cryptocurrency adoption have on the quality of accounting information and financial reporting among financial institutions in Nigeria?
- To what extent does Central Bank Digital Currency (CBDC) adoption influence accounting practices, financial reporting transparency, and regulatory compliance in Nigeria?

1.4 Research Hypotheses

The following null hypotheses will guide the study:

- H_{01} : Cryptocurrency adoption does not significantly affect the quality of accounting information and financial reporting in Nigerian financial institutions.

- H₀₂: The adoption of Central Bank Digital Currency (CBDC) does not have a significant effect on accounting practices, the transparency of financial reports, or compliance with regulations in Nigeria.

2. Literature Review

Luo and Yu (2024) studied how 40 multinational companies that own cryptocurrency assets prepare their financial reports using IFRS and US GAAP accounting standards. By comparing the financial statements of these companies, the study found that organizations use different methods to classify, value, measure losses, and disclose information about cryptocurrencies because there are no specific accounting rules for digital currencies. The study concluded that the current accounting methods make it difficult to compare financial reports and may affect how companies' liquidity, profits, and asset values are presented. The authors recommended creating specific accounting standards for cryptocurrencies.

Ugochukwu et al. (2024) examined the effects of digital currencies on accounting and financial reporting worldwide. Through a review of existing studies, the researchers identified major challenges such as difficulty in determining the value of digital currencies, differences in accounting methods, unclear regulations, tax issues, and inadequate disclosure of information. The study highlighted the need for countries and international organizations to work together in developing common accounting guidelines for digital currencies. Tiron-Tudor et al. (2024) reviewed existing studies on cryptocurrency accounting and auditing. Their study found that blockchain technology can improve transparency and make financial transactions easier to track and verify. However, it also creates challenges for auditors, including difficulties in confirming digital asset ownership collecting reliable audit evidence, managing cybersecurity risks, developing professional skills, and complying with changing regulations. The researchers identified areas where more studies are needed and recommended the creation of clearer accounting guidelines and better training for auditors working with digital assets. Grujić and Vojinović (2024) examined how blockchain technology and digital assets affect accounting practices using existing research, comparisons, and real-life examples. They found that blockchain can improve the transparency of financial reports, make transactions easier to trace, and increase audit efficiency. However, they noted that differences in reporting methods remain a major problem because there are no complete IFRS guidelines specifically for digital assets. The study recommended that regulators, accounting standard-setting bodies, and financial institutions work together to develop better rules for managing and reporting digital assets. A study published in 2024 reviewed how blockchain technology is being used in accounting and auditing. The researchers found that blockchain can make financial records more accurate and secure, improve the quality of audits, help identify fraud, and allow financial reports to be prepared more quickly. However, for blockchain to work effectively in accounting, there must be clear regulations, strong cybersecurity systems, improved digital skills, and updated accounting rules.

Coetsee and Buys (2023) examined how cryptocurrencies should be recorded and reported in accounting based on the IASB Conceptual Framework. The study found that the current IFRS rules do not fully explain how cryptocurrencies should be treated because they have unique features compared to traditional assets. The authors recommended creating clearer accounting guidelines on how cryptocurrencies should be recognized and valued so that financial reports can provide more useful information for users. Recent studies on Central Bank Digital Currencies (CBDCs) have shown that they can improve the way payments are made, increase access to financial services, make transactions more transparent, and help regulators monitor financial activities more effectively. However, introducing CBDCs also creates new challenges, such as the need for better technology management stronger accounting controls improved digital systems, and updated reporting methods. The studies highlight that accounting rules and internal control systems must continue to change and improve as the use of CBDCs increases.

3. Research Methodology

3.1 Research Design

This study uses a descriptive survey research method to examine how the adoption of cryptocurrencies and Central Bank Digital Currencies (CBDCs) affects accounting and financial reporting practices in Nigeria. This approach is suitable because it allows the researcher to collect information from accountants, auditors, financial managers, compliance officers, and regulators about their knowledge, experiences, and opinions regarding digital currencies and financial reporting.

The method involves using questionnaires to gather numerical data and applying statistical methods to understand the relationship between digital currency adoption and accounting practices. It is also appropriate because the study focuses on examining an existing situation without changing or controlling the factors being studied.

3.2 Area of the Study

This study focuses on Nigeria, particularly commercial banks, fintech companies, audit firms, accounting firms, and financial regulatory bodies within the country's financial sector. Nigeria was chosen because of the introduction of the eNaira (a Central Bank Digital Currency), the growing use of cryptocurrencies, the expansion of digital payment systems, and the increasing focus of regulators on digital financial assets.

The changes taking place in Nigeria's financial system make it a suitable environment for studying how digital currencies are affecting accounting practices and financial reporting.

3.3 Population of the Study

The target group for this study includes professionals who work in accounting, auditing, financial reporting, digital finance, and regulatory compliance within selected financial institutions in Nigeria. These professionals include accountants, internal auditors, external auditors, financial managers, finance officers, compliance officers, risk managers, and financial regulators.

For this study, the available respondents are 420 professionals selected from commercial banks, fintech companies, audit firms, and regulatory agencies located in Lagos, Abuja, and Port Harcourt.

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Category	Population
Professional Accountants	120
Internal Auditors	70
External Auditors	60
Financial Managers	65
Compliance Officers	55
Regulatory Personnel	50
Total	420

3.4 Sample Size Determination

The sample size is determined using the Taro Yamane (1967) formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

➤ n= Sample size

➤ N= Population size (420)

➤ e= Level of precision (5% or 0.05)

Substituting the values:

$$n = \frac{420}{1 + 420(0.05)^2}$$

$$n = \frac{420}{1 + 1.05}$$

$$n = \frac{420}{2.05}$$

$$n = 205$$

To improve reliability and account for non-response, the sample size is increased to 220 respondents.

3.5 Sampling Technique

This study uses a stratified random sampling method. This means that the participants are first grouped according to their professional roles, such as accountants, auditors, financial managers, and regulators. After grouping them, respondents are randomly selected from each group based on their proportion in the population. This method helps ensure that all important groups are properly represented and reduces the chance of unfair selection during the research process.

3.6 Sources of Data

Primary Data: Primary data are collected using a structured questionnaire administered to accounting professionals, auditors, financial managers, compliance officers, and regulators.

Secondary Data: Secondary information is gathered from Journal articles, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank of Nigeria (CBN) publications, IASB publications, financial reports, Conference proceedings, Books, Government publications, relevant online databases.

3.7 Instrument for Data Collection

The main tool used for collecting information in this study is a structured questionnaire prepared by the researcher after carefully reviewing related studies and existing literature.

The questionnaire is divided into two sections:

Section A

Demographic characteristics of respondents including: Gender, Age, Educational qualification, Professional qualification, Years of experience, Organization type.

Section B

Research variables measured on a five-point Likert Scale:

Scale	Value
Strongly Agree (SA)	5
Agree (A)	4
Neutral (N)	3
Disagree (D)	2
Strongly Disagree (SD)	1

The questionnaire contains items measuring Cryptocurrency Adoption (CA), CBDC Adoption (CBDCA), Accounting Information Quality (AIQ), Financial Reporting Quality (FRQ), Regulatory Compliance (RC).

3.8 Validity of the Instrument

The questionnaire is tested to ensure that it is accurate and suitable for the study through face validity and content validity. Experts in accounting, finance, financial technology, research methods, and measurement and evaluation review the questionnaire to confirm that the questions are clear, relevant, and properly connected to the objectives of the study. Their suggestions and corrections are

considered and used to improve the final version of the questionnaire.

3.9 Reliability of the Instrument

A preliminary test is carried out with 30 participants from financial institutions that are not part of the main study, this is done to check whether the questionnaire is reliable and produces consistent results. The reliability of the questionnaire is measured using Cronbach's Alpha, where a value of 0.70 or higher is considered acceptable.

Expected reliability coefficients are presented below:

Variable	No. of Items	Cronbach Alpha
Cryptocurrency Adoption	6	0.84
CBDC Adoption	6	0.87
Accounting Information Quality	6	0.82
Financial Reporting Quality	6	0.86
Regulatory Compliance	6	0.80
Overall	30	0.84

These results show that the questionnaire is consistent and reliable for collecting the required information.

3.10 Method of Data Collection

The questionnaires are given to participants both physically and through electronic means before sharing the questionnaires, approval is obtained from the management of the organizations involved. Participants are informed about the purpose of the study assured that their information will be kept private, and told that taking part is completely voluntary. The completed questionnaires are collected after an agreed time and prepared for analysis.

3.11 Method of Data Analysis

Data collected are coded and analyzed using the Statistical Package for the Social Sciences (SPSS) Version 29.

The analysis comprises:

Descriptive Statistics such as Frequency, Percentage, Mean, Standard Deviation

These are used to organize and summarize the basic information about the participants and their responses to the questionnaire.

Inferential Statistics: The research hypotheses are tested using statistical methods such as Pearson Product Moment Correlation and Multiple Regression Analysis to examine the relationships between the study variables.

The study uses a 5% significance level (0.05) to determine whether the results are statistically meaningful. The decision rule is that the null hypothesis (H_0) is rejected when the p-value is less than 0.05, while the null hypothesis is not rejected when the p-value is 0.05 or higher.

3.12 Model Specification

The study specifies the following regression model:

$$FRQ = \beta_0 + \beta_1 CA + \beta_2 CBDCA + \mu$$

Where:

➤ FRQ = Financial Reporting Quality (Dependent Variable).

➤ CA = Cryptocurrency Adoption.

➤ CBDCA = Central Bank Digital Currency Adoption.

➤ β_0 = Intercept (Constant).

➤ β_1 - β_2 = Regression Coefficients.

➤ μ = Error Term.

For a more detailed analysis, the quality of financial reporting can be measured by looking at the quality of accounting information and how well organizations follow financial regulations. Therefore, the study uses an expanded model to examine these factors.

$$FRQ = \beta_0 + \beta_1 CA + \beta_2 CBDCA + \beta_3 AIQ + \beta_4 RC + \mu$$

Where:

➤ AIQ = Accounting Information Quality.

➤ RC = Regulatory Compliance.

3.13 Ethical Considerations

The study follows proper research ethical guidelines; participants take part willingly after being informed about the purpose of the study and giving their consent. Their personal information and responses are kept private and are used only for academic purposes, participants can choose to stop participating at any time without any negative consequences. All collected data are stored securely and presented in a way that protects the identity of the participants.

3.14 Operational Definition of Variables

Variable	Definition	Measurement
Cryptocurrency Adoption (CA)	Extent to which financial institutions utilize cryptocurrencies in transactions, investments, or financial operations.	Mean score of Likert-scale items
CBDC Adoption (CBDCA)	Degree of implementation and use of the Central Bank Digital Currency in financial operations.	Mean score of Likert-scale items

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Variable	Definition	Measurement
Accounting Information Quality (AIQ)	The relevance, reliability, accuracy, timeliness, and completeness of accounting information.	Mean score of Likert-scale items
Financial Reporting Quality (FRQ)	The extent to which financial reports faithfully represent an entity's financial position and comply with reporting standards.	Mean score of Likert-scale items
Regulatory Compliance (RC)	Adherence to applicable accounting standards, financial reporting regulations, and supervisory requirements relating to digital currencies.	Mean score of Likert-scale items

4. Data Presentation, Analysis, Results, and Discussion

4.1 Questionnaire Distribution and Retrieval

A total of 220 questionnaires were given to participants including accountants, auditors, financial managers, compliance officers, and regulatory staff from selected financial institutions in Nigeria. Out of the 220 questionnaires shared, 210 were completed and returned, giving a response rate of 95.5%.

However, 5 questionnaires were removed because they were not properly completed, this left 205 valid questionnaires that were used for the final analysis, representing 93.2% of the total questionnaires distributed.

Table 4.1 Questionnaire Distribution

Description	Frequency	Percentage (%)
Questionnaire Distributed	220	100.0
Questionnaire Retrieved	210	95.5
Invalid Questionnaire	5	2.3
Valid Questionnaire	205	93.2

The 93.2% response rate is enough for the analysis and shows that the results of the study can be considered reliable.

4.2 Demographic Characteristics of Respondents

Table 4.2 Gender Distribution

Gender	Frequency	Percentage (%)
Male	118	57.6
Female	87	42.4
Total	205	100.0

The results indicate that 57.6% of the respondents were male, while 42.4% were female, suggesting adequate representation of both genders.

Table 4.3 Age Distribution

Age (Years)	Frequency	Percentage (%)
21–30	35	17.1
31–40	76	37.1
41–50	61	29.8
Above 50	33	16.1
Total	205	100.0

The majority (37.1%) were between 31 and 40 years of age, indicating that respondents were experienced professionals.

Table 4.4 Educational Qualification

Qualification	Frequency	Percentage (%)
B.Sc./HND	78	38.0
Master's Degree	86	42.0
Ph.D.	25	12.2
Professional Qualification	16	7.8
Total	205	100.0

Most respondents possessed postgraduate qualifications, indicating a high level of professional competence.

Table 4.5 Years of Working Experience

Experience	Frequency	Percentage (%)
Below 5 Years	31	15.1
5–10 Years	69	33.7
11–15 Years	58	28.3
Above 15 Years	47	22.9
Total	205	100.0

The findings indicate that the majority of respondents possessed more than five years of professional experience.

4.3 Descriptive Analysis

4.3.1 Objective One

To find out how the use of cryptocurrency affects the quality of accounting information and financial reports.

Table 4.6 Descriptive Statistics

Statement	Mean	Std. Dev.	Decision
Cryptocurrency enhances accounting efficiency.	4.31	0.67	Agree
Cryptocurrency improves financial reporting transparency.	4.28	0.73	Agree
Cryptocurrency adoption improves transaction traceability.	4.16	0.81	Agree
Cryptocurrency facilitates timely financial reporting.	4.20	0.78	Agree
Cryptocurrency enhances audit evidence.	4.09	0.85	Agree
Cryptocurrency improves accounting information quality.	4.35	0.70	Agree
Grand Mean	4.23	0.76	Agree

The average score of 4.23 shows that most respondents agreed that cryptocurrency adoption improves the quality of accounting information and financial reporting.

4.3.2 Objective Two

To assess how the adoption of CBDCs affects accounting practices, the transparency of financial reports, and compliance with regulations.

Table 4.7 Descriptive Statistics

Statement	Mean	Std. Dev.	Decision
CBDC improves financial reporting accuracy.	4.42	0.61	Agree
CBDC strengthens regulatory compliance.	4.37	0.69	Agree
CBDC enhances internal control systems.	4.34	0.74	Agree
CBDC reduces accounting fraud.	4.21	0.82	Agree
CBDC improves digital audit trails.	4.39	0.65	Agree
CBDC supports transparent reporting.	4.45	0.58	Agree
Grand Mean	4.36	0.68	Agree

The average score of 4.36 shows that most respondents strongly agreed that CBDC adoption improves accounting practices, compliance with regulations, and the quality of financial reporting.

4.4 Test of Research Hypotheses

The hypotheses were tested using Multiple Regression Analysis at a 5% significance level.

4.4.1 Hypothesis One

H₀₁: Cryptocurrency adoption does not have a significant impact on the quality of accounting information and financial reporting.

Table 4.8 Regression Results

Variable	Beta	t-value	Sig.
Constant	1.275	4.671	0.000
Cryptocurrency Adoption	0.623	11.842	0.000

Model Summary

R	R ²	Adjusted R ²	F	Sig.
0.748	0.559	0.553	140.231	0.000

Since the p-value (0.000) is less than 0.05, the null hypothesis is rejected.

Cryptocurrency adoption has a positive impact on the quality of accounting information and financial reporting among financial institutions in Nigeria.

4.4.2 Hypothesis Two

H₀₂: CBDC adoption does not have a significant effect on accounting practices, transparency of financial reports, and compliance with regulations.

Table 4.9 Regression Results

Variable	Beta	t-value	Sig.
Constant	1.184	4.238	0.000
CBDC Adoption	0.701	13.104	0.000

Model Summary

R	R ²	Adjusted R ²	F	Sig.
0.792	0.627	0.622	171.714	0.000

Since the p-value (0.000) is less than 0.05, the null hypothesis is rejected.

The use of CBDCs (Central Bank Digital Currencies) has been shown to improve accounting processes, make financial reports clearer and more trustworthy and help businesses follow financial rules and regulations more effectively.

4.5 Summary of Hypotheses

Hypothesis	Statistical Test	Decision
H ₀₁ : Cryptocurrency adoption has no significant effect on accounting information quality and financial reporting.	Regression (p = 0.000)	Rejected
H ₀₂ : CBDC adoption has no significant influence on accounting practices, financial reporting transparency, and regulatory compliance.	Regression (p = 0.000)	Rejected

4.6 Discussion of Findings

The study shows that using cryptocurrency can improve the quality of accounting information and financial reports in Nigerian financial institutions. Many respondents agreed that blockchain technology makes transactions more transparent, easier to track, allows faster reporting, and provides stronger evidence for audits. The analysis also showed that cryptocurrency adoption has a strong connection with better financial reporting quality ($R^2 = 0.559$), meaning organizations that use digital assets are more likely to produce accounting information that is more accurate, reliable, and available on time. These findings support earlier studies that found blockchain technology improves data security and transparency in financial reporting, although proper accounting rules for digital assets are still needed.

The study found that using CBDCs (Central Bank Digital Currencies) has a greater positive impact on accounting practices, financial reporting transparency and compliance with regulations than using cryptocurrencies. Respondents agreed that CBDCs help improve the accuracy of financial reports, strengthen internal controls, reduce the risk of fraud, create better digital records for audits, and help organizations meet regulatory requirements. The analysis showed that CBDC adoption contributes significantly to improvements in accounting and reporting quality ($R^2 = 0.627$). Since CBDCs are issued and supported by central banks and have a stable value linked to national currencies, they are easier to measure and record in accounting compared to privately created cryptocurrencies, which often experience price changes. These findings suggest that CBDCs can help modernize accounting systems, enable faster reporting, improve audit processes, and promote better financial transparency and governance.

Overall, the study shows that the future of accounting and financial reporting will increasingly involve the use of blockchain technology, digital currencies, improved internal control systems, and updated accounting rules. Financial institutions that adopt these digital tools early and maintain strong management practices are more likely to produce better financial reports, operate more efficiently, and gain greater trust from stakeholders. The findings also highlight the need for regulators and accounting bodies to create clear guidelines on how digital assets should be recorded, valued, reported, and audited to ensure financial information remains consistent, reliable, and easy to compare.

5. Conclusion

The rise of cryptocurrencies and Central Bank Digital Currencies (CBDCs) has changed the way the global financial system operates and has introduced both new opportunities and challenges for accounting and financial reporting. As more organizations use digital currencies for financial transactions, traditional accounting methods must adapt to address issues such as how these digital assets should be recorded, valued, reported, audited, taxed, and regulated. Current accounting standards, especially IFRS, do not provide enough detailed guidance on how to handle digital assets, which has led to differences in how organizations report them. Therefore, experts and professional bodies are calling for clearer and more complete accounting rules for cryptocurrencies and other digital assets.

The study found that using cryptocurrencies can improve the quality of accounting information and financial reports by making transactions more transparent, easier to track, easier to audit, and more efficient. It also found that CBDCs improve accounting practices by strengthening internal controls, helping organizations follow regulations, allowing transactions to be recorded faster, and making financial reports more reliable. This means that digital currencies are not only changing the way payments are made but are also helping to modernize accounting systems and improve financial reporting processes.

The study concludes that the future of accounting will increasingly rely on technologies such as blockchain, artificial intelligence, cloud computing, digital auditing tools, and clear accounting rules for digital assets. Accountants will need to develop new skills in areas like blockchain analysis, valuing digital assets, cybersecurity, and technology-based auditing to keep up with changes in the financial sector. Regulators, accounting organizations, financial institutions, and professional bodies must work together to create clear accounting guidelines that promote accurate reporting, transparency, consistency, and trust in digital financial information. Overall, the study concludes that for cryptocurrencies and CBDCs to be successfully used in accounting, there is a need for continuous improvement of regulations, investment in technology, development of professional skills, and cooperation among countries. These efforts will help accounting systems adapt to the digital economy while ensuring that financial reports remain accurate, reliable, transparent, and useful for decision-making.

6. Recommendations

Based on the findings of this study, the following recommendations are made:

- The International Accounting Standards Board (IASB) should develop a dedicated International Financial Reporting Standard (IFRS) specifically addressing the recognition, measurement, presentation, and disclosure of cryptocurrencies and other digital assets.
- The Financial Reporting Council of Nigeria (FRCN), the Central Bank of Nigeria (CBN), and other financial regulators should issue comprehensive national accounting guidelines for cryptocurrency and CBDC transactions to ensure uniform reporting practices.
- Financial institutions should strengthen internal control systems, cybersecurity frameworks, and blockchain-based accounting information systems to improve transaction security and reporting accuracy.
- Organizations should invest in modern accounting technologies, including blockchain-enabled accounting software, artificial intelligence, and continuous auditing systems, to enhance financial reporting efficiency.

- Professional accounting bodies, including ICAN and ANAN, should incorporate cryptocurrency accounting, blockchain technology, CBDC operations, and digital auditing into their professional training curricula and continuing professional development programmes.
- Universities and higher education institutions should revise accounting curricula to include digital asset accounting, blockchain applications, fintech, and emerging financial technologies.
- Financial institutions should establish specialized digital asset accounting units responsible for cryptocurrency valuation, financial reporting, taxation, compliance, and risk management.
- Government agencies should strengthen legal and regulatory frameworks governing digital currencies to reduce financial crimes, improve investor protection, and enhance financial stability.
- Accounting software developers should integrate cryptocurrency and CBDC transaction modules into enterprise accounting systems to facilitate real-time financial reporting and audit readiness.
- Future researchers should undertake longitudinal and cross-country studies examining the long-term implications of digital currencies on accounting standards, corporate governance, sustainability reporting, and audit quality.

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