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Digital Assets: From Crypto to Compliance

KPMG Information Reporting & Withholding Tax Services

Treasury and IRS Release 2025-2026 Priority Guidance Plan

Article sub-title

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> On September 30th, the Department of the Treasury and the Internal Revenue Service (IRS) released their Priority Guidance Plan for 2025-2026. The plan identifies 105 guidance projects considered most significant for taxpayers and tax administration during the 12-month period from July 1, 2025, through June 30, 2026 (plan year), though it does not specify completion deadlines.

Among these, several items pertain specifically to digital assets, including:

- Tax treatment of transactions involving digital assets
- Digital assets held by §301.7701-4(c) investment trusts
- Regulations under §6045 regarding the reporting by U.S. brokers of digital asset transactions of certain foreign persons in connection with the OECD’s Crypto-Asset Reporting Framework (CARF)
- Electronic furnishing of information returns, including regulations under §6045 regarding electronic furnishing of payee statements regarding digital asset sales
- Regulations regarding information reporting of digital assets as amended by the Infrastructure Investment and Jobs Act
- Final regulations removing regulations regarding gross proceeds reporting by brokers that regularly provide services effectuating digital asset sales

Treasury and the IRS intend to update the 2025-2026 plan during the plan year to reflect additional items that become priorities and welcome public comment.

KPMG Comments

Impacted stakeholders should monitor these developments closely, as forthcoming guidance could significantly affect reporting obligations, compliance processes, and tax treatment for digital asset transactions. Organizations should review their current systems and procedures to ensure readiness for anticipated regulatory changes.

There are few items of particular importance:

- The ongoing commitment to implement CARF in time for 2027 reporting (due in 2028). The inclusion of this item aligns with the intent expressed in the preamble to the July 2024 U.S. digital asset broker reporting regulations and the OECD's September 2, 2025, list of jurisdictions committed to implement CARF by 2028 (here).
- The intent to provide guidance related to non-U.S. digital asset customers. It will be important to observe how this guidance interacts with reporting under chapter 3 of the Internal Revenue Code and how it aligns with CARF (e.g., Form 1042-S versus CARF or Common Reporting Standard schema).
- The import of the last item "Final regulations removing regulations regarding gross proceeds reporting by brokers that regularly provide services effectuating digital asset sales" is unclear given those regulations were removed by T.D. 10021, 2025 FR 12967 (July 11, 2025) without force or effect pursuant to the Congressional Review Act. For example, is this related to clarification guidance, coordination with other rules, potential alignment with CARF, or something else? The industry may not have seen the last of these rules and should monitor for updates.

As guidance under §6045 evolves, exchanges, brokers, and custodians may face expanded reporting requirements regarding customer transactions, non-U.S. customers, and payee statements.

Industry participants should consider submitting comment letters, participating in stakeholder consultations, and proposing constructive, technically informed language for potential guidance. The Priority Guidance Plan invites public input for this reason. Trade associations, consortiums, and technical working groups should collaborate to provide unified recommendations, especially regarding key items such as definitions, terms, de minimis thresholds, and reporting requirements.

Reference

For further information, see the 2025-2026 Priority Guidance Plan, here.

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