



# Tax IRW Ops Insights Quick Tips & Updates



## **President Trump Signs Joint Resolution Overturning Digital Asset Information Reporting Regulations for Non-Custodial Brokers**

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On April 10th, President Trump signed H.J. Resolution 25, a joint resolution to overturn the final regulations (T.D. 10021) on digital asset tax information reporting requirements for certain decentralized finance (DeFi) industry participants, which were issued by the Treasury and the IRS on December 30, 2024. Those regulations required non-custodial brokers (decentralized or DeFi) who provide services effectuating certain digital asset sales and exchanges, such as trading front-end services, to file information returns and furnish payee statements reporting gross proceeds from transactions occurring on or after January 1, 2027. Notably, the resolution does not affect the final regulations issued in July 2024, which require brokers to report customer gross proceeds from digital asset sales occurring on or after January 1, 2025.

### **KPMG Observations and Background**

As discussed in KPMG IRP e-Alert #2025-13, here, the regulations issued in July 2024 were primarily focused on custodial brokers, including operators of custodial digital asset trading platforms, hosted wallet providers, digital asset kiosks, and processors of digital asset payments (PDAPs). The regulations require custodial brokers to report sales and exchanges of digital assets starting January 1, 2025, with basis reporting starting January 1, 2026. The July 2024 regulations reserved on finalizing the rules with respect to decentralized or

DeFi industry participants, as Treasury and the IRS acknowledged the need for additional time to consider the issues and comments that they received. Consequently, Treasury and the IRS issued a separate set of regulations in December 2024 to include non-custodial brokers within the DeFi industry, which operate without taking custody of digital assets. It is specifically the more recent regulations related to DeFi brokers that has now been nullified by the new administration.

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