EDITORIAL: Cryptocurrencies and future research

Dear readers!

Nowadays, cryptocurrencies are increasingly at the center of attention, gaining interest around the world and issuing new questions to be addressed by the media, investors, entrepreneurs, academics, and standard setters. The cryptocurrency market is experiencing exponential growth, and experts continue to warn international regulators and investors about the potential risks that characterize the sector. Public skepticism largely hinges on swings within the currency itself, triggered by substantial changes in their prices and several claims that the cryptocurrency market is a bubble with no fundamental value. Despite this, cryptocurrencies are considered as one of the most important inventions that took place in the 21st century, as it is not only technological but also financial innovation.

The most famous cryptocurrency is Bitcoin, a digital monetary system based on cryptography and blockchain technology. Bitcoin is the first cryptocurrency mined, in 2009 with a value of 1 USD each. The value of Bitcoin is now around 40,000 USD each and the degree of trade volume has progressively risen. Then, there are over 2,000 Altcoins and crypto-tokens, with more than 1,000 active exchanges on unregulated markets or on registered online platforms, which allow the purchase and sale of cryptocurrencies.

In light of these advancements, this editorial aims to point out some topics of interest regarding cryptocurrencies that can inspire future trend researches.

First, scholars have to investigate the right way to treat the accounting of cryptocurrencies in financial statements. A few studies exist about how the accounting standards and preparers are addressing the issues raised by the cryptocurrency revolution. Only a few types of research focused on the technical elements of cryptocurrencies and how they must be carried in the financial statement. There is still a debate among the national standard setters and the International Accounting Standards Board (IASB) on how to carry these items in the financial statement. However, there is not a dedicated International Financial Reporting Standards (IFRS) actually. This has led to considerable disorientation for preparers and accounting professionals, which accounting standard setters have to remedy, supported by evidence provided by academicians that are investigating this phenomenon.

Then, another issue to discuss is the regulation of cryptocurrencies. One dollar today will have a value equal to one dollar tomorrow. The dollar is considered a stable currency. The value of cryptocurrencies often swings tremendously. Behind stable currencies, there are the central banks; for example, behind the Euro, there is the European Central Bank. The central banks produce or defend the currencies. However, blockchain technology is behind cryptocurrencies, not a regulatory organization. Therefore, scholars should discuss and provide insights into why cryptocurrencies should be regulated — or not — starting from the existing theoretical frameworks.
Within the category of crypto-assets, tokens and virtual currencies certainly find space. There are several types of tokens, including utility tokens, security tokens, and hybrid tokens. The initial offering of a cryptocurrency to the public is called initial coin offering (ICO). The ICO, like the initial public offering (IPO), represents an alternative form of financing. The crypto asset is fully comparable to a financial instrument; for this reason, the ICO appears to be a normal offer to the public and a type of capital-raising activity. At present, few corporate governance studies exist regarding the ICO; it is a field of study on which academics will be able to work. To date, a discipline dedicated to ICOS, their object and structure are missing. At the same time, in the literature, corporate governance studies are lacking in this regard.

Finally, the wide spreading of cryptocurrencies also issues problems related to sustainability. In fact, cryptocurrencies raise several ethical and sustainability concerns, including the lack of market transparency, controls, and money laundering. Indeed, some skepticism was raised, since cryptocurrencies can be used in fraudulent schemes. Anonymity seems connected to these elements because it is a primary attraction for those wishing to carry out fraudulent activities.

Therefore, scholars should deepen this issue. Another problem related to sustainability is the need for energy to mine cryptocurrencies. Cryptocurrencies are based on blockchain technology, which relies on highly secure cryptographic algorithms and sophisticated peer-to-peer technologies. The environmental costs of cryptocurrencies’ mining will grow if the rate of their diffusion will grow into the financial and monetary market. Future research should provide evidence, so that governments and policymakers intervene to reduce high energy-consuming blockchain technology, favoring green and less energy-consuming technology, lowering the negative environmental costs.

In conclusion, cryptocurrencies offer various aspects on which academics can question themselves and provide new empirical evidence, on issues such as accounting, corporate governance, ICO, and sustainability.

Cryptocurrencies could be an excellent issue for research and our Editorial team strongly recommend scholars getting inside of these issues to submit the papers to our journal. The editorial team will consider such papers with pleasure too.

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