

IRS Releases Proposed Regulations on Crypto Information Reporting

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On March 5, 2026, the IRS issued [proposed regulations](#) (the Proposed Regulations) setting forth an alternative process for digital asset brokers to obtain consent from customers to receive Form 1099-DA statements electronically. This alternative process provided in the Proposed Regulations is meant to alleviate administrative tax compliance burdens for digital asset brokers. The IRS and Treasury also issued [Notice 2026-4](#), requesting public comments on whether (i) less burdensome consent procedures should be implemented for other payee statements, including Form 1099-B, and (ii) the list of forms permitted on a Form 1099-B composite statement should include Form 1099-MISC for the purpose of reporting “staking rewards,” (*i.e.*, additional units of cryptocurrency granted in exchange for holders locking up assets held in native cryptocurrency to help validate and secure the blockchain).

Generally, digital asset “brokers” must make a return of information regarding certain digital asset sale transactions to the IRS and furnish payee statements to the person whose tax identification number is shown on Form 1099-DA. In 2024, the Biden administration enacted regulations set to take effect in 2026 that would have treated “DeFi brokers,” or trading front-end service providers that interface with users but do not take possession of the digital assets exchanged (*e.g.*, Uniswap), as brokers for these purposes (the De-fi Regulations). However, in 2025, Congress and President Donald Trump ordered Treasury to repeal the De-fi Regulations, limiting Form 1099-DA information reporting to custodial brokers.

Under current law, digital asset brokers must first (i) obtain consent from their customers before satisfying their obligation to provide such customers with an electronically furnished payee statement and (ii) furnish payee statements on paper to any customer that (A) does not consent to receiving electronically furnished statements or (B) withdraws their prior consent.

Recognizing the potentially burdensome cost of printing and mailing paper 1099-DA statements and that those participating in transactions involving digital assets have the ability to receive 1099-DA statements electronically, the Proposed Regulations would not require brokers to furnish the 1099-DA statements on paper to customers that do not consent to receiving these statements electronically. Instead, brokers would alternatively be permitted to terminate their business relationship with such customers. Additionally, the Proposed Regulations would not require brokers to give their customers the ability to withdraw previously provided consent to receive electronic statements.

The Proposed Regulations are consistent with the Trump administration’s request for priority guidance from Treasury and the IRS to provide brokers with a less burdensome method of obtaining consent from customers to

furnish Form 1099-DA in an electronic format.[1]

[1] See “[STRENGTHENING AMERICAN LEADERSHIP IN DIGITAL FINANCIAL TECHNOLOGY](#)” Third-Party Information Reporting: Priority Guidance, *Electronic Furnishing of Digital Asset Payee Statements (Form 1099-DA)*, (July 2025).

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