Version Logs

Version	Date	Author	Summary	Status
v1.0	Jul 23, 2025	CW	First Draft	In progress ▾

1. Introduction & Vision

1.1 Product Overview

We are building a B2B SaaS platform that provides automated accounting and reporting for digital assets. Our software will aggregate transaction data from multiple sources, normalize it, apply accounting logic and generate audit-ready reports and ERP compatible files. This will save businesses, funds and institutions hundreds of hours of manual work, reduce the risk of costly errors, and provide a clear financial picture of their crypto activities.

1.2 Vision

To be the gold standard for digital asset accounting, providing unparalleled clarity, accuracy, and compliance for any entity operating in the crypto economy.

1.3 MVP Goal

To validate our core value proposition by successfully and accurately ingesting, processing, and reporting on transactions from a key CEX (Binance), a major L1 blockchain (Ethereum), and a leading institutional custodian (Fireblocks). The MVP will prove our ability to solve the core data aggregation and cost basis calculation problems.

2. Comparative Advantages

Coinfrs differentiates itself from competitors like Lukka, Cryptio, and Bitwave by uniquely catering to both professional accountants and individual crypto owners. It goes beyond mere data processing, offering customized workflows tailored to each user segment's specific needs, ensuring efficiency and relevance.

3. Definitions

Term	Description
Data Source	We identify at least four distinct data source types: ● **Centralized Exchanges (CEX):** These platforms, such as Binance and Deribit, hold the Company's assets for trading. Data is typically acquired directly via the CEX's API when available. ● **OTC Desk:** Entities like B2C2 hold the Company's assets as collateral. A rigorous daily reconciliation procedure requires thorough analysis of B2C2's settlement process and daily reports. ● **Wallet-as-a-Service (WaaS):** Centralized platforms such as Fireblocks, Cobo, and Bitgo enable the Company to manage multiple wallets across various blockchains and provide supplementary services. Data will be sourced directly from the WaaS. ● **Self-managed Wallets:** Wallets managed by the Company (e.g., Ledger, Metamask). Data is obtained directly from the nodes through a Blockchain Infrastructure Service Provider, such as Ankr.
Minimum account level	Each data source necessitates a minimum account level. For example, the Ethereum Network's smallest account unit is the wallet address, whereas Binance employs units such as the spot wallet and futures wallet.
Location Group	This term denotes a customized aggregation of minimum account level. Each Data Source necessitates the inclusion of at least one Location Group.
Chart of accounts (COA)	Each Location Group is required to be mapped to the following COA: ● Intangible assets measured at cost ● Intangible assets measured at fair value ● Inventory measured at cost ● Inventory measured at fair value
Cost Pool	Each Location Group must be mapped to a Cost Pool. A Cost Pool can be assigned to multiple Location Groups, but not across different Charts of Accounts (COA). Users can select the costing methodology for a cost pool from the following options: ● Average Cost ● First-In, First-Out (FIFO) ● Last-In, First-Out (LIFO)
Portfolio	Coinfrs defines 3 kinds of Portfolio: ● Group (A list of companies) ● Company ● Personal

Entity	Each portfolio contains at least one of the following type of entity: ● Company ● Personal

3. Target Users and Users Journey

3.1 Primary Target: Accountants in Crypto Firms

User Goals:

- Achieve monthly financial close.
- Deliver accurate and impartial information to management.
- Ensure compliance with audit requirements.
- Facilitate data migration to ERP systems.

3.2 Secondary Target: Crypto owners

User Goals:

- Prepare for tax filing
- Understand unbiased performance of their portfolio

3.3 User Journey

3.3.1 User Onboarding

User Registration and Log In
- Users can register and login via Google Account or Email.
- Users login via Google or Email OTP. (passwordless login)

Portfolio and Entity Creation
- Users are guided to provide all the data needed for portfolio and entity creation.
- The form is dynamically generated. For example, if the User selected Binance as one of its entity's Data Source, we firstly ask for API keys for all main accounts under this entity. We then generate a list of sub accounts based on the API keys for the User to provide mapping.

- Users provide all the data correctly within 30 minutes
- Coinfrs obtains all the required data without further conversation
- Users are satisfied with the Portfolio and Entity Creation Experience

3.3.2 Financial Statement Close Process (FSCP)

Task Generation

- Users see tasks and status for the FSCP

Configuration Confirmation

- Users can manage configuration anytime. For example, add new wallet addresses, whitelisted assets, etc.
- Users confirm all configurations are correct and up-to-date before FSCP

Data Ingestion and classification

- Raw data should be ingested regardless of the configuration confirmation.
- Basic classification should be processed regardless of the configuration.

Completeness check

- Raw data completeness is reconciled on a daily basis and alerts should be sent for Coinfrs investigation for each minimum account level.
- Transactions are aggregated per configuration

Manual classification

- Users can see the transactions per Location Group.
- Users can see the transactions are classified as system classified and unclassified
- Users can manually classify both transactions

Rule-based classification

- Users can set rules to classify repeated transactions (out of scope but good to have)

PnL Calculation

- After all transactions in the same Cost Pool are classified, users can initiate the PnL Calculation Process.
- Users can review the PnL result and restart the process from manual classification if needed.

JE Generation

- After the PnL result is confirmed. Users can generate JE based on the pre-defined accounting plan.
- Users can lock the balances or restart from manual classification if needed.
- After the balances are locked, users can export CSV for ERP system import.

Successful Metric

- More than 90% of transactions can be classified automatically
- Users can finish the process within 1 hour.
- Users have no confusion of the process.

4. MVP Scope

In Scope (For MVP)	Out of Scope (For Post MVP)
Data Sources: - **Centralized Exchanges (CEX):** Binance. - **Wallet-as-a-Service (WaaS):** Fireblocks - **Self-Managed Wallets:** Ethereum	**Data Sources:** - **Centralized Exchanges (CEX):** Bybit, Bit.com, Deribit, etc. - **Wallet-as-a-Service (WaaS):** Bitgo - **Self-Managed Wallets:** Base, Polygon, Solana, etc. - **OTC Desks:** B2C2
User Onboarding Features: - Passwordless login - Email-based Two-Factor Authentication (2FA)	**User Onboarding Features:** 1. Authenticator 2FA 2. Role-Based Access Control (RBAC)
Core Features: 1. **Automated Whitelisting:** Assets from CEX and WaaS are automatically whitelisted for Self-Managed Wallets. 2. **API-Based Transaction Classification:** Transaction types are identified via API (e.g., transactions from deposit API	**Core Features:** 1. **Rule-Based Transaction Identification:** Users can define rules to categorize transaction types (e.g., classifying ETH received from Wallet ABC in Wallet XYZ as revenue). 2. **Configuration Monitoring:** Alerts and

endpoints are classified as "deposit").

3. **Internal Transfer Identification:** Asset transfers between registered wallets or accounts are identified automatically.
4. **Balance Reconciliation:** Opening balance + transactions = closing balance.
5. **Transaction Aggregation:** Multiple related transactions (e.g., 100 buy BTC, sell USDC in the same data source within the same hour) are treated as a single transaction.
6. **Customizable Transaction Types:** Users can define transaction types for unclassified transactions.
7. **Unreconciled Item Management:** Provides handling for unreconciled items.
8. **Profit and Loss (PnL) Calculator:** Calculates PnL using FIFO, LIFO, or Average Cost methods based on Cost Pool.
9. **Netsuite Journal Entry (JE) Generator:** Generates JEs in CSV format for Netsuite.
10. **Automated Close Tasks:** Generates tasks for users per close period, including:
    - Confirming configuration.
    - Identifying auto-classified transactions.
    - Identifying unclassified transactions.
    - Starting PnL calculation.
    - Reviewing PnL calculation results.
    - Reviewing Journal Entries.

notifications for new whitelist assets, subaccounts, and other relevant configurations.

3. **Interactive Dashboard:** A centralized interface for monitoring and managing financial data.
4. **Role-Based Access Control:** Differentiated permissions for users (e.g., Accountants can classify transactions, Reviewers can approve classifications).
5. **DeFi Protocol Integration:** Support for various Decentralized Finance protocols.
6. **Tax Form Generation:** Automated generation of tax forms based on classified transactions.
7. **Expanded ERP System Support:** Compatibility with a wider range of Enterprise Resource Planning systems.