



TaxNewsFlash

United States

No. 2024-283
July 24, 2024

KPMG report: Planning implementation of broker digital asset reporting regulations

The U.S. Treasury Department and the IRS on June 28, 2024, issued final regulations on digital asset tax information reporting requirements. Read [TaxNewsFlash](#)

The final regulations generally require custodial brokers (i.e., brokers that take possession of the digital assets) to report gross proceeds to customers and the IRS beginning with sales occurring on or after January 1, 2025, and provide cost basis information on sales occurring on or after January 1, 2026 (for digital assets acquired on or after that date). Brokers subject to these reporting requirements include:

- Operators of custodial digital asset trading platforms
- Certain digital asset hosted wallet providers
- Digital asset kiosks
- Certain processors of digital asset payments (PDAPs)

The final regulations require broker reporting for certain dispositions of digital assets that are made in exchange for cash, different digital assets, stored-value cards, broker services, or property subject to existing broker reporting rules, or any other property in a payment transaction processed by a PDAP. For now, reporting is also generally limited only to U.S. digital asset brokers. Reporting for noncustodial brokers (e.g., certain DeFi platforms) is generally deferred until further guidance is issued. The Treasury stated in the preamble that such guidance would be issued “expeditiously.”

Industry participants will need to assess the applicability of these rules to their operations and consider how to implement these rules within the organization if they fall within the scope of a broker required to report on digital asset sales or payment transactions.

Read a [July 2024 report](#) prepared by KPMG LLP that discusses some of the key timeline considerations for brokers subject to a reporting requirement under these rules. It also provides a brief overview of certain transactions for which the Treasury and the IRS have provided transitional or other relief rules and exceptions, as these rules and exceptions may be important in planning implementation efforts.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533 3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)