



Final regulations and related IRS guidance for reporting by brokers on sales and exchanges of digital assets

Updated on 11/7/2025: This fact sheet was updated to add frequently asked questions about broker reporting.

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Treasury and IRS issued [final regulations](#)  on reporting by brokers on dispositions of digital assets for customers in certain sale or exchange transactions. This reporting is required to be made on the soon-to-be released Form 1099-DA beginning with transactions on or after January 1, 2025. Additional guidance issued in two Notices and a Revenue Procedure provide transitional relief and guidance for brokers and taxpayers.

Regulations apply to certain digital asset sale and exchange transactions

The final regulations apply to brokers that take possession of the digital assets being sold by their customers, including operators of custodial digital asset trading platforms, certain digital asset hosted wallet providers, digital asset kiosks and certain processors of digital asset payments (PDAPs).

The regulations provide gain (and loss) computation rules, basis determination rules and backup withholding rules applicable to digital asset sale and exchange transactions.

Focus points of the regulations

The final regulations ensure that taxpayers will receive statements that include information reported to the IRS on Form 1099-DA, Digital Asset Proceeds from Broker Transactions, that will help them file their income tax returns and determine their tax obligations. This information will give taxpayers confidence in reporting income from digital assets while improving compliance efforts.

The regulations phase in reporting over time. Specifically, under the final regulations:

- Brokers must report gross proceeds for transactions effected on or after January 1, 2025.
- Brokers must report basis on certain transactions effected on or after January 1, 2026.
- Real estate professionals that are treated as brokers must report the fair market value of digital assets paid by buyers and received by sellers in real estate transactions with closing dates on or after January 1, 2026.
- For certain sales of stablecoins and non-fungible tokens (NFTs), brokers may choose to report the transactions on an aggregate basis to the extent the sales exceed respective de minimis thresholds.
- A separate de minimis threshold also applies for PDAP sales.

The final regulations do not include reporting requirements for brokers commonly known as decentralized or non-custodial brokers that do not take possession of the digital assets being sold or exchanged. The Treasury Department and the IRS intend to provide rules for these brokers in a different set of final regulations.

Notice for Penalty Relief

[Notice 2024-56](#)  provides information regarding the transition relief for brokers;

For transactions occurring in calendar year 2025 (and reported in 2026), the IRS will not impose penalties for failure to file and to furnish Forms 1099-DA if the broker makes a good faith effort to file the Forms 1099-DA and furnish associated payee statements correctly and on time.

- The notice also provides relief to brokers from backup withholding obligations and associated penalties:
 - For all transactions that occur in 2025
 - For 2026, for any transaction effected on behalf of a customer from whom the broker obtains the customer's TIN and submits the customer's name and TIN to the IRS's TIN-matching program and receives a response that the name-TIN combination matches IRS records.
 - Until further guidance is published, for dispositions of digital assets in return for certain NFTs or real property, and for certain sales effected by PDAPs.

Notice on temporary exceptions to reporting for certain identified transactions

- Notice 2024-57 identifies transactions for which brokers are not required to file Forms 1099-DA or furnish associated payee statements until the Treasury Department and IRS issue further guidance. This reporting exception does not apply to rewards or other compensation earned by participants in these transactions. The identified transactions are:
 - Wrapping and unwrapping transactions,
 - Liquidity provider transactions,
 - Staking transactions,
 - Transactions described by digital asset market participants as the lending of digital assets,
 - Transactions described by digital asset market participants as short sales of digital assets, and
 - Notional principal contracts.

[Revenue Procedure 2024-28](#) [PDF](#) allows taxpayers to allocate units of unused basis to remaining digital asset units in digital asset wallets or accounts as of January 1, 2025

- The Revenue Procedure provides transitional guidance on how taxpayers may transition to the basis identification methodology to allocate unused basis of digital assets to digital assets held within each wallet or account of a taxpayer as of January 1, 2025, as required by the final regulations.

More information

- [Frequently asked questions about broker reporting](#)
- [Digital assets](#)
- [Frequently asked questions on virtual currency transactions](#)

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