



U.S. Securities and Exchange Commission

[Home](#) / [Rules and Regulations](#) / [Staff Guidance](#) / [Staff Accounting Bulletins](#) / Staff Accounting Bulletin No. 122

Staff Accounting Bulletin No. 122

Conformed to Federal Register version

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 122]

Staff Accounting Bulletin No. 122

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: This staff accounting bulletin (“SAB”) rescinds the interpretive guidance included in Section FF of Topic 5 in the Staff Accounting Bulletin Series entitled *Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for its Platform Users* (“Topic 5.FF”).

DATES: Effective January 30, 2025

FOR FURTHER INFORMATION CONTACT: Office of the Chief Accountant, at (202) 551-5300; or Division of Corporation Finance, at (202) 551-3400, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission’s official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

List of Subjects in 17 CFR Part 211

Accounting, Reporting and recordkeeping requirements, Securities.

Date: January 23, 2025

Vanessa A. Countryman,
Secretary

Accordingly, part 211 of title 17 of the Code of Federal Regulations is amended as follows:

PART 211 – INTERPRETATIONS RELATING TO FINANCIAL REPORTING MATTERS

1. The authority citation for 17 CFR 211 is amended to read as follows:

Authority: 15 U.S.C. 77g, 15 U.S.C. 77s(a), 15 U.S.C. 77aa(25) and (26), 15 U.S.C. 78c(b), 15 U.S.C. 78l(b), 15 U.S.C. 78m(b), 15 U.S.C. 80a-8, 15 U.S.C. 80a-29(e), 15 U.S.C. 80a-30, and 15 U.S.C. 80a-37.

2. Amend the table in subpart B by removing the entry for “Staff Accounting Bulletin No. 121” and adding an entry for “Staff Accounting Bulletin No. 122” at the end of the table to read as follows:

Subpart B – Staff Accounting Bulletins

Subject	Release No.	Date	Fed. Reg. Vol. and page
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Publication of Staff Accounting Bulletin No. 122	SAB 122	[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]	[INSERT FEDERAL REGISTER CITATION]

Note: The text of SAB 122 will not appear in the Code of Federal Regulations.

STAFF ACCOUNTING BULLETIN NO. 122

This SAB rescinds the interpretive guidance included in Topic 5.FF in the Staff Accounting Bulletin Series entitled *Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for its Platform Users*. Upon application of the rescission of Topic 5.FF, an entity that has an obligation to safeguard crypto-assets for others should determine whether to recognize a liability related to the risk of loss under such an obligation, and if so, the measurement of such a liability, by applying the recognition and measurement requirements for liabilities arising from contingencies in Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Subtopic 450-20, *Loss Contingencies*, or International Accounting Standard (“IAS”) 37, *Provisions, Contingent Liabilities and Contingent Assets*, under U.S. generally accepted accounting principles and IFRS Accounting Standards, respectively. Entities should effect the rescission of Topic 5.FF on a fully retrospective basis in annual periods beginning after December 15, 2024. Entities may elect to effect the rescission in any earlier interim or annual financial statement period included in filings with the Commission after the effective date of this SAB. Entities should include clear disclosure of the effects of a change in accounting principle upon initial application of this rescission.^[1]

The staff reminds entities that they should continue to consider existing requirements to provide disclosures that allow investors to understand an entity’s obligation to safeguard crypto-assets held for others. These requirements include, but are not limited to, Items 101, 105, and 303 of Regulation S-K;^[2] FASB ASC Subtopic 450-20;^[3] and FASB ASC Topic 275, *Risks and Uncertainties*.^[4]

Accordingly, the staff hereby amends the Staff Accounting Bulletin Series as follows:

TOPIC 5: MISCELLANEOUS ACCOUNTING

FF. Removed by SAB 122

[1] See FASB ASC 250-10-50-1 through 50-3 and IAS 8. See also, e.g., Item 302 of Regulation S-K [17 CFR 229.302] and PCAOB Auditing Standard 2820 (par. 8).

[2] 17 CFR 229.101, 105, and 303.

[3] See also IAS 37.

[4] See also IAS 1, *Presentation of Financial Statements*.

Last Reviewed or Updated: Feb. 3, 2025