THE STATE OF CRYPTO BACK-OFFICE 2024

COLLABORATION FROM
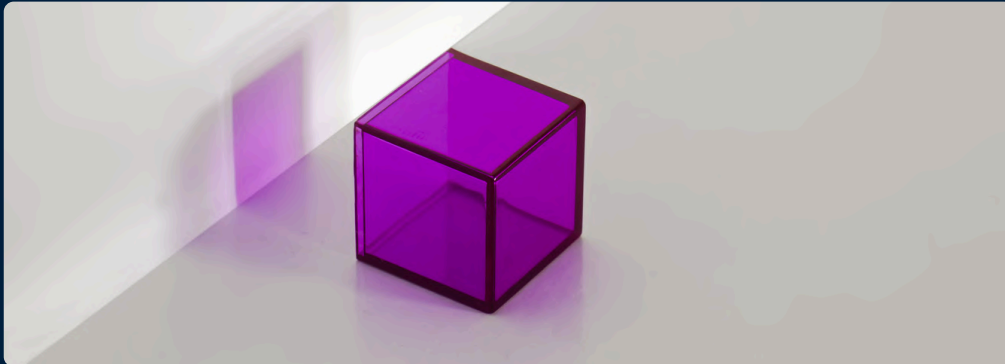
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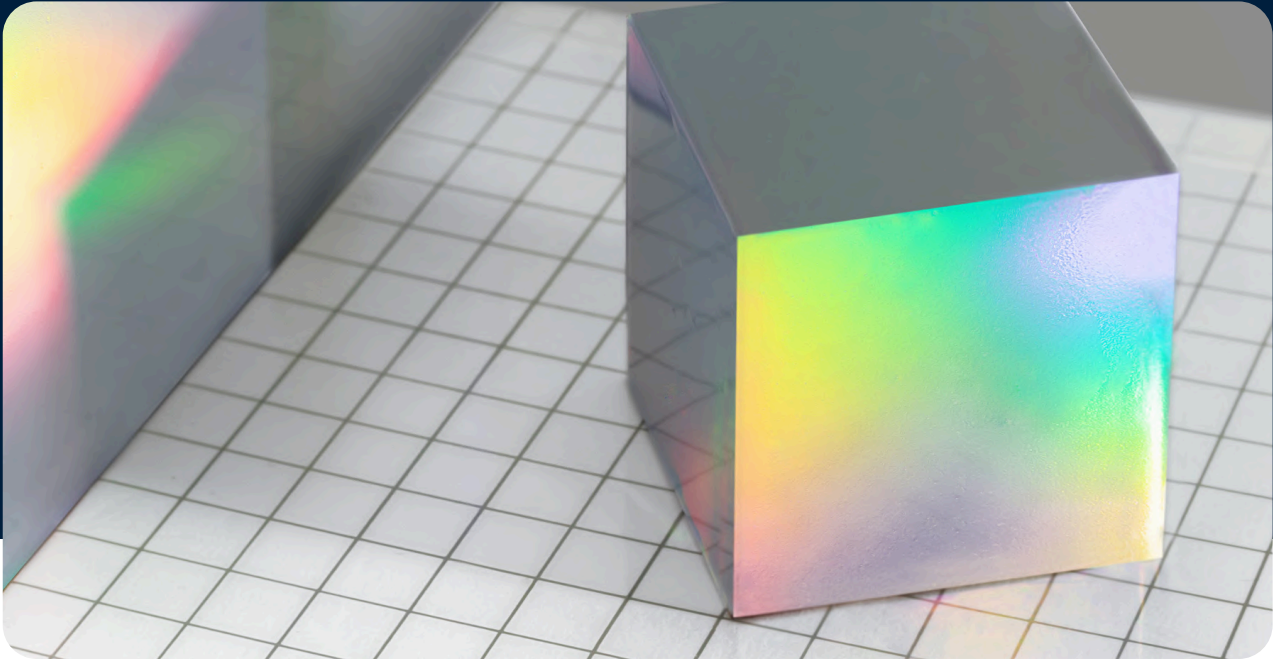
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Overview

The crypto back office landscape is growing rapidly during this bull cycle, with a diverse range of companies driving innovation in financial services.

As of 2024, numerous firms have established themselves as key players in various sectors, from accounting to compliance.

This report offers a comprehensive overview of the companies that are shaping this vital ecosystem, providing insights into the trends and challenges they face.

Key Insights

- **Emerging Trends**: Companies are increasingly focusing on integrating traditional financial services with blockchain technology, enhancing transparency, security, and efficiency while ensuring compliance with current regulations.

The companies highlighted in this report are leading the way in developing the financial infrastructure that supports the crypto industry. As the sector continues to evolve, these firms will play a crucial role in ensuring that crypto businesses can operate efficiently, securely, and in compliance with regulatory requirements.

Crypto Back-Office Landscape

The Crypto Finance Back-Office Landscape 2024

Note: This map was compiled by Cryptoworth. Fill out this form to add a new company and DM us on Linkedin with updates.

Key Insights

- **Diverse Categories**: The landscape is divided into several key categories, including Accounting Firms, Compliance Solutions, and Financial Consulting. Each category plays a crucial role in supporting the broader crypto industry.

The companies highlighted in this report are leading the way in developing the financial infrastructure that supports the crypto industry. As the sector continues to evolve, these brands will play a crucial role in ensuring that crypto businesses can operate efficiently, securely, and in compliance with regulatory requirements.

Disclaimer: This snapshot of brands is by no means comprehensive, we encourage you to submit a new company for the next version of this report, fill out this form now.
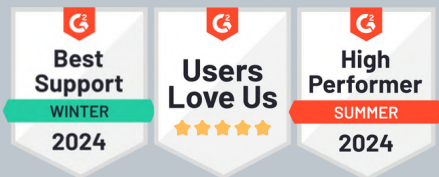
Accounting Sub-ledgers

Sub-ledgers provide detailed records of specific financial transactions, to gain a deeper level of information to the main general ledger by offering a more granular view of financial activities. They are particularly useful in viewing complex transactions in the crypto space allowing for granular reconciliation.

Challenges

The primary challenge lies in ensuring data completeness and accuracy. Sub-ledgers typically rely on a mix of node calls, data indexers, block explorers, and API access to gather data. If these sources do not provide seamless and reliable data, accountants may struggle to obtain the necessary financial records for closing month-end or generating auditable reports.

Additionally, accurately recognizing and translating the complexity of DeFi transactions and other blockchain developments (such as new ERC token standards) into financial terminology remains a significant hurdle.

Cryptoworth stands out as the leading crypto subledger solution for accountants, recognized for its cutting-edge data depth collection and analysis capabilities. Cryptoworth provides unparalleled data accuracy and completeness, ensuring seamless financial reporting and audit preparation.

Opportunities

As more companies seek to comply with regulations and provide transparent financial reports to investors or internal stakeholders, the demand for robust sub-ledger solutions will grow.
The use cases for bookkeeping, audit trails, and data reconciliation services are expanding rapidly. Companies that offer a single, unified view of the financial landscape and reduce the need for manual data processing will save time and improve accuracy, positioning themselves to capture a substantial share of this emerging market.
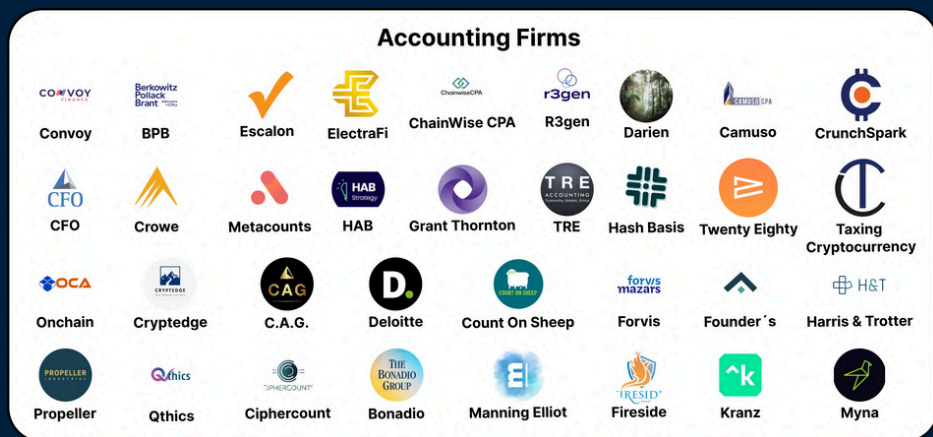
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Accounting Firms

" Training of staff effectively is crucial to scaling sustainably. Firms must invest in a robust and applied training course for all new delivery staff. this has been one of the greatest unlock."

Joe McKenzie, R3gen Finance

Snapshot

Accounting firms provide essential financial services such as auditing, tax planning, and advisory. In the crypto space, these firms are adapting to the unique challenges posed by digital assets, offering specialized services to manage crypto bookkeeping, audit preparation, and financial reporting.

Accounting Firms

Convoy · BPB · Escalon · ElectraFi · ChainWise CPA · R3gen · Darien · Camuso · CrunchSpark

CFO · Crowe · Metacounts · HAB · Grant Thornton · TRE · Hash Basis · Twenty Eighty · Taxing Cryptocurrency

Onchain · Cryptedge · C.A.G. · Deloitte · Count On Sheep · Forvis · Founder's · Harris & Trotter

Propeller · Qthics · Ciphercount · Bonadio · Manning Elliot · Fireside · Kranz · Myna

Challenges

Talent and knowledge are the biggest challenges that these firms are facing. Demand for their service hasn't stopped growing in the last four years. The lack of formal education sources for accountants, in addition to the lack of adoption of self-learners who are already working as accountants, become a rock in the foot for these firms that could grow faster if they can solve this bottleneck

Opportunities

As the cryptocurrency industry grows, the demand for specialized accounting services will increase. Traditional accounting practices most of the time fall short in addressing the nuances of digital assets, so they can't serve the growing enterprise adoption of cryptocurrencies.
Accounting Firms that can develop expertise and experienced talent in crypto accounting will have a significant advantage, potentially expanding their client base and service offerings.
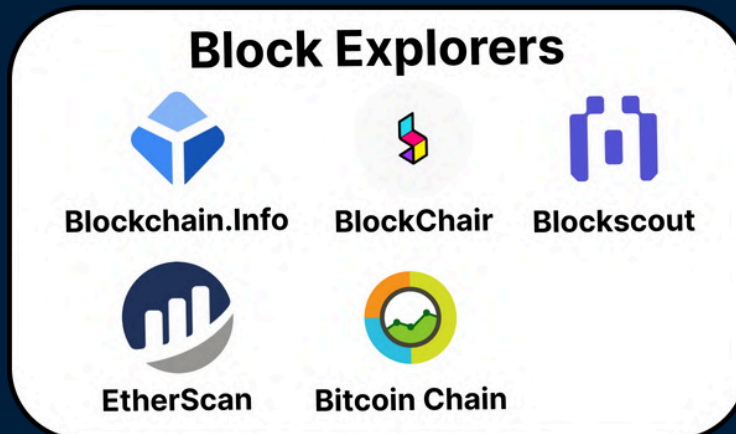
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Block Explorers

Snapshot

Block explorers are essential tools that provide transparency and traceability, enabling regular crypto users and Web3 developers to check blockchain operations and activity in a quick, easy, and human-readable way.

Challenges

Block explorers handle a massive volume of data generated by blockchain networks, prioritizing the demand for data from developers and engineers, to analyze smart contracts, tokens, and blockchain blocks, requiring deep data analysis tools, API endpoints, and access to logs.

Ensuring that its data accuracy can be reflected in financial concepts, and maintaining up-to-date information in real-time are critical challenges for regular users, who value speed and simplicity, often needing to download transaction histories for record-keeping.

Opportunities

As enterprise and corporate adoption increases in web3, the need for advanced block explorers that offer enhanced features on data enrichment will grow. Companies working on nurturing and translating blockchain data can innovate quickly and can capture a significant market share.

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Communities

Snapshot

Communities within the crypto space foster collaboration and knowledge sharing among industry participants. These communities are often centered around specific projects, technologies, or ideologies, playing a critical role in the growth and adoption of blockchain technologies.

Finance Communities

CryptoCFO · Women in Crypto Accounting · Web3Finance

Challenges

Building and maintaining active and engaged communities can be difficult, especially in crypto where professionals are scattered across the globe. On top of that these are the busiest individuals in the industry trying to sort out the lack of procedures and processes. Community managers must behave both as a matchmaker and an educative source to bring higher levels of engagement, and retention, and add value to its members.

Opportunities

Professionals in web3 are hungry to connect with other people. Strong, vibrant in-person events can drive the success of crypto projects by providing support, spreading awareness, and fostering innovation. Companies that excel in community building via online meetups, and in-person gatherings can create loyal user bases and establish themselves as industry leaders.

Courses

❝ Credentials from universities are quasi-non-existent. Crypto accountants are self-taught. So far, we've empowered accountants from over 25 countries ensuring they can be hired immediately"

Umar, The Accountant Quits.

Snapshot

Educational courses focused on cryptocurrency finance and blockchain technology provide essential training for finance professionals. These courses cover a wide range of topics, from basic blockchain technology to advanced crypto finance and compliance.

Academic Courses

Accountant Quits   **ChainWise**

Challenges

The fast-paced nature of the crypto industry means that educational content can quickly become outdated. Course providers must continuously update their materials to keep pace with the latest developments and regulatory changes.

Opportunities

With the increasing interest in corporate adoption of cryptocurrency, there is a growing demand for high-quality specific educational resources. Academies or course providers that can offer up-to-date, niche-specific relevant content will attract learners and establish themselves as leaders in crypto education. In the coming years, many professionals might look into these academies as a means to get a job in the space. Partnering with communities, these courses could provide the much-needed certification to allow recruiters to hire better-qualified talent.

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Corporate Cards

Snapshot

Crypto corporate cards allow businesses to manage expenses using digital assets. These cards bridge the gap between traditional finance and crypto by enabling seamless transactions in both fiat and cryptocurrencies.Selected 5 companies representing a segment of web3 corporate cards, to manage payments and exchanges of crypto

Crypto Corporate Cards

Reap — Rain — Navan

AirWallex — HeadQuarters

Challenges

While the volatility of cryptocurrencies has been mitigated by the use of stablecoins, significant challenges remain. Ensuring compliant processes for KYC and AML is crucial for accessing traditional payment rails like Mastercard. Additionally, creating a seamless on/off ramp between crypto and fiat is essential. Reducing the number of exchanges and minimizing fees are key to making these cards more attractive to corporate users.

Opportunities

Stablecoin adoption is accelerating especially in emerging markets and for B2B use cases. Offering seamless interoperability with these new stablecoin rails and legacy financial rails is becoming increasingly needed. Besides minimizing fees, speed is a big factor. By providing tools that help finance professionals manage company expenses seamlessly—such as automated expense tracking, real-time reporting, and comprehensive spending controls—crypto corporate cards can capture a significant share of the market.

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Custodians

Snapshot

Custody services provide secure storage solutions for digital assets, ensuring that cryptocurrencies are protected from theft and loss. These services are critical for institutional investors who require a high level of security.
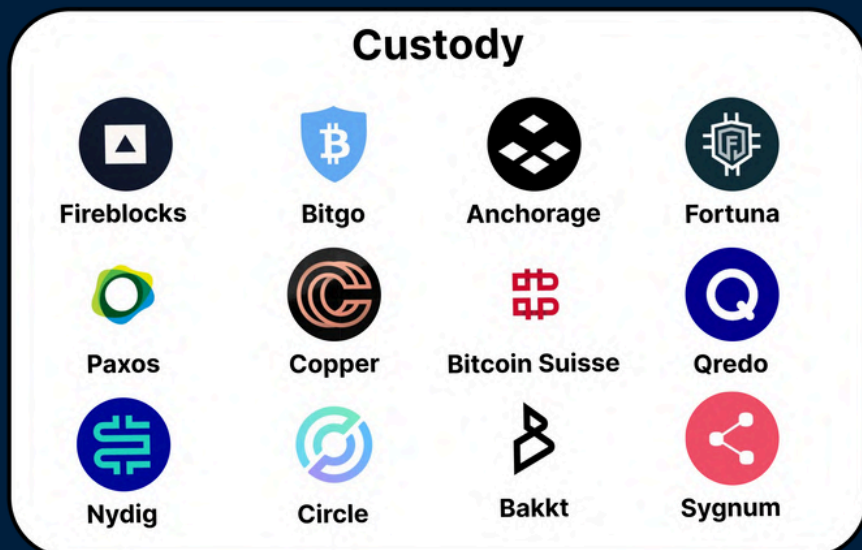
Challenges

The primary challenge for custody providers is ensuring the security of digital assets against sophisticated cyber threats. Additionally, they must comply with a complex and evolving regulatory environment that varies by jurisdiction.

Opportunities

As institutional interest in cryptocurrencies grows, so does the demand for robust custody solutions. Companies that can offer secure, compliant, and scalable custody services will be well-positioned to attract a wide range of clients.

Fair Market Data Providers

Snapshot

Fair market data providers offer accurate and up-to-date information on cryptocurrency prices, trading volumes, and market trends. This data is essential for businesses to generate accurate financial records and make informed decisions.

Fair Market Data Providers — Coinmarketcap, CoinGecko, Lukka, Kaiko, Crypto Compare

Challenges

Ensuring the accuracy and reliability of market data is a significant challenge, especially with blockchain networks that don't have a reliable amount of nodes feeding that data or deep liquidity across the industry.

Opportunities

As the crypto market matures, the demand for high-quality, reliable market data will increase. Companies that can deliver accurate and complete data will become essential partners for financial institutions and investors.

General Ledger ERPs

Snapshot

General ledger solutions for businesses help manage accounting processes by recording all financial transactions in an organized manner. These solutions are crucial for ensuring transparency and accuracy in financial reporting.
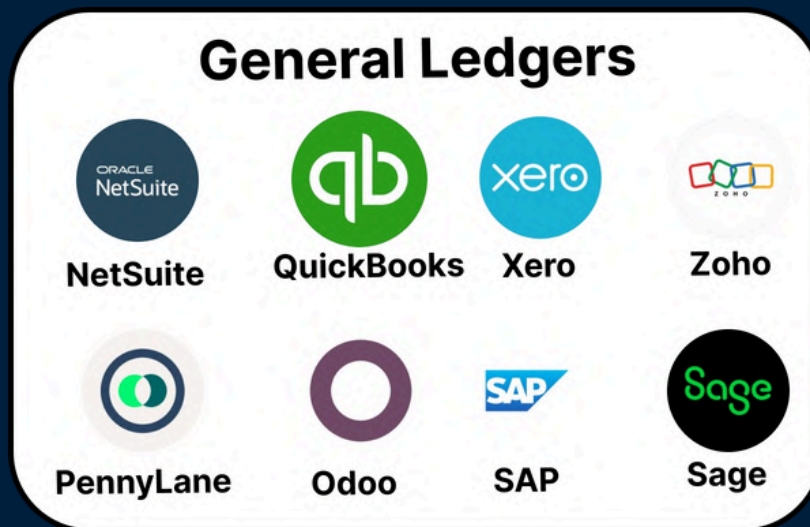
Challenges

Integrating blockchain transactions with traditional accounting systems is certainly complex. The tech behind these accounting systems is not up to date to cover blockchain data. It leaves their users needing a solution found in Crypto Sub-ledgers that can be integrated into their systems.

Opportunities

As crypto businesses expand, the need for specialized web3 general ledger solutions will grow. Companies that can provide seamless integration with blockchain, third-party custodians, and traditional financial systems will have a competitive advantage.

On-Chain Data Analytics

> " As the sophistication of dApps continues to increase, and as the number of chains explodes, the need for enriched, interpreted data will scale. The pressure on the data tier to deliver something better will be enormous."

Ben Roy, Noves

Snapshot

On-chain data tools and analytics provide deeper insights into blockchain activity, allowing businesses to track and analyze transactions, user behavior, and market trends.

On Chain Data

Noves — Cielo — DeBank — Zapper
Messari — Nansen — Rotki — Dune
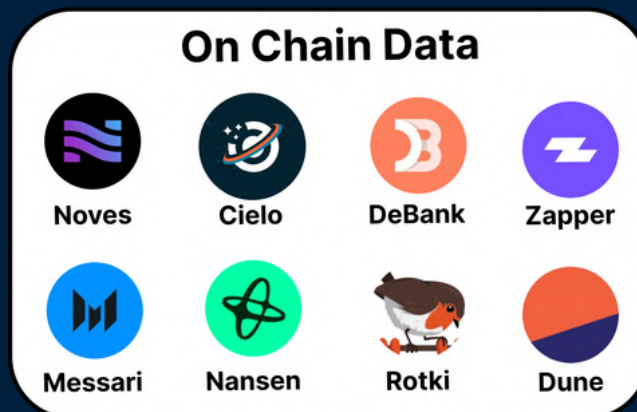
Challenges

On-chain data, in its raw form, is complex and nearly impossible to understand. Without first processing and enriching it, on-chain data lacks meaning and does not integrate easily with existing back-office software and applications. Analyzing large volumes of on-chain data in real-time requires advanced technology and expertise. Additionally, interpreting this data to provide actionable insights can be challenging as well.

Opportunities

With the increasing usage gap between raw blockchain data and enhanced data, the demand for on-chain data tools and analytics will rise, along with the demand for blockchain data scientists/engineers. Companies that can offer deep insights, accurate and meaningful transaction translations, and analytics will be highly valued by businesses looking to sync and optimize their tools for business intelligence or financial management.

Payments AR-AP

> 66
>
> Crypto payments need to be integrated into the existing financial operations stack. Accountants or controllers are already utilizing multiple systems. They do not want to add another one. It's critical to see the development of more Web 2.5 tools.
> **Jeff Cangliosi**, **Loop Crypto**.

Snapshot

Crypto payment rails are faster, cheaper, and global making them ideal for businesses that need to receive payment and settle invoices with vendors globally.

Payments AR/AP solutions streamline the management of accounts receivable and accounts payable, allowing businesses to handle both fiat and cryptocurrency transactions efficiently.

Payments AR/AP: Acctual, Copper X, Coinshift, Request, CoinGate, Loop Crypto, Coin Payments, BitPay

Challenges

Integrating crypto payments with traditional financial systems poses technical and regulatory challenges. The use of cryptocurrencies across so many different chains makes it challenging for these companies to offer a solution to all companies that want to use their own token. Companies must ensure compliance with financial regulations, even when regulations and standards are yet to be published in completion by governing bodies.

Opportunities

As more businesses begin to accept and make payments in cryptocurrencies, the demand for AR/AP solutions that can handle both fiat and crypto transactions will increase. Companies that can provide flexible, comprehensive, and compliant solutions for different jurisdictions will have a strong market position.

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Payroll Compliance

Snapshot

Payroll compliance solutions for the crypto industry enable companies to pay salaries and wages in digital assets, supporting the growing trend of compensation in cryptocurrencies. These solutions are crucial for businesses with a global workforce, providing flexibility and efficiency in payroll management.data.
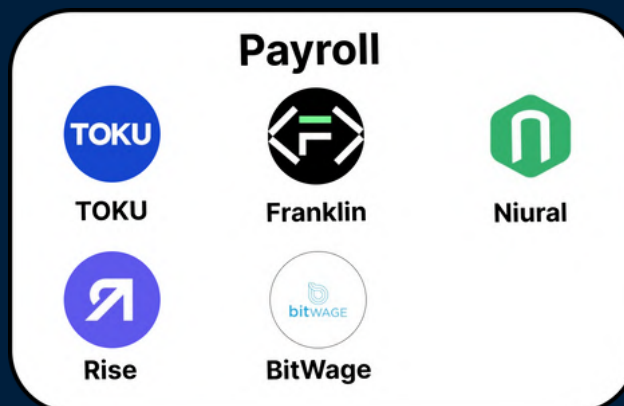
Challenges

One of the main challenges in adopting crypto payroll solutions is ensuring compliance with KYC and AML regulations, which are essential for accessing traditional financial infrastructure. Additionally, creating seamless on/off ramps between crypto and fiat currencies is critical. This involves reducing the number of exchanges required to convert salaries into local currencies and minimizing associated fees, which can significantly impact the user experience and adoption.

Opportunities

Companies that consolidate the features of traditional payroll systems with crypto payments stand to gain a significant market share. By offering seamless, compliant payroll that incorporates automated tax reporting, multi-currency support, and integration with corporate financial sub-ledgers. The growing adoption of stablecoins, particularly in developing economies, further enhances the appeal of crypto payroll solutions by providing a stable and efficient means of payment.

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Tax Calculators

Snapshot

Tax calculators for the crypto industry help individuals and businesses navigate the complex tax implications of cryptocurrency transactions, ensuring compliance with regulatory requirements.

Challenges

The constantly evolving tax regulations for cryptocurrencies make it difficult for tax calculators to stay up-to-date. Additionally, the complexity of calculating taxes on crypto transactions, especially for frequent traders, presents a significant challenge.

Opportunities

As governments around the world continue to refine their tax policies on cryptocurrencies, the demand for accurate and up-to-date tax calculators will grow. Companies that can offer reliable and user-friendly tax calculation tools will find a ready market among crypto users.

What's next?

Current Trend	Milestones	Breakthroughs	Standardization
ETF and Public Co. large inflows	AI advancements will ease data complexities	US Regulation will be followed globally	Massive Onboarding of Enterprise

Future Predictions

The crypto back office landscape is poised for continued growth and innovation. As more businesses embark in web3, the demand for sophisticated tools and services will only increase.

Companies that can leverage artificial intelligence (AI) to enhance their offerings, such as automating compliance checks or predicting financial outcomes based on blockchain data, will find themselves at the forefront of this evolution.

ETFs & Public Companies leading adoption growth

As governments around the world continue to refine their approach to crypto regulation, companies will need to stay agile and proactive in adapting to these changes.
This will be particularly important as more TradFi institutions enter the crypto space, bringing with them a higher standard of regulatory scrutiny.

The crypto industry will continue to mature, businesses will seek expert guidance on best practices for financial management, compliance, and strategic planning. Consulting firms that specialize in these areas, particularly those with deep expertise in blockchain technology and its applications, will be in high demand

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Acknowledgements

We would like to extend our gratitude to all the contributors who made this report possible.

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Rise
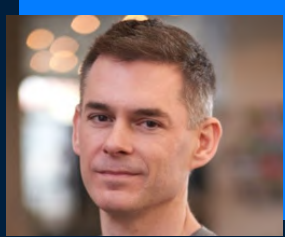
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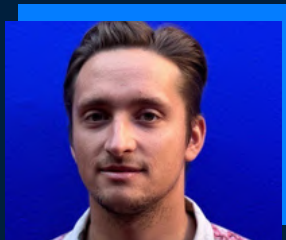
Co-Founder and CTO
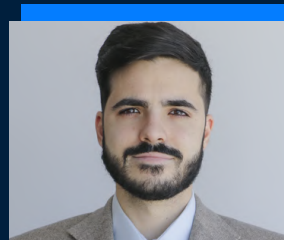Rain Card

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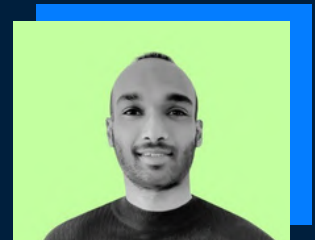**Joe McKenzie**

Head of Growth
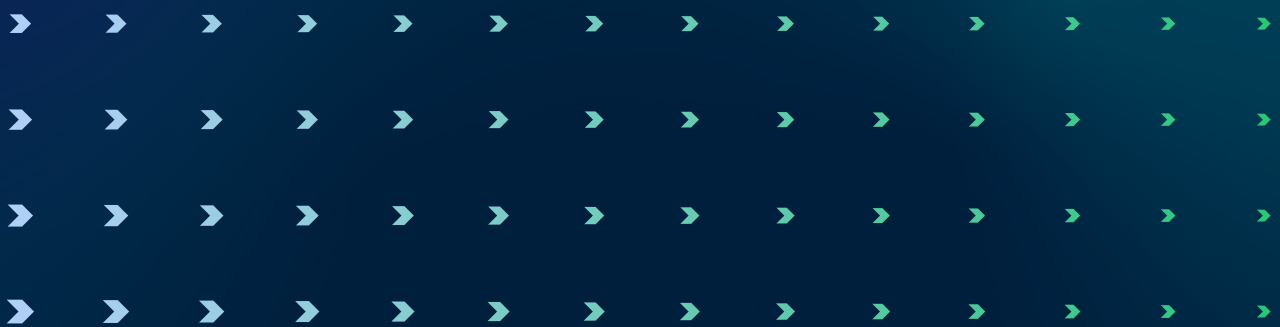R3gen Finance

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Streamlining Crypto Data Accuracy for Web3 Accountants

About Cryptoworth

Cryptoworth is a specialized crypto data tool designed to automate and simplify the management and accounting of cryptocurrency transactions. It enables businesses and enterprises to track their digital assets, manage transactions, and calculate taxes efficiently. **For more information, visit www.cryptoworth.com**

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