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IFRS-Based Accounting Policies and Professional Perspectives on the Implementation of Central Bank Digital Currency in Thailand

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ABSTRACT

This study examines how the International Financial Reporting Standards (IFRS) apply to the accounting treatment of Central Bank Digital Currency (CBDC), focusing on Thailand's digital baht. It examines perspectives on recognition, measurement, presentation, and disclosure practices under IFRS by conducting semi-structured interviews with a scholar, five certified public accountants, and a member of the Thailand Federation of Accounting Professions Standards Committee. A thematic analysis using NVivo 14 reveals a consensus regarding the need to revise the current IFRS to better address CBDC concerns. Several informants suggested that digital Thai Baht could be classified as either cash equivalents or financial assets, measured using amortized costs or fair values, and subject to expected credit losses. The disclosure requirements would align with IFRS 7 and IAS 7, emphasizing the need to distinguish between the economic characteristics of digital and traditional currencies. A comprehensive review of the existing IFRS frameworks reveals both conceptual and technical limitations, suggesting the need for more tailored guidance. This study provides valuable information for national and global standard-setting bodies considering future accounting standards specific to CBDCs.

Keywords: Accounting Policy, Accounting Treatment, International Financial Reporting Standards, Central Bank Digital Currency, Digital Thai Baht, Thematic Analysis.

INTRODUCTION

Digital currencies are being explored by central banks worldwide as we move toward a cashless society. Global central banks are actively exploring or implementing central bank digital currencies (CBDCs), representing a significant shift driven by the potential benefits associated with enhanced efficiency, transparency, and security of financial systems (Bank for International Settlements, 2023a). A CBDC is a digital asset created by the central bank to facilitate the exchange of goods and services. As digital information, CBDCs are processed and stored in decentralized systems using the blockchain technology. CBDCs can reduce the costs associated with the management of financial institutions and enhance the efficiency of payment systems.

Through the "Inthanon Project," eight leading commercial banks have partnered to develop the Bank of Thailand's (Digital Thai baht). As part of this initiative, distributed ledger technology will be explored for wholesale transactions between financial institutions (Wholesale CBDCs), as well as retail transactions between businesses and citizens (Retail CBDCs). To assess the feasibility of implementing the "Digital Thai baht" and potential obstacles, the Bank of Thailand (BOT) conducted trials from late 2022 through mid-2023. The BOT has also initiated the "Bang Khun Phrom Project" to assess the financial stability risks associated with the implementation of the digital Thai baht in Thailand's financial system from 2022 to 2023.

Accounting standards do not currently provide specific guidance for digital assets, including CBDCs, raising a critical research question from an accounting perspective: What policies should account professionals consider before the official introduction of CBDCs in retail settings? The purpose of this qualitative research was to explore accounting policies in four domains: recognition and classification, measurement, presentation, and disclosure of digital Thai baht implementation in the business sector across four domains. We conducted semi-structured interviews with three key informant groups in the accounting profession: an accounting scholar, a certified public accountant (CPA), and a committee member of the Thailand Federation of Accounting Professions () whose responsibility is to investigate the feasibility of issuing standards on digital asset accounting. The purpose of this research was to establish a consensus on accounting policy regarding the use of digital Thai Baht in the business sector.

As a result of this study's findings, all stakeholders involved in the implementation of the digital Thai baht will benefit, particularly government agencies, the Bank of Thailand, and central banks responsible for policy, rules, and regulations governing CBDC accounting. The results of this study can be used as guidelines for the study of the feasibility of formulating accounting standards for businesses that use and own CBDCs, as well as to assist in preparing financial statements according to reporting standards. Additionally, this research may assist Thai citizens in preparing for the introduction of the digital Thai Baht.

The purpose of this study is to examine the applicability and limitations of current International Financial Reporting Standards (IFRS) in accounting for Central Bank Digital Currencies (CBDCs), with a particular focus on the digital Thai baht. A key objective of this study is to provide insights into how existing IFRS frameworks can be adapted or revised to accommodate CBDCs and to inform the development of relevant accounting standards by professional bodies by examining recognition, classification, measurement, presentation, and disclosure practices.

LITERATURE REVIEW

The study of accounting policy for implementing digital currency in Thailand's business sectors addresses the following concepts and theories:

Definition of Central Bank Digital Currency

A country's currency is valued because it is accepted by the public as the medium of exchange. Although physical currency remains prevalent, central banks are developing their own CBDCs in response to an increasing trend toward digital financial transactions. CBDC are available in two forms: retail CBDC, which are accessible to the general public for everyday transactions, and wholesale CBDC, which are used by licensed banks and financial institutions for interbank payments and securities transactions.

BOT defines it as "a digital currency issued by a central bank of a country that can be used to pay for goods and services, maintain value, and serve as an accounting unit." Similar to the International Monetary Fund's definition, CBDCs are digital versions of cash that central banks issue and regulate. This official backing makes CBDCs more secure and stable than other crypto assets (Bank for International Settlements 2023b). For CBDCs to function as reliable payment methods, central banks must ensure transaction integrity and confidentiality by implementing robust policies and controls to manage disruption risks, including the possibility of bank intermediation (Bank for International Settlements, 2023a; Hedge & Guruprasad, 2024). In accordance with AllahRakha (2023), controls, safeguards, and policies are necessary to protect information processed on digital platforms.

Distinguishing CBDCS from other Digital Currencies

Privately issued virtual currencies (cryptocurrencies), which are usually subject to high-value fluctuations, differ significantly from central-bank-issued digital currencies. Because CBDCs are regulated by the government, they present a reduced risk of value instability and cyber theft vulnerability. CBDCs are relatively risk-free compared to cryptocurrency volatility (Skinner, 2023; Wang, 2025). It is important to note that many governments, such as CBDCs, have not yet approved cryptocurrencies as formal payment media for goods and services.

CBDC differs significantly from stablecoins. Even though stable coins are issued by private companies backed by fiat reserves and operate on public blockchains that provide global access and greater privacy, their reliability is often questioned because of the uncertainty surrounding their reserve backing. Conversely, CBDCs backed by central banks offer higher levels of trust but tend to be limited to domestic use with a reduced level of global accessibility. In contrast to stable coins, which operate across borders and facilitate access to currencies such as the dollar, CBDCs remain tied to national currencies and are primarily used by individuals within their own country.

Questions also exist regarding the differences between CBDC and internet banking transactions. Although both are digital, CBDC serves both as digital money and a payment system directly endorsed by the central bank. This was regulated by the government. However, internet banking handles the money endorsed by commercial banks. This introduces additional risk from potential management errors, leading to commercial bank failure, a risk beyond central bank management. When it comes to providing financial services, internet banking bears the risks of both commercial and central banks, while CBDC bears only the risks of the central bank without being entitled to interest payments. In addition to being able to convert to tangible forms, internet banking is a good alternative to purely digital CBDC (Armelius et al., 2020). A non-bank electronic money (eMoney) product allows users to preload funds for use within closed networks that accept a specific e-money product such as subway cards or prepaid cards. CBDCs and e-money providers differ primarily in that private companies must manage customer funds in conjunction with banks, which adds an additional level of risk to the business.

Progress and Development of CBDC in Thailand

Through the Inthanon Project initiated in 2018 by the BOT, wholesale CBDC transactions were explored in cooperation with local financial institutions and technology partners to develop blockchain technology for interbank payments, securities trading, and other financial transactions. The project has three phases:

Phase 1 demonstrated a decentralized Real-Time Gross Settlement System design integrated with an innovative Gridlock Resolution architecture through a corda-based proof-of-concept.

Phase 2 extended additional proof-of-concept capabilities concluding in January 2019.

Phase 3 was completed in August 2019. A partnership was formed with the Hong Kong Monetary Authority to explore potential payment network designs enabling the exchange of Thai Baht and other foreign currencies using payment versus payment (PvP). Based on the Inthanon Project, the BOT expanded its wholesale CBDC exploration through the Multiple CBDC Bridge Project (mBridge) initiative for international payments, which developed a prototype for processing cross-border foreign exchange transactions via distributed ledger technology and achieved the first-place spot in the global wholesale index.

Thailand ranked eighth globally and second in Asia because of the retail CBDC index, Thailand ranked 8th globally and 2nd in Asia. As shown in Table 1, the retail CBDC pilot is divided into two tracks.

Although no concrete plans exist for an official full-scale CBDC retail launch in Thailand, it may not be far off for a formal introduction to be made. It is therefore imperative that accountants consider which accounting practices and policies apply to digital Thai Baht when it becomes operational.

Table 1. Progress of retail CBDC development

The Bank of Thailand's retail CBDC pilot	
Foundation track	Innovation track
– Objective: Evaluate effectiveness and safety of retail CBDC system – Scope: Implement cash-like transactions in specific geographical regions – User Base: Limited to approximately 10,000 individuals – Focus: Test data privacy and security protocols – Timeline: Late 2022 to mid-2023 – Technology: Test underlying blockchain infrastructure – Transactions: Simulate everyday retail payments – Assessment: Evaluate user experience and system performance	– Objective: Refine CBDC design to better align with Thai context – Approach: Invite private and public sectors to propose business use cases – Initiative: Organize "CBDC Hackathon" for innovative implementation ideas – Support: Provide mentorship from experienced Project Inthanon participants – Collaboration: Partner with financial institutions and technology providers – Outcomes: Identify practical use cases and implementation challenges – Integration: Explore compatibility with existing payment systems – Development: Create frameworks for broader CBDC adoption

Accounting Policies for Digital Assets

Accounting policies are "the principles, bases, conventions, rules, and practices used by an entity in preparing and presenting financial statements" (IFRS, 2021b). According to paragraph 7 of IAS 8, "where an IFRS applies specifically to an item, the accounting policy or policies applied to that item should be determined

based on the IFRS" (IFRS, 2021b). When selecting accounting policies, management must exercise discretion to produce financial statements that are relevant to users' economic decision-making and reliability.

A CBDC is a type of digital asset that falls within a broader category of digital assets. However, no accounting standards or policies are explicitly tailored for digital assets, leading businesses to adopt IFRS and these principles for their accounting practices. In June 2019, the IFRIC issued an agenda decision that provided guidance on accounting practices for cryptocurrency holders as part of its efforts to harmonize the accounting treatment of digital assets. The IFRS (2019) indicates that IAS 2 and IAS 38 are relevant standards. However, the European Financial Reporting Advisory Group (EFRAG) released a discussion paper regarding crypto-asset accounting treatment, which highlighted that the current measurement guidelines under IAS 2 and IAS 38 fail to accurately reflect crypto-assets' economic reality (Beigman et al., 2025). The study emphasized the need for clearer financial asset guidance and proposed updating the cash definition to include CBDCs. Because CBDCs differ from cryptocurrencies, IFRIC's 2019 agenda decision does not apply to them. To reduce global inconsistencies, accounting standards should be revised to include digital currencies. Adhariani and de Villiers (2019) state that stakeholders play an essential role in shaping accounting standards by influencing the development process and by providing feedback on exposure drafts and discussion papers. Standard setters used their input to evaluate the proposed changes. Bag et al. (2023) noted the lack of standards for digital currencies and emphasized the need for stakeholder input to guide their identification, classification, measurement, and reporting, thus making it worthwhile to seek stakeholder perspectives through interviews.

This study aimed to examine four aspects of accounting policy recognition and classification, measurement, presentation, and disclosure within the context of adopting a digital Thai baht within the Thai business sector from the viewpoint of stakeholders. Furthermore, it clarifies that CBDCs lack clearly defined accounting policies and standards. During the recognition and classification processes, an item is evaluated to determine whether it meets the definition of a financial statement component. This was achieved by systematically categorizing the financial information according to specific criteria. The term 'measurement' refers to the process of determining the recognized and reported monetary value of digital Thai bahts. It is important to consider the basis of measurement when providing financial information to ensure its relevance and reliability. Additionally, 'Presentation' and 'Disclosure' ensured that financial statements were accurately and comprehensively reported in the digital Thai Baht. Furthermore, they provide users with finance reports with sufficient information to make informed decisions.

RESEARCH METHODOLOGY

Research Design

To gather and analyze perspectives from seven key informants in Thailand's accounting and digital asset fields, semi-structured and in-depth interviews were conducted. There were seven informants, including a distinguished scholar from a leading Thai university specializing in digital asset education, five certified public accountants, one of whom was an assistant managing director overseeing financial accounting at a Thai shopping center that has branches throughout ASEAN, two serving as managing directors of audit firms, and two working as independent senior auditors. The last informant was a member of the Thailand Federation of Accounting Professions (TFAC) tasked with researching the feasibility of implementing digital asset accounting standards. Committee members have also authored numerous publications in the area of digital assets.

Table 2. outlines the criteria for selecting the key informants.

Key Informant Group	Number of Participants	Selection Criteria	Expertise Contribution
Academic Scholar	1	- Faculty member at leading Thai university - Doctoral qualification in relevant field - Extensive research record in digital assets - Multiple published papers on digital currencies	- Theoretical foundation - Research-based perspectives - Academic interpretation of IFRS standards - Conceptual framework insights

Certified Public Accountants (CPAs)	5	- Active CPA license in Thailand - Minimum 5 years of professional experience - Direct experience with digital asset reporting - Experience auditing companies with digital holdings	- Practical implementation knowledge - Day-to-day accounting challenges - Client-facing perspectives - Industry best practices
Thailand Federation of Accounting Professions (TFAC) Committee Member	1	- Active committee membership - Direct responsibility for digital asset standards - Associate professor status - Multiple publications on digital assets	- Regulatory insights - Standard-setting experience - Professional body perspectives - Policy development knowledge

Interviews were conducted over a three-month period from April to June 2024, with an average duration of 36 minutes (Table 3). Official invitations are sent to the university.

Table 3. Key informants' demographics

Participant ID	Professional Background	Position	Educational Qualification	Interview Duration	Professional Experience
S-1	Academic	Assistant Professor	PhD in Accounting	50 minutes 55 seconds	20 years
CPA-1	Accounting Practitioner	Assistant Managing Director (Financial)	Master's Degree	40 minutes 15 seconds	8 years
CPA-2	Accounting Practitioner	Senior Auditor	Master's Degree	22 minutes 47 seconds	10 years
CPA-3	Accounting Practitioner	Managing Director (Audit Firm)	Master's Degree	34 minutes 29 seconds	7 years
CPA-4	Accounting Practitioner	Senior Auditor	Bachelor's Degree	46 minutes 57 seconds	10 years
CPA-5	Accounting Practitioner	Managing Director (Audit)	Master's Degree	29 minutes 33 second	12 years
TFAC-1	Regulatory Body	Associate Professor & Committee Member	PhD in Accounting	31 minutes 42 seconds	23 years

S, Scholar; CPA, Certified public accountant; TFAC, Thailand Federation of Accounting Professions.

Data Collection

This study utilized in-depth semi-structured interviews as the primary method of data collection. A comprehensive review of academic literature related to digital assets was conducted as part of the data collection process. The researchers developed interview questions regarding the characteristics of the digital Thai Baht and accounting policy considerations. To ensure quality and validity, the interview protocol was validated by three specialists: a qualitative research methodology expert from higher education, a senior auditor from a Big Four accounting firm, and an academic specializing in digital assets. Their feedback was incorporated into the interview questions to improve their academic rigor and align them with accounting theories and qualitative research principles.

Interviews were scheduled individually with the key informants, beginning with an explanation of the study's purpose and confidentiality. From April to June 2024, sessions lasted 22–51 min (average, 36) using a semi-structured format. The questions ranged from CBDC recognition and classification to measurement, presentation,

and disclosure. Preliminary insights from early interviews were used to refine later sessions, ensuring data saturation and diverse perspectives.

Data Validity and Analysis

The verification procedures were implemented to ensure data validity and reliability. To preserve accuracy, all the interviews were audio-recorded and transcribed verbatim. Data triangulation techniques were employed in this study according to established methodological guidelines (Creswell, 2018; Denzin, 2017; Jonsen & Jehn, 2009), data triangulation techniques were employed in the research. The triangulation process involves three key verification stages.

1. ***Conceptual Validation:*** Examining whether CBDC concepts and proposed accounting policies align with or differ from existing accounting frameworks and standards.
2. ***Cross-Verification:*** Ensure interview information consistency across different times, locations, and informants.
3. ***Perspective Analysis:*** Identifying and examining variations in information provided by different informant groups to understand diverse viewpoints

Transcripts were analyzed in NVivo 14 using a coding framework based on four policy areas: recognition and classification, measurement, presentation, and disclosure. The sub-codes captured themes and patterns and were refined through multiple coding iterations. NVivo enabled the comparison of informant groups, highlighting consensus and differing views on digital Thai baht accounting, with key quotes tagged for the presentation of findings.

RESULTS AND DISCUSSION

Reconceptualizing Digital Currency: Recognition and Classification Challenges

Informants were asked "when should businesses start recognizing electronic Thai baht transactions" and "which existing IFRS can be used as references for recognizing digital Thai baht transactions" in order to gain general consensus.

According to the scholar, the digital Thai baht should be considered a financial asset under IAS 32, and a distinction should be made between wholesale and retail CBDCs. In the wholesale CBDC market, IFRS and Bank of Thailand rules should be followed, while in the retail CBDC market, retail CBDC may follow IFRIC's 2019 agenda decision, which only addresses cryptocurrencies.

Participant S1: "If you ask about recognition in terms of wholesale CBDC, it must be addressed under financial reporting standards and national bank regulations, as it pertains to transactions between financial institutions. However, retail CBDC is recognized as a digital asset, and IFRIC's agenda decision applies. This agenda decision was issued for cryptocurrencies, but the CBDC is not a cryptocurrency because of the absence of a contract between the holder and the central bank. Therefore, an agenda decision does not apply."

As the scholar asserted, digital Thai Baht cannot be regarded as 'cash and equivalents' until they are formally recognized by the government. As a result, a change would need to be made to the Currency Act of B.E. 2501 (1958) to explicitly include digital Thai Baht within the currency definition. In the current version of the Act, currency is defined as "coins and notes, " as outlined in Section 6 (Bank of Thailand, 1958).

Participant S1: "Since digital Thai baht is not yet legalized, it cannot be classified as cash. The options are cash equivalents and other financial assets. While some argue that cash equivalent aligns with the CBDC's purpose, this would place it on the same balance sheet line as cash, which is theoretically incorrect. At this stage, the digital Thai Baht should be treated as a financial asset."

The scholar, citing IAS 7, noted that CBDCs do not qualify as cash equivalents because they are not held for investment. He also rejected classifying them as cash under demand deposits, as banks can lend such deposits, which conflicts with CBDC objectives. Instead, he advised referencing IAS 32 and IAS 7 to define digital Thai Baht accounting treatment outside cash or cash equivalents.

According to the TFAC committee members, 'digital Thai baht' is recognized at the time of exchange between physical Thai baht and digital Thai baht:

Participant TFAC1 "Digital Thai baht is recognized on the date of a transaction with the same value as physical Thai baht because it is exchanged as a one-to-one unit. Let us recognize it as an equivalent amount of physical Thai baht exchange, meaning Debit digital Thai baht; Credit Physical Thai baht". Further, the TFAC committee member stated, ' Digital Thai baht would fall into the definition of cash but not fall under cash equivalent of IAS 7, which defines cash as 'cash on hand' and 'demand deposit. ' The nature of digital Thai baht would rather satisfy 'demand deposits' but not actually 'cash. ' It is like a deposit ready for shopping when needed. From what the committee has already studied, it meets the definition of cash in the part of demand deposits.

Similarly, *participant CPA 1* suggested that the Digital Thai baht was like a deposit. Treat it as such. It has similar characteristics when demanded like a current or savings account.", an additional CPA 3 discussed how to apply

the conceptual framework to financial reporting: "CBDC is an asset. To be recognized, it must satisfy the definition of an asset following the conceptual framework for financial reporting. Businesses must control CBDC with the potential to produce economic benefits to the entities. The CBDC value must also be reliably measured.

As a result of the key informants' views on recognition policy, IAS 7 and the conceptual framework for financial reporting were applied as references for recognizing digital Thai Baht transactions. The majority of CPAs classified 'digital Thai baht' as cash and cash equivalents, but did not specifically identify it as 'cash' under 'demand deposits.'

There was a difference of opinion among the three key informants regarding the recognition and classification of digital Thai Baht (see Table 4). In the opinion of the scholar, CBDCs qualify as a financial asset under IAS 32 but not as cash under IAS 7 until they are legalized, since CBDCs are not designed for investment purposes. A cash account includes both a cash-on-hand account and a demand deposit account. According to the TFAC member, digital Thai baht should be classified as "demand deposits" rather than "cash on hand," which aligns with Xiao et al. (2024), who view CBDCs as an alternative to demand deposits. As opposed to considering CBDCs as cash equivalents, Venkatesh and Ganesh (2021) regard them as secure, direct forms of money that are more appropriately defined as cash. Furthermore, Avgouleas et al. (2024) stated that CBDCs do not meet the 'cash on hand' definition because they do not accrue interest. According to Adhariani and de Villiers (2019), CBDCs are primarily concerned with securing stability rather than maximizing returns. However, CPAs supported the classification of digital Thai baht as 'cash and cash equivalents.'

CBDC definitions should be established to reduce uncertainty when applying IFRS. It is important to explain the purpose of CBDCs using this definition. According to Stolzenberg (2021), digital assets should be classified according to their purpose and source of their inherent value. According to EFRAG's discussion paper on crypto-asset accounting, published in April 2022, 69 percent of respondents were open to clarifying and updating the IFRS definition of cash and cash equivalents. The inclusion of stablecoins pegged to fiat currencies and CBDCs eliminates ambiguity regarding their classification as cash or cash equivalents. Based on stakeholder feedback, EFRAG advised the IASB to account for crypto-assets, including CBDCs, clarifying when stablecoins and e-money tokens such as CBDCs may be classified as cash equivalents or financial instruments.

Table 4. Summary of the recognition & classification accounting policy according to the key informants' perceptions

Key aspects	Academic perspective (scholar)	Regulatory perspective (TFAC)	Practitioner perspective (CPAs)
Classification Category	Financial asset	Demand deposit	Cash & cash equivalents
Applicable standard	IAS 32 (financial Instruments)	IAS 7 (cash flow statements)	IAS 7 (cash flow statements)
Recognition timing	Upon transaction, subject to meeting asset definition	At exchange date between physical and digital baht	Upon transaction, with control established
Legal requirements	Requires currency act amendment to be classified as cash	No legislative change required	No specific legal requirements identified
Balance sheet section	Current assets	Current assets	Current assets
Key rationale	Not investment-purposed but lacks legal recognition as currency	Functions like deposit accessible on demand	High liquidity and equivalence to physical currency
Specific conditions	For wholesale cbdc: consider bank of Thailand regulations alongside ifrs	Must record specific date of exchange transaction	Must meet conceptual framework's asset definition
Theoretical basis	Accounting theory prioritizes formal classification over functional purpose	Practical implementation focus on actual usage pattern	Focus on economic substance and user decision-making

Valuation in the Digital Domain: Measurement Approaches for CBDC

Measurement Policy: Fair Value, Fiat Parity, and ECL Considerations

The measurement policy refers to the guidelines and methods applied to determine the value of CBDCs for financial reporting. Although no specific accounting standard currently exists for CBDCs, scholars have emphasized that reliable and consistent measurement methods are fundamental for producing accurate and relevant financial statements (Barth, 2014). According to the IFRS conceptual framework, such methods should

faithfully represent the economic substance of underlying transactions. In the case of the digital Thai baht, understanding both the initial and subsequent measurement approaches is critical to ensure the accuracy of the reported information.

The Certified Public Accountants (CPAs) who participated in this study generally supported the use of the fair value model for measuring digital Thai Baht. One participant stated:

"If CBDCs are actively operated, valuing them at the current market price allows us to capture the digital currency's real-time value." (Participant CPA1)

Another CPA compared the value of CBDCs with that of fiat currency, suggesting that the exchangeability of CBDCs could impact valuation considerations.

"If CBDCs are supposed to have the same value as the country's fiat currency, then exchange rates might not matter much. However, if you can exchange them for other currencies, then we must examine those exchange rates." (Participant CPA5)

A similar stance was echoed by a committee member from the Thailand Federation of Accounting Professions (TFAC) who questioned the appropriateness of historical costs for CBDCs:

"With CBDCs, the historical cost model might not offer the relevant information we need to accurately represent the substance of a transaction. Instead, the value of the CBDCs should match the value of the fiat currency." (Participant TFAC1)

Beyond measurement models, the issue of Expected Credit Loss (ECL) has also been raised, particularly in situations where the macroeconomic environment is unstable or when the fair value of digital Thai baht cannot be reliably determined. The TFAC committee member emphasized that in such scenarios, CBDCs should be initially recorded at cost, with subsequent impairment losses recognized as necessary under IFRS 9. However, the likelihood of impairment is perceived as low for central bank-issued digital currencies. The ECL estimation incorporates a range of inputs, including historical trends, current economic conditions, and forward-looking indicators. These are synthesized to produce probability-weighted loss outcomes, factoring in both the likelihood of default and associated loss severity (Cohen & Edwards, 2017). ECL enhances the accuracy of financial reporting and strengthens risk management for institutions holding CBDC-denominated assets.

Measurement Perspective: Preference for Amortized Cost and ECL

The scholar emphasized the importance of applying the amortized cost method as a preferred approach for measuring digital Thai Baht. He highlighted that this method provides a structured framework for financial reporting, enabling entities to record digital assets at their original acquisition costs and subsequently adjust them over time to reflect current conditions. This approach aligns well with existing accounting standards, particularly IFRS 9, and supports reliable and transparent reporting practices. As stated by the informant:

"Using the amortized cost method is important. This means that you record the CBDCs at their original cost and then adjust the value over time. This method helps to keep financial reporting accurate and in line with rules such as IFRS 9. Applying the amortized cost method is essential for ensuring transparent financial reporting practices." (Participant S1)

Additionally, the scholar recommended that entities recognize Expected Credit Losses (ECL) in accordance with the IFRS 9 principles. This viewpoint was consistent with the position of committee members from the Thailand Federation of Accounting Professions (TFAC), who underscored the significance of integrating risk-based metrics into digital currency accounting. The scholar cautioned against assuming zero credit risk, stressing that ECL calculations depend on multiple factors. He explained:

"In theory, we must multiply the Probability of Default (PD) times, (losgiven default LGD () times, and Exposure at Default (EAD). The bottom line is the digital Thai baht reference. If it is referenced to the gold price, ECL will not be zero. However, if referenced to fiat currency, ECL could be zero. The issue is PD if PD is not zero, then there is ECL, but we have never discussed PD for the Bank of Thailand." (Participant S1)

These insights reflect growing awareness of the need for both appropriate valuation methods and credit risk recognition in accounting for CBDCs, even in the context of central banks.

Guidelines for valuing digital Thai Baht are needed because of the absence of CBDC-specific accounting standards. Insights from five CPAs and a TFAC member, supported by the literature, favor the fair value model, as CBDCs reflect fiat currency value (Akanbi, 2024). The inclusion of ECL under IFRS 9 and, alternatively, the amortized cost method was also suggested. Although revaluation models using the effective interest method have been proposed (Stolzenberg, 2021), they are complex and conflict with central bank policies, making fair value the preferred approach. table 5 summarizes the considerations related to the measurement policy.

Table 5. Measurement Approaches for Digital Thai Baht: Expert Perspectives

Measurement aspects	**Academic perspective (scholar)**	**Regulatory perspective (TFAC)**	**Practitioner perspective (CPAs)**
Preferred method	Amortized cost	Fair value	Fair value

Applicable standard	IFRS 9 (financial instruments)	IFRS 13 (fair value measurement)	IFRS 13 (fair value measurement)
Initial measurement	Original transaction cost	Equal to physical baht exchanged	Current market value
Subsequent measurement	Adjust value over time based on effective interest	Match value of fiat currency	Reference to country's fiat currency
risk consideration	Expected credit loss (ECL) assessment required	ECL consideration for economic instability	limited risk assessment needed
ECL calculation factors	Probability of default (PD) Loss given default (LGD) Exposure at default (EAD)	Required if economy unstable or fair value unmeasurable	Not emphasized in measurement approach
Reference asset	Important to identify what digital baht references (fiat vs. gold)	Direct reference to physical baht	Direct reference to physical baht
Key advantage	Structured framework providing systematic valuation approach	Reflects economic reality of one-to-one relationship with fiat	Captures real-time value and market conditions
Practical consideration	Practical consideration	Matches central bank implementation objectives	Simplifies accounting process for businesses

Presentation of Digital Thai Baht: Classification and Financial Statement Line Items

The third accounting policy examined the appropriate presentation of the digital Thai baht in financial statements. The informants were asked how CBDCs, particularly the digital Thai baht, should appear in corporate financial reporting. Their views were largely consistent with their prior perspectives on recognition and classification. Specifically, the TFAC committee member suggested that digital Thai baht be presented as "cash" (demand deposit), while the scholar viewed it as a financial asset, both of which imply treatment as a current asset within the statement of financial position in line with IAS 1.

Participants were further queried on whether the digital Thai baht, if classified as part of cash and cash equivalents, should be distinguished through a separate line item to enhance clarity. The TFAC committee member (TFAC1) clarified that although CBDCs may be treated similarly to cash, they should not appear as a sub-item under "cash and cash equivalents," but rather be presented as a single line within that category, thereby maintaining clarity without overcomplication. Consistent opinions were shared among the five interviewed CPAs. Many have expressed that the unique nature of CBDCs may warrant the development of a dedicated presentation line for future accounting standards. One participant stated,

"Given the unique characteristics of CBDCs, including their establishment through the central bank and liabilities held by the government, the presentation of digital Thai Baht may have a specific line item for such an asset." (Participant CPA2)

Another participant emphasized the importance of providing sufficient detail through notes to financial statements:

"The digital Thai baht is high in liquidity and undoubtedly presents it as cash or cash equivalents. Additional notes may be needed to disclose that this money reflects one-to-one with existing funds the company has, and the company may need to separate lines of cash that are being exchanged to show how much digital Thai baht and how much is physical baht to give investors a clear picture of a company's liquidity for business risk assessment." (Participant CPA4)

CPA5 additionally noted that digital Thai baht, if used in operations by public entities, may be included in the statement of cash flows, if it complies with IAS 1 requirements for cash flow presentation. From the central bank perspective, CBDCs represent a distinct obligation. Therefore, central banks are expected to present digital currencies as liabilities in their financial statements. For example, the Central Bank of the Bahamas was the first to classify its CBDC, the Sand Dollar, as a liability, and disclosed in the financial statement notes the issuance of approximately $48,000 Sand Dollars during pilot testing in Exuma (The Central Bank of the Bahamas, 2019; Gust & Ruprecht, 2023). This case illustrates a precedent for CBDC presentation at the issuer level, reinforcing the dual nature of CBDCs as assets for holders and liabilities for central banks.

The TFAC member recommended presenting the digital Thai baht as cash and cash equivalents for business users, a view supported by five CPAs who noted that it may warrant a separate line item owing to its unique attributes. Conversely, the scholar argued that IFRS 9 should be classified as a financial asset. Aligning with IAS 1 is crucial to ensuring transparency, comparability, and stakeholder usefulness in CBDC reporting. A summary of Table 6 is presented in the following section.

Table 6. Presentation framework for digital Thai baht: comparative stakeholder perspectives

Presentation Aspects	Academic view (scholar)	Regulatory view (TFAC)	Practitioner view (CPAs)	Central bank view
Balance sheet classification	Financial asset	Cash & cash equivalents	Cash & cash equivalents	Liability
Financial statement position	Current asset	Current asset	Current Asset	Current liability
Presentation format	Separate line under financial assets	Single line within cash & cash equivalents	Potential specific line item development	Separate line under liabilities
Applicable standards	IFRS 9, IAS 1	IAS 7, IAS 1	IAS 7, IAS 1	IAS 1
Statement inclusion	Statement of financial position	Statement of financial position and cash	Statement of financial position and cash flows	Statement of financial position
Underlying rationale	Theoretical alignment with financial instrument	Functional equivalence to demand deposits	Economic substance as liquid asset	Represents monetary obligation to holders
Recommended distinction	Distinguish from traditional financial	Not necessary to separate from other	May need separation as technology	Clear separation from physical currency
Supplementary disclosure	Extensive notes on measurement and risk	Notes clarifying cash composition	Detailed notes on digital vs. physical breakdown	Disclosure of circulation statistics
Unique consideration	Legal recognition status impacts presentation	Represents digital extension of existing cash	Evolving presentation as CBDC adoption grows	First global implementations provide precedent (e.g., Bahamas Sand Dollar)

Disclosure of Digital Thai Baht: Enhancing Transparency and Compliance

The fourth accounting policy investigated the disclosure requirements associated with the implementation and use of digital Thai Baht by business entities. Informants were asked to identify the key information that businesses should report in their notes to financial statements when adopting CBDCs. The responses revealed a consensus on the importance of transparency, policy clarity, and risk representation.

The TFAC committee member emphasized that digital Thai baht balances, although typically reported within the single line item "cash and cash equivalents" should be clearly detailed in accompanying notes. He stated:

"The balances of digital Thai baht should be disclosed in notes to financial statements because when we report it, we report in a single line as 'cash and cash equivalents,' the notes should detail the balances pertaining to the digital Thai baht. If such money has been taken to guarantee an obligation, this must also be disclosed." (Participant TFAC 1)

He further noted the importance of disaggregating the cash components:

"The notes to financial statements should clarify that 'cash and cash equivalents' of such business comprises cash on hand, demand deposits and digital Thai baht of how much value." (Participant TFAC 1)

The scholar supported this view by referencing IFRS 7, suggesting that digital Thai baht considered a financial asset should be disclosed at an amortized cost, along with associated risks and Expected Credit Losses (ECL). He argued that given the unique characteristics of CBDCs, traditional disclosure requirements may not be sufficient. Additional narrative disclosures may be required to explain features that go beyond valuation and risk. As he explained:

"According to IFRS 7, we have to disclose digital Thai baht based on its amortized cost, as it is considered a financial asset. We also need to cover this risk and calculate the expected credit losses. However, this asset is unique; we might need to spill the beans on its special features, not just on measurement, risk, and ECL. Not yet sure what will entail, but we may need to disclose more than the basics." (Participant S1)

This aligns with international guidelines. For example, the European Financial Reporting Advisory Group (EFRAG) recommends disclosing the key economic characteristics of CBDCs. Similarly, the Bank for International Settlements (2023b) highlights that disclosures under IFRS 9 must include information on the methodology for ECL calculation, assessment of credit risk changes, and reconciliation of the opening and closing balances of ECL across asset classes and time horizons (12 months vs. lifetime).

The CPAs interviewed also stressed the importance of clarifying the accounting policy for the digital Thai baht, including the measurement basis, risk exposure, and separation between digital and physical currency

holdings. They emphasized that users of financial statements would benefit from understanding the sources and convertibility of digital assets. As one CPA remarked:

"The digital Thai baht is high in liquidity, and undoubtedly presents it as cash or cash equivalents. Additional notes may be needed to disclose that this money reflects one-to-one with existing funds the company has, and the company may need to separate lines of cash that are being exchanged to show how much digital Thai baht and how much is physical baht to give investors a clear picture of a company's liquidity for business risk assessment." (CPA4)

The informants also referred to IAS 1 paragraph 117, which requires disclosing material accounting policies that could influence users' economic decisions (IFRS, 2021a), and IAS 7 paragraphs 45-46, which call for reconciliation and clear disclosure of cash components.

Additionally, the findings echoed the assertion that inadequate disclosures impair decision making and weaken governance. However, caution was also raised about excessive disclosures that may clutter financial statements and reduce their utility (Liebau & Krapels, 2021; Khando et al., 2022; Khajol et al.,2022)

In summary, table 7 shows that both international frameworks and professional perspectives converged on the importance of developing robust and tailored disclosure practices for digital Thai Baht. Given their unique legal, operational, and risk-related characteristics, disclosures must extend beyond conventional financial asset reporting to reflect the specificities of CBDCs.

Table 7. Comprehensive disclosure framework for digital Thai baht

Disclosure elements	Academic perspective (scholar)	Regulatory perspective (TFAC)	Practitioner perspective (CPAS)
Primary focus	Risk and valuation disclosure	Composition and restriction disclosure	Policy and balance disclosure
Application standards	IFRS 7, IAS 1, and IAS 7	IFRS 7, IAS 1, and IAS 7	IFRS 7, IAS 1, and IAS 7
Essential disclosures	- Amortized cost details - Expected credit loss (ecl) calculations - Risk exposure assessment	- Detailed cash composition breakdown - Digital baht value within cash equivalents - Collateral/restricted usage notification	- Measurement methods and constraints - Digital vs. physical baht balances - Conversion possibilities and timing
Unique feature disclosure	Technical characteristics beyond traditional financial assets	Digital component within cash structure	Attributes distinguishing from physical currency
Risk disclosure emphasis	- Default probability - Loss given default - Exposure at default	- Usage limitations - Collateral obligations	- Conversion limitations - Value stability factors
User decision support	Supports credit and investment risk assessment	Provides liquidity understanding	Offers insight into digital transformation
Future development	Additional disclosures may be required as CBDCS evolve	May need standardization as adoption grows	Will develop alongside CBDC implementation
Implementation challenges	Balancing detail without information overload	Integrating with existing cash disclosures	Addressing evolving technological aspects
Best practice recommendation	Align with IFRS 7 while adding CBDC-specific disclosures	Provide clear disaggregation within notes	Balance comprehensive information with relevance

CONCLUSION AND IMPLICATIONS

Synthesis of Key Findings

This study aimed to systematically assess the applicability and limitations of current IFRS frameworks for CBDC accounting, thereby directly addressing the research objective of developing appropriate accounting treatments for digital Thai baht. A multi-stakeholder investigation revealed both areas of consensus and significant divergence between accounting practitioners and policymakers across the dimensions of recognition, measurement, presentation, and disclosure.

It is evident from the findings that there is a fundamental tension between the theoretical classification approaches and practical considerations for implementation. According to academics, theoretical integrity should be prioritized (classifying CBDCs as financial assets under IAS 32), but practitioners and regulators prefer functional equivalence approaches (recognizing CBDCs as cash/cash equivalents or demand deposits under IAS 7). As a result of this classification divergence, subsequent accounting policy decisions are affected, emphasizing the need for standard-setting bodies to establish guidelines that balance theoretical rigor with practical applications. Research on measurement has revealed competing approaches between amortized cost and fair value models, with additional consideration needed for the assessment of Expected Credit Loss. Practitioners and regulators favor the fair value approach, which adheres to the CBDC's fundamental purpose of maintaining equivalence with the fiat currency. However, as CBDC implementations progress, an academic perspective that emphasizes amortized costs may provide valuable considerations for systematic valuation approaches.

Based on these findings, existing standards provide a foundation for CBDC reporting, although specific enhancements may be necessary to address these unique characteristics. Effective financial reporting requires clear disaggregation, comprehensive risk disclosure, and transparent presentation of digital-physical currency relationships. These findings indicate that although current IFRS frameworks provide applicable guidance for CBDC accounting, targeted adaptations or implementation guidance will enhance the relevance, faithful representation, and comparability of financial statements as digital currencies become increasingly popular.

Implications and Future Directions

These findings provide key stakeholders with valuable insights and a basis for future research. This research highlights key areas for standard development: classification balancing legal and functional aspects, practical yet consistent measurement methods, and disclosures reflecting CBDC's unique traits. Standard setters and central banks must coordinate to align accounting treatment with monetary policy, while ensuring reporting integrity.

To achieve consistency across jurisdictions, a principle-based approach to standard development would provide the necessary flexibility. A financial statement preparer should evaluate the readiness of their accounting systems to process CBDC transactions, develop appropriate risk assessment frameworks, especially for Expected Credit Loss considerations, and prepare for policy adjustments as the implementation moves from pilot to mainstream adoption. In addition to integrating digital currency accounting into curricula, accounting educators should develop continuing education programs that address classification, measurement, and disclosure issues and pursue research opportunities to examine implementation outcomes and user information requirements.

Once the digital Thai baht is officially launched, future research should expand beyond a single region and include comparative implementation studies among jurisdictions, user information needs regarding CBDCs, cross-border transaction implications, and post-implementation evaluations. Beyond guiding standard refinement, this study addresses the challenges as CBDCs shift from concept to practice. It offers a framework for applying IFRS principles and identifying areas that require adaptation. To support the successful integration of digital currencies into the global financial system, these accounting considerations will play a crucial role, as Thailand and other nations progress towards CBDC implementation.

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