



Summary of modules - Crash Course for Professionals

|**crypto**records

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Module 1: Talk Crypto

- **Blockchain overview:**
 - A distributed ledger storing permanent, immutable (can not be altered) records in "blocks."
 - Includes all details, including wallet address, fees, and it is date & time stamped.
- **Types of blockchains:**
 - Bitcoin: Original blockchain for decentralized payments.
 - Ethereum: Introduced smart contracts for decentralized apps (DApps).
- **Consensus mechanisms:**
 - Proof of Work (PoW): Computational power confirm transactions.
 - Proof of Stake (PoS): Validators stake crypto to validates transactions.
- **Blockchains by layer:**
 - **Layer 1:** Processes/validates transactions (e.g., Ethereum).
 - **Layer 2:** Improves speed/costs (e.g., Arbitrum).
 - **Layer 3:** Highly specialized programming for distinct use cases.
 - **Layer 0:** Interoperability across blockchains (e.g., Polkadot, Cosmos).

- **Cryptocurrency basics:**
 - Coins: Native to blockchains (e.g., Bitcoin).
 - Tokens: Created for specific uses, often across multiple blockchains.

Module 2: Crypto Use Cases and Ecosystems

- **Decentralized finance (DeFi) vs Centralized finance**
 - Centralized finance: Custodial, centralized authority.
 - Decentralized finance: Self-custody, no centralized authority (community driven such as via a DAO).
- **Use cases:**
 - Earning rewards and other forms of revenue.
 - Practical crypto use cases: Loans, payments, ownership proof, remittances.
- **Benefits of digital currencies:**
 - Lower fees, faster transactions, decentralized governance.
- **DeFi tools:**
 - Decentralized exchanges, market and performance tracking, yield comparison.
- **Wallet types:**
 - Cold, hot, multi-sig, and web wallets, each with varying security levels.
- **Web3 ecosystems:**
 - Interconnected platforms that often include user engagement for development and guidance.
- **Data security practices:**
 - Use 2FA, secure private keys, and beware of scams.

Module 3: The Demand

- **Crypto adoption growth:**

- Increasing crypto investment, especially among Gen Y & Z and more recently corporations.
- **Tax authorities' response:**
 - International efforts to improve crypto tax compliance with reporting frameworks especially via CARF.
- **Why accountants should incorporate crypto:**
 - Growing client demand for accountants with crypto knowledge.
 - Revenue opportunities in amending crypto tax filings.
- **How to incorporate crypto into accounting:**
 - Educate yourself, develop crypto-focused services, engage in crypto communities.

Module 4: Critical Issues in Crypto Taxation

- **Common pitfalls:**
 - There are many pitfalls that can result in incorrect tax reports such as data export limitations, bots, burning fees, cross-chain rewards, and time zone discrepancies.
- **Taxable transactions that are unique to cryptocurrency:**
 - Liquid staking, liquidity pools, NFTs, smart contracts, and flash loans.
- **Why pitfalls go unnoticed:**
 - Several dozen data issues are not flagged in tax software.
 - Personal familiarity with crypto platforms and expertise in crypto transactions is required to ensure accuracy in gain / loss and ACB reporting.

This course serves as an essential introduction for anyone looking to understand and navigate the growing cryptocurrency space, offering practical insights and actionable knowledge.

THANK-YOU FOR ATTENDING!!!

The Crypto Records team