Making Sense of Cryptocurrencies:

2025/2026 Update

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Cryptocurrency: More Regulated, Still Risky, and No Longer Ignorable

The cryptocurrency world has changed quickly since our last update. Today it is more regulated, more connected to mainstream finance and more widely used by large institutions. Bitcoin passed $110,000 in late 2025, while blockchain technology is now used in supply chains, digital identity systems, healthcare, property records and trade documentation.

But the risks have not gone away. Prices still swing sharply. Scams and hacking attempts continue. And several high-profile failures have shown how quickly confidence can collapse. For accountants and business advisers, crypto is no longer something to dismiss — it now appears in client portfolios, business systems and even government plans.

1. What We Predicted vs What Actually Happened: A Comparison

What We Predicted (2021)	What Actually Happened (2022–2026)
Crypto prices would stay very volatile.	True. Prices still rise and fall sharply, but there has been no single crash that destroyed the whole sector.
Energy use would become a major issue.	It did, but improved technology helped. Many major networks now use far less energy due to proof-of-stake systems.
Governments would tighten rules.	Yes. New rules in the EU, US, UK and elsewhere have brought licensing, reporting and stronger consumer protection.
Big institutions would move slowly and cautiously.	They moved much faster than expected. Pension funds, asset managers and banks now invest through regulated products.
Crypto would struggle to become everyday money.	Still true. People do not generally use crypto for daily spending, but stablecoins and digital currencies issued by governments are growing.

2. Key Developments Since 2021

Market Growth

The global crypto market grew from around **$2.2 trillion in 2021** to more than **$3.8 trillion in 2025**. Regulated investment products and wider acceptance among financial institutions drove much of this rise.

Regulation

Governments have introduced clearer rules around:

- Customer checks and verification
- The protection of customer funds
- Reporting and tax obligations
- Licensing for exchanges and service providers

Key examples include the EU's MiCA rules, stricter US enforcement, and new UK oversight of stablecoins and crypto exchanges.

Technology

Blockchain has moved into everyday business uses, including:

- Tracking goods through supply chains
- Digital identity verification
- Healthcare and medical data handling
- Property ownership and land-title systems
- Automated contract processes

AI tools are now used to scan crypto transactions for fraud, spot unusual activity and simplify reporting.

Central Bank Digital Currencies (CBDCs)

More than **130 countries** are exploring CBDCs. China, Jamaica, Nigeria and others have launched early versions. These currencies won't replace cash immediately, but they show a clear direction of travel: governments want digital, trackable money.

3. Scandals and Failures — A Reminder of the Risks

Despite progress, crypto markets still behave like past financial bubbles, with sudden surges and rapid drops.

FTX Collapse (2022)

FTX collapsed with an $8 billion gap in customer funds. More than a million people were affected. Its founder received a 25-year prison sentence.

Binance Penalties (2023)

Binance paid over $4 billion for breaking anti-money-laundering and sanctions rules. It was forced to leave the US market and overhaul its controls.

Argentina's $LIBRA Crash (2025)

After political promotion, the token collapsed, wiping out more than $250 million in savings. Investigations into insider trading and poor oversight followed.

These events show that even large platforms can fail suddenly — and why strong regulation matters.

4. What This Means for Accountants and Their Clients

Key considerations:

1. More regulation means more reporting

Crypto holdings, sales and transfers must now be recorded properly for tax and audit purposes.

2. Institutional use is now normal

Banks, pension funds and investment firms hold crypto through regulated channels. This means more clients are exposed to it indirectly.

3. Blockchain systems affect everyday business

Even clients who never buy crypto may face blockchain-based invoicing, identity tools or supply-chain requirements.

4. Prices remain unpredictable

Clients must understand that crypto can rise or fall quickly.

5. CBDCs and stablecoins are increasing

Digital national currencies and regulated stablecoins are reshaping how payments are made and recorded, with significant implications for accounting, audit and tax.

5. Practical Guidance for Clients

Accountants can help clients stay safe and compliant with simple, practical steps:

- **Use regulated exchanges** — avoid unlicensed platforms.
- **Keep accurate records** of every crypto transaction.
  Be alert to scams — promises of high returns or pressure to act fast are major warning signs.
- **Do not over-invest** — only put in money you can afford to lose.
- **Get advice early** — tax and accounting treatment varies between countries.

6. Conclusion

Crypto is no longer a fringe topic. It is now part of mainstream financial discussion, shaped by clearer rules, stronger technology and wider institutional adoption. But it remains unpredictable and sometimes unstable.

For AGN members, the priority is to help clients understand the risks, meet reporting obligations and make informed decisions. As digital money grows, accountants will play a crucial role in helping businesses deal with this complex and fast-changing area.

Sources & References

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