2026

Instructions for Form 1099-DA

Digital Asset Proceeds From Broker Transactions

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1099-DA and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1099DA*.

For further guidance, taxpayers may refer to Treasury Decision 10000, published July 9, 2024.

You can get Pub. 1099, General Instructions for Certain Information Returns at *IRS.gov/1099GeneralInstructions*.

Reminders

In addition to these specific instructions, you should also use the current Pub. 1099. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

Online fillable copies. To ease statement furnishing requirements, Copies B, 1, and 2 are fillable online in a PDF format available at *IRS.gov/Form1099DA*. You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

General Instructions

2026 and beyond—Mandatory reporting of gross proceeds for all digital assets, mandatory reporting of basis information for digital assets that are covered securities, and voluntary reporting of basis information for digital assets that are noncovered securities. For each sale a broker has effected for customers after 2025 of digital assets, the broker must complete Form 1099-DA, as described in *For sales effected after 2025*.

For sales of digital assets that are qualifying stablecoins or specified nonfungible tokens (NFTs) a broker has effected for customers after 2025, and for which a broker is using the *Optional reporting methods*, the broker is not required to report basis and certain other information.

For sales a broker has effected for customers after 2025 of digital assets that are covered securities, the broker is required to report basis information. For sales a broker has effected for customers after 2025 of digital assets that are noncovered securities, the broker is not required to report basis information. However, the broker may voluntarily report this information and will not be subject to penalties under section 6721 or 6722 for failure to report or furnish the information correctly if the broker checks box 9 to indicate that the digital assets are noncovered securities.

Brokers. A broker includes any person who, in the ordinary course of a trade or business, stands ready to effect sales of digital assets to be made by others.

You are considered a broker with respect to sales of digital assets if:

- You are a person that regularly offers to redeem digital assets that were created or issued by you, or
- You effect dispositions of customers' digital assets as an agent, a dealer, or digital asset middleman.

Generally, only a U.S. digital asset broker is required to report on Form 1099-DA. A U.S. digital asset broker is a U.S. person (other than a foreign branch or office of such person), or a U.S. branch described in Regulations section 1.1441-1(b)(2)(iv) that is treated as a U.S. person (excluding a territory financial institution) that effects sales of digital assets on behalf of others. See Regulations section 1.6045-1(g)(4)(i)(A). See *Widely held fixed investment trusts (WHFITs)*, later, for rules specific to WHFIT reporting.

Closing transactions. In the case of a digital asset that is also an option, regulated futures contract, securities futures contract, or forward contract, a sale includes any closing transaction. A closing transaction is a lapse, expiration, settlement, abandonment, or other termination of a position (which includes a right or an obligation under a forward contract, a regulated futures contract, a securities futures contract, or an option).

Covered security. For purposes of Form 1099-DA, a covered security is a digital asset acquired after 2025 for cash, stored-value cards, different digital assets, or any property or services the disposition of which the broker is required to report in an account for which the broker provided custodial services. A digital asset is a covered security only if it was acquired in an account for which the broker provided custodial services and was held in that account until the broker effects the disposition of the digital asset. Acquiring a digital asset includes granting an option and entering into a forward contract.

Digital asset. A digital asset is any digital representation of value that is recorded on a cryptographically secured distributed ledger (such as a blockchain or any similar technology) without regard to whether each individual

transaction involving that digital asset is actually recorded on that distributed ledger, and that is not cash (that is, U.S. dollars or any convertible foreign currency issued by a government or central bank). See *Qualifying stablecoin* and *Specified NFT*, later, for a description of digital assets that are qualifying stablecoins or specified NFTs.

Digital asset middleman. You are a digital asset middleman if:

- You accept or process digital assets as payment for stock, commodities, regulated futures contracts, securities futures contracts, forwards contracts, foreign currency contracts, debt instruments, options, or securities futures contracts;
- You are a real estate reporting person with actual knowledge or ordinarily would know that digital assets were used by the real estate buyer to make payment;
- You accept digital assets as payment for broker services;
- You own or operate one or more digital asset kiosks; or
- You are a processor of digital asset payments, provided you have actual knowledge or ordinarily would know the nature of the transaction and the gross proceeds therefrom.

You are not a digital asset middleman if:

- You are solely engaged in providing proof-of-work or proof-of-stake distributed ledger validation services, without providing other functions or services, or
- You only provide hardware or software (by sale, license, or otherwise) that permits users to control private keys to access digital assets on a distributed ledger, without providing other functions or services.

Processor of digital asset payments. A processor of digital asset payments is a broker who regularly facilitates payments from one party to a second party by receiving digital assets from the first party and paying those digital assets, cash, or different digital assets to a second party, provided the transaction is not otherwise a sale under Regulations sections 1.6045-1(a)(9)(ii)(A) through (C).

Noncovered security. For purposes of Form 1099-DA, a noncovered security is any digital asset that is not a covered security. The following digital assets are noncovered securities.

- Any digital asset that the broker did not provide custodial services for when it was acquired.
- A digital asset that was acquired before 2026.
- A digital asset that was transferred in to the broker providing custodial services.
- A digital asset that, when acquired, would not be subject to reporting on Form 1099-DA when later sold because it was acquired by an exempt recipient, as defined in Regulations section 1.6045-1(c)(3)(i), or by a person that is considered to be an exempt foreign person under Regulations sections 1.6045-1(g)(1) and (4).
- A digital asset for which reporting is required by Regulations section 1.6045-1(g)(4)(vi)(E) (certain securities owned by a foreign intermediary or flow-through entity).

Qualifying stablecoin. A digital asset is a qualifying stablecoin if it meets three conditions:

- The digital asset is designed to track on a one-to-one basis a single convertible currency issued by a government or central bank (including the U.S. dollar);
- The digital asset uses an effective stabilization mechanism. See Regulations section 1.6045-1(d)(10)(ii)(B); and
- The digital asset is generally accepted as payment by persons other than the issuer. See Regulations sections 1.6045-1(d)(10)(ii)(A) through (C).

Designated sale of qualifying stablecoin. A designated sale of a qualifying stablecoin is any sale of a qualifying stablecoin other than a sale of a qualifying stablecoin in exchange for different digital assets that are not qualifying stablecoins. In addition, a designated sale of a qualifying stablecoin includes any sale of a qualifying stablecoin that provides for the delivery of a qualifying stablecoin pursuant to the settlement of any executory contract that would be treated as a designated sale of the qualifying digital asset if the contract had not been executory.

Sale. A sale of digital assets effected by a broker on behalf of another person includes:

- The disposition of digital assets in exchange for cash, stored-value cards, different digital assets, or services provided by the broker;
- The disposition of digital assets to pay for securities, commodities, options, regulated futures contracts, securities futures contracts, or forward contracts acquired through the broker;
- The delivery of digital assets pursuant to the settlement of a forward contract, option, regulated futures contract, any similar instrument, or any other executory contract which would be described in the previous bullet if the contract had not been executory;
- For brokers that are real estate reporting persons, the disposition of digital assets in exchange for real property and services; and
- For brokers that are processors of digital asset payments, the payment of a digital asset by one party to a processor of digital asset payments in return for the payment of that digital asset, cash, or a different digital asset to a second party (PDAP sale). See *De minimis rule for PDAP sales*, later.

Specified NFT. A digital asset is a specified NFT if the digital asset is indivisible, unique, and does not directly (or indirectly) provide the holder with an interest in certain excluded property. See Regulations section 1.6045-1(d)(10)(iv).

De minimis rules for certain sales. A broker is not required to report sales of digital assets on Form 1099-DA if the sales fall within the following de minimis exceptions.

De minimis rule for PDAP sales. A broker that is a processor of digital asset payments is not required to report PDAP sales effected for a customer if those PDAP sales are less than or equal to $600 for the year. However, if a customer's PDAP sales exceed $600 for the year, all of that customer's sales must be reported. In determining if the $600 de minimis threshold has been met, the broker should not include any sales that are excluded from reporting under the optional reporting methods for qualifying stablecoins or for specified NFTs. Accordingly, a broker that is a processor of digital asset payments may apply the optional reporting rules for qualifying stablecoins and for specified NFTs first, and then determine whether

the remaining PDAP sales exceed the $600 de minimis threshold. See Regulations section 1.6045-1(d)(2)(i)(C).

De minimis rule for qualifying stablecoin sales. A broker reporting under the optional reporting method for qualifying stablecoins is not required to report designated sales of qualifying stablecoins if the customer's aggregate gross proceeds (after reduction for the allocable digital asset transaction costs) from all designated sales of qualifying stablecoins effected by that broker do not exceed $10,000 for the year. See Regulations section 1.6045-1(d)(10)(i).

De minimis rule for specified NFTs. A broker reporting sales of specified NFTs using the optional reporting method for specified NFTs is not required to report sales of specified NFTs if the customer's aggregate gross proceeds (after reduction for the allocable digital asset transaction costs) from all sales of specified NFTs do not exceed $600 for the year. See Regulations section 1.6045-1(d)(10)(iii)(B).

General Reporting

Amounts to report. Generally, report all amounts attributable to a sale of digital assets you effect as a broker on Form 1099-DA. However, a broker is not required to report amounts attributable to a sale of digital assets if an applicable de minimis rule applies. If a de minimis rule does not apply, all amounts attributable to the sale must be reported in accordance with the applicable reporting rules. For de minimis rules applicable to processors of digital asset payments, qualifying stablecoins, and specified NFTs, see *De minimis rules for certain sales*, earlier.

For brokers using an optional method for reporting sales of qualifying stablecoins and specified NFTs, see *Optional reporting methods*, later.

Generally, you should report each transaction on a separate Form 1099-DA. However, in the case of a disposition of digital assets in exchange for services provided by the broker (broker fee), the broker may combine the reporting of the transaction to pay for broker fees with the underlying transaction for which the broker fee was charged if the broker fee is paid using the digital asset disposed in the underlying transaction. For example, if a broker effects on behalf of a customer the sale of 1 unit of Digital Asset A for ten units of Digital Asset B (charging 0.1 units of Digital Asset A for the broker's services), the broker may file one Form 1099-DA to report the customer's sale of 1.1 units of Digital Asset A. The broker may not combine the reporting of a transaction to pay for broker fees with the underlying transaction for which the broker fee was charged if the broker fee is paid in a digital asset other than the digital asset disposed in the underlying transaction.

How many transactions to report on each form. Report each transaction on a separate Form 1099-DA.

How many forms to file for each transaction. Report sales of each of the following types of digital assets on a separate Form 1099-DA, even if all four types were sold in a single transaction.

- Covered securities (defined earlier) with short-term gain or loss.
- Covered securities with long-term gain or loss.
- Noncovered securities if you check box 9 when reporting their sale. If you choose to not check box 9, report the sale as a sale of a covered security.
- First sales by a creator or minter if you report sales of specified NFTs using the optional reporting method for specified NFTs.

Optional reporting methods. A broker reporting sales of qualifying stablecoins using the optional reporting method for qualifying stablecoins is not required to report non-designated sales of qualifying stablecoins. In addition, if a broker is using the optional reporting method for designated sales of qualifying stablecoins and the customer's aggregate gross proceeds from all designated sales of qualifying stablecoins effected by that broker exceed the $10,000 de minimis rule for the year, the broker must report a customer's aggregate designated sale transactions for each type of qualifying stablecoin on a separate Form 1099-DA. See *De minimis rule for qualifying stablecoin sales*, earlier. For example, if the broker effects designated sales of Qualifying Stablecoin A and Qualifying Stablecoin B for a customer and the aggregate gross proceeds of those sales exceed $10,000, the broker must report the customer's designated sales of Qualifying Stablecoin A on one Form 1099-DA and the customer's designated sales of Qualifying Stablecoin B on a separate Form 1099-DA.

If a broker is using the optional reporting method for sales of specified NFTs and the $600 de minimis rule for such sales does not apply, the broker must report all of a customer's specified NFT transactions together on a single Form 1099-DA. See *De minimis rule for specified NFTs*, earlier.

A broker reporting sales of specified NFTs using the optional reporting method for specified NFTs may report all of a customer's specified NFT transactions together on a single Form 1099-DA, unless the broker is reporting both gross proceeds attributable to first sales by a creator or minter and gross proceeds attributable to specified NFT sales that are not first sales.

A broker reporting sales of specified NFTs using the optional reporting method for specified NFTs is required to file two Forms 1099-DA if it is reporting aggregate gross proceeds attributable to first sales by a creator or minter and aggregate gross proceeds attributable to specified NFT sales that are not first sales. File one Form 1099-DA to report the specified NFT sales attributable to first sales and file another Form 1099-DA to report specified NFT sales that are not attributable to first sales.

A broker reporting sales using an optional method is not required to report acquisition dates or basis amounts, even if the digital assets are covered securities.

A broker reporting sales of digital assets using an optional method for reporting sales of qualifying stablecoins or specified NFTs must complete all unnumbered boxes on Form 1099-DA except the CUSIP (Committee on Uniform Security Identification Procedures) number box, which may be left blank if there is no applicable number. Additionally,

- A broker reporting sales of qualifying stablecoins using the optional reporting method for qualifying stablecoins may leave boxes 1d, 1e, 1g, 1h, 1i, 2, 3a, 3b, 5, 6, 8, 9, 12a, and 12b blank.

- A broker reporting sales of specified NFTs using the optional reporting method of specified NFTs may leave boxes 1d, 1e, 1g, 1h, 1i, 2, 3a, 3b, 5, 6, 8, 9, 12a, and 12b blank.
- For sales of qualifying stablecoins reported using the optional reporting method for qualifying stablecoins, enter the total gross proceeds for all designated sales of the qualifying stablecoin reported on this form in box 1f.
- For reporting sales of specified NFTs that are not attributable to first sales using the optional reporting method, enter the total aggregate gross proceeds from all sales of the specified NFTs, other than the amount of aggregate gross proceeds attributable to first sales by a creator or minter, in box 1f.
- For reporting sales of specified NFTs that are attributable to first sales by a creator or minter using the optional reporting method for specified NFTs, enter the total aggregate gross proceeds from these first sales in box 11c and leave box 1f blank.

Substitute statements. Brokers that use substitute statements may be able to report customer transactions (digital asset sales (Form 1099-DA), securities sales (Form 1099-B, Proceeds From Broker and Barter Exchange Transactions), interest earned (Forms 1099-INT, Interest Income, and 1099-OID, Original Issue Discount), dividends (Form 1099-DIV, Dividends and Distributions), and foreign taxes paid (Forms 1099-DIV and 1099-INT)) for the year on a single substitute statement. For details, see Pub. 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns, at *IRS.gov/Pub1179*, which provides the rules for substitute forms.

Information Required on the Form 1099-DA

For sales effected after 2025. For sales of digital assets you effect as a broker for customers after 2025, you must complete all unnumbered boxes on Form 1099-DA except the CUSIP number box, which may be left blank if there is no applicable number. Additionally:
- Boxes 1a, 1b, and 1c must be completed.
- Box 1e must be completed, except when you are reporting using an optional reporting method.
- Box 1f must be completed, except when box 11c is completed.
- Boxes 3b, 4, 5, 7, 8, 9, 14, 15, and 16 are completed only if applicable.
- If the digital assets were sold because of the exercise of an option, complete box 3a.
- If the digital asset(s) sold, exchanged, or otherwise disposed of were transferred to a broker providing custodial services, provide the number of units sold that had been transferred to the broker in box 12a and the date of transfer-in in box 12b.
- If the digital asset sold, exchanged, or otherwise disposed of is a covered security and is not reported using an optional method, boxes 1d, 1g, 2, and 6 must be completed, and boxes 1h and 1i must be completed if applicable.
- If the digital asset sold, exchanged, or otherwise disposed of is a noncovered security, you may check box 9. Do not check box 9 if reporting the sale of a covered security. If you check box 9 for a sale of a digital asset that is a noncovered security, you do not have to complete boxes 1d, 1g, 1h, 1i, and 6, and you do not have to check box 2.
- If you check box 9 and choose to complete boxes 1d, 1g, 1h (if applicable), 1i (if applicable), 2, and 6 for a noncovered security voluntarily, you are not subject to penalties under section 6721 or 6722 for failure to report or furnish this information correctly. If you do not check box 9, you are subject to penalties under sections 6721 and 6722 for failure to report or furnish the information in boxes 1d, 1g, 1h (if applicable), 1i (if applicable), 2, and 6 correctly even if you are reporting the sale of a noncovered security.

Example for reporting of sales effected after 2025. You are a broker that provides custodial services. Using your services, customer Bill bought units of digital asset ABC in April 2022, April 2026, and August 2026. The digital asset ABC units bought in 2026 are covered securities. The digital asset ABC units bought in April 2022 are noncovered securities. In June 2027, Bill sells all of the digital asset ABC units in a single transaction. Even though the digital asset ABC units were sold in a single transaction, report the sale on three separate 2027 Forms 1099-DA: one for digital asset ABC units bought in August 2026 with short-term gain or loss, one for digital asset ABC units bought in April 2026 with long-term gain or loss, and a third for the digital asset ABC units bought in April 2022 (the noncovered securities). For the April 2022 units, if you voluntarily report the basis information (that is, the information in boxes 1d, 1g, 1h (if applicable), 1i (if applicable), 2, and 6) of the noncovered securities and check box 9, you will not be subject to penalties under section 6721 or 6722 for failing to report or furnish this information correctly. Alternatively, if you voluntarily report the basis information of the units bought in April 2022, you may report the entire sale on only two separate 2027 Forms 1099-DA by combining the report of the noncovered securities bought in April 2022 with the report of the covered securities bought in April 2026 (reporting long-term gain or loss). If you combine this reporting, however, you may not check box 9, and you will be subject to penalties under sections 6721 and 6722 for failure to report basis correctly even if you are reporting the sale of a noncovered security.

Widely held fixed investment trusts (WHFITs). Report a disposition of digital assets held by the WHFIT. For digital asset sales, trustees and middlemen must report the amount of non-pro rata partial principal payments (as defined in Regulations section 1.671-5(b)(13)) and trust sales proceeds (as defined in Regulations section 1.671-5(b)(21)) attributable to a trust interest holder (TIH) for the calendar year on Form 1099-DA or Form 1099-B.

Report a disposition of an interest held by a TIH in a WHFIT, including a redemption of an interest held by a TIH in a WHFIT, on Form 1099-B. If a WHFIT sells digital assets in connection with a trust interest redemption, file only one Form 1099 with respect to the redemption.

To determine the amount of each item of proceeds to be reported on Form 1099-DA, see, generally, Regulations section 1.671-5. If the trustee provides WHFIT information using the safe harbor rules in Regulations section

1.671-5(f)(1), the trustee or middleman must determine the amounts reported on Forms 1099 under Regulations section 1.671-5(f)(2).

Check box 9 and leave boxes 1d, 1g, 1h, 1i, 2, and 6 blank if:

- You are a broker reporting the sale of a digital asset held by a WHFIT to the WHFIT trustee, or
- You are a trustee or middleman of a WHFIT reporting non-pro rata partial principal payments and trust sale proceeds for digital asset transactions to a TIH.

Requirement to furnish a tax information statement to TIH. A tax information statement that includes the information provided to the IRS on Form 1099-DA, as well as additional information identified in Regulations section 1.671-5(e), must be provided to TIHs. The written tax information statement furnished to the TIH for 2026 is due on or before March 15, 2027. The amount of an item of a trust expense that is attributable to a TIH must be included on the tax information statement provided to the TIH and is not required to be included in box 5 on the Form 1099-DIV. See Regulations section 1.671-5(e) for a complete list of the items of information that must be included in the statement to the TIH.

Acquisition of control or substantial change in capital structure. File Form 1099-DA for each customer who received cash, stock, or other property from a corporation that you know, or have reason to know based on readily available information, must recognize gain under section 367(a) from the transfer of a digital asset that is also stock to a foreign corporation in an acquisition of control or substantial change in capital structure reportable on Form 8806, Information Return for Acquisition of Control or Substantial Change in Capital Structure. For more information, see Form 8806.

Readily available information includes information from a clearing organization, such as the Depository Trust Company (DTC), or from information published on IRS.gov.

You are not required to file a second Form 1099-DA for a customer who received only cash for a digital asset that is also stock transferred in an acquisition of control if you report the cash as proceeds from a sale on another Form 1099-DA. You are also not required to file Form 1099-DA for a customer who is an exempt recipient (under Regulations section 1.6045-1(c)(3)(i) or 1.6043-4(b)(5)). For a list of exempt recipients, see the Instructions for Form 1099-CAP, Changes in Corporate Control and Capital Structure.

Enter in box 1f the aggregate amount of cash and the fair market value (FMV) of any digital assets, services, and other property received in exchange for digital assets held in your custody.

In box 1b, show the name of the digital asset you held that was exchanged.

Leave the other numbered boxes and the CUSIP number box blank unless you are required to file a Form 1099-DA to report proceeds you paid to the customer from the acquisition of control or substantial change in capital structure and you choose to file and furnish one Form 1099-DA for amounts reported under both Regulations sections 1.6045-1 and 1.6045-3. If you choose to combine the reporting for both, do not combine other transactions the customer may have had during the year with the reporting of the acquisition of control or change in capital structure. Also, in box 1g, report the total basis of the customer's digital assets. Do not enter an amount in box 1g that is greater than the amount entered in box 1f.

Foreign currency. If the purchase amount or sales proceeds are paid in foreign currency, you must report the amount of foreign currency in U.S. dollars. Generally, you must determine the reportable amount (other than amounts representing accrued interest or original issue discount) as of the date you receive, credit, or make the payment, whichever applies, at the spot rate or by following a reasonable spot rate convention, such as a month-end spot rate or a monthly average spot rate. When reporting the purchase or sale of a digital asset traded on an established securities market in a foreign currency, you must determine the U.S. dollar amounts to be reported (other than amounts representing accrued interest or original interest discount) as the settlement date, at the spot rate or by following a reasonable spot rate convention. See Regulations section 1.6045-1(d)(8).

Generally, payments of foreign currency amounts representing accrued interest or original issue discount must be translated using the average rate for the interest accrual period, although certain customers may elect to translate such amounts using the spot rate on the last day of the interest accrual period. See Regulations sections 1.988-2(b)(2) and 1.6045-1(n)(4)(v).

Coordination with other broker reporting requirements. If you have effected a sale of a digital asset that is also a security for which the Form 1099-B would be required (dual classification asset), you should generally file Form 1099-DA and not Form 1099-B. There are three exceptions to the requirement to report a sale of a dual classification asset on a Form 1099-DA. See Regulations section 1.6045-1(c)(8).

1. For transactions involving dual classification assets that constitute section 1256 contracts, including regulated futures contracts or section 1256 option contracts on digital assets, you should report the section 1256 contract transactions on an aggregate basis on Form 1099-B. In this case, you may either report all section 1256 contracts on an aggregate basis on a single Form 1099-B or you may use a separate Form 1099-B for each type of contract. For more information, see the Instructions for Form 1099-B. However, in the event delivery of the underlying digital asset is made with respect to a section 1256 contract, which includes a regulated futures contract, a section 1256 option contract, or a section 1256 foreign currency contract, report the delivery of the underlying digital asset as a sale on Form 1099-DA.

2. For transactions involving dual classification assets that are digital assets solely because their sales are cleared or settled on a limited-access regulated network, as described in Regulations section 1.6045-1(c)(8)(iii)(B), you should file Form 1099-B and not Form 1099-DA. If the limited-access regulated network ceases to meet the requirements described in Regulations section 1.6045-1(c)(8)(iii)(B), you may continue to file Form 1099-B for transactions effected during the calendar year

in which the limited-access regulated network ceases to meet the requirements.

3. For transactions involving dual classification assets that are shares in money market funds, you should not file Form 1099-DA and you are not required to file, but may file, Form 1099-B.

Dual classification assets that are tokenized securities. For transactions involving dual classification assets that are tokenized securities, you should file Form 1099-DA and not Form 1099-B. A tokenized security is a dual classification asset that provides the holder with an interest in another asset that is a security that is otherwise subject to reporting on Form 1099-B. Additionally, a tokenized security is an asset, the offer and sale of which is registered with the U.S. Securities and Exchange Commission, other than as an asset treated as a security for securities law purposes solely as an investment contract. See Regulations section 1.6045-1(c)(8)(i)(D). For transactions involving a tokenized security, enter the CUSIP number of the security or other applicable identifying number; report the amount of accrued market discount, if applicable, in box 1h; report the loss disallowed due to a wash sale, if applicable, in box 1i; and, if applicable, compute the average basis method if the customer elects that method or you choose the average basis method as your default method and the customer does not give you any other instructions.

Rewards and staking payments. Do not report rewards and staking payments on Form 1099-DA.

Partnership sale. Form 8308, Report of a Sale or Exchange of Certain Partnership Interests, does not have to be filed if, under section 6045, a return is required to be filed by a broker on Form 1099-DA for the transfer of a digital asset that represents the partnership interest.

Exceptions. Brokers are not required to, but may, file Form 1099-DA for the following.

1. Sales for exempt recipients, including the following.

a. Charitable organizations.

b. IRAs.

c. Archer MSAs and health savings accounts (HSAs).

d. The United States or any state or a political subdivision of the United States or any state.

e. Corporations. However, see *Identifying a corporation*, later, for instructions about how to know whether a customer is a corporation for this purpose. Also, you must file Form 1099-DA for the sale of a covered security (defined earlier) by an S corporation if the S corporation acquired the covered security after 2012.

f. U.S. digital asset brokers. However, see *Identifying a U.S. digital asset broker*, later, for instructions about how to know whether a customer is a digital asset broker for this purpose.

2. Sales initiated by financial institutions or by dealers in securities.

3. Sales by custodians and trustees, provided the sale is reported on a properly filed Form 1041, U.S. Income Tax Return for Estates and Trusts.

4. Sales of digital assets that constitute foreign currency issued by a foreign government or central bank unless the sales are pursuant to a section 1256(g)(2) foreign currency contract or a regulated futures contract that requires delivery of that foreign currency.

5. Sales for exempt foreign persons, as defined in Regulations section 1.6045-1(g)(4).

6. Grants or purchases of options, purchases due to exercises of call options, or entering into contracts that require delivery of personal property or an interest therein.

7. Until the Treasury Department and IRS issue further guidance, Notice 2024-57 provides that brokers do not have to file information returns on digital asset sales in the following transactions:

a. Wrapping and unwrapping transactions;

b. Liquidity provider transactions;

c. Staking transactions;

d. Transactions described by digital asset market participants as lending of digital assets;

e. Transactions described by digital asset market participants as short sales of digital assets; and

f. Notional principal contract transactions.

This reporting exception does not apply to rewards or other compensation earned by participants in these transactions.

Identifying a corporation. For sales of digital assets that are covered securities (defined earlier) that were acquired after 2011, you cannot rely on Regulations section 1.6049-4(c)(1)(ii)(A) to tell whether a customer is a corporation. However, for sales of all digital assets, you can treat a customer as an exempt recipient if one of the following statements is true.

1. The name of the customer contains the term "insurance company," "indemnity company," "reinsurance company," or "assurance company."

2. The name of the customer indicates it is an entity listed as a corporation under Regulations section 301.7701-2(b)(8)(i).

3. You receive a properly completed exemption certificate on Form W-9, Request for Taxpayer Identification Number and Certification, that shows the customer is not an S corporation.

4. You receive a Form W-8, Certificate of Foreign Status, described in Regulations section 1.1441-1(e)(2)(i) that includes a certification that the person whose name is on the form is a foreign corporation.

Identifying a U.S. digital asset broker. For sales of digital assets, you can treat a customer as an exempt recipient if you receive a properly completed exemption certification on Form W-9 that shows the customer is a U.S. digital asset broker. Until the Form W-9 includes the appropriate exemption certification, see Notice 2024-56 for information regarding how a U.S. digital asset broker can document that another broker is a U.S. digital asset broker.

Exemption certificate. A broker may require an exempt recipient to file a properly completed Form W-9 or similar form. A broker may treat an exempt recipient that fails to

do so as a recipient that is not exempt. See part J in the current Pub. 1099.

Statements to Recipients

If you are required to file Form 1099-DA, you must provide a statement to the recipient. For more information about the requirement to furnish a statement to the recipient, see part M in the current Pub. 1099.

Specific Instructions

Truncating recipient's taxpayer identification number (TIN) on payee statements. Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the current Pub. 1099.

Country

For a list of country codes, go to *IRS.gov/CountryCodes*.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-DA. Additionally, the IRS encourages you to designate an account number for all Forms 1099-DA that you file. See part L in the current Pub. 1099. The account number requested here is the number assigned by the broker to a customer, not the customer's wallet address.

CUSIP Number

For transactional reporting by brokers of a tokenized security under Regulations section 1.6045-1(c)(8)(i)(D)(*1*), enter the CUSIP number or other applicable identifying number of the digital asset.

Applicable Checkbox on Form 8949

Use this box to enter a one-letter code from the following list that will assist the recipient in reporting the transaction on Form 8949 and/or Schedule D (Form 1040).

Code G. This code indicates a short-term transaction for which the cost or other basis is being reported to the IRS.

Code H. This code indicates a short-term transaction for which the cost or other basis is not being reported to the IRS.

Code J. This code indicates a long-term transaction for which the cost or other basis is being reported to the IRS.

Code K. This code indicates a long-term transaction for which the cost or other basis is not being reported to the IRS.

Code Y. Use this code to report a transaction if you cannot determine whether the recipient should check box H or box K on Form 8949 because the holding period is unknown.

Box 1a. Code for Digital Asset

Enter the nine alphanumeric characters of the digital token identifier issued by the Digital Token Identifier Foundation (DTIF). See *https://dtif.org/registry-search*. If the digital asset is not registered with DTIF, enter "999999999".

If you are reporting sales using the optional reporting method for qualifying stablecoins, enter the digital token identifier for the qualifying stablecoin.

If you are reporting sales using the optional reporting method for specified NFTs, enter "999999999".

Box 1b. Name of Digital Asset

Enter the full name of the digital asset for which the amounts are being reported. If you entered a DTIF digital token identifier in box 1a, enter the name that matches the DTIF registration.

If you are reporting sales of qualifying stablecoins using the optional reporting method for qualifying stablecoins, enter the name of the qualifying stablecoin.

If you are reporting sales of specified NFTs using the optional reporting method for specified NFTs, enter "Specified NFTs".

Box 1c. Number of Units

Enter the number of digital asset units sold, exchanged, or otherwise disposed of in the transaction to 18 decimal places.

If you are reporting sales of qualifying stablecoins using the optional reporting method for qualifying stablecoins, enter the aggregate number of qualifying stablecoin units.

If you are reporting sales of specified NFTs using the optional reporting method for specified NFTs, enter the aggregate number of specified NFT units.

Box 1d. Date Acquired

Enter the acquisition date of the digital asset sold in MM/DD/YYYY format. For example, if the acquisition date is May 24, 2026, enter 05/24/2026. Leave this box blank if:

- The digital assets sold were acquired on a variety of dates,
- You check box 9 and you do not know the acquisition date or you choose to not complete box 1d, or
- You are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method.

Box 1e. Date Sold or Disposed

Enter the date of the digital asset sale in MM/DD/YYYY format.

If you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method, you may leave box 1e blank.

Box 1f. Proceeds

Enter the gross proceeds from the sale of digital assets. Show a loss, such as one from a closing transaction on a written option or forward contract, as a negative amount by enclosing it in parentheses. Total proceeds may include cash, the value of services, digital assets, or other property received in exchange for the disposed digital assets.

You must reduce the proceeds by digital asset transaction costs, including transaction fees, commissions, and transfer taxes related to the sale.

For digital assets sold because of the exercise of an option granted or acquired before 2014, you may, but are not required to, take into account option premiums in determining gross proceeds if that is consistent with your books. For digital assets sold because of the exercise of an option granted after 2013 or for the treatment of an option granted or acquired after 2013, see Regulations section 1.6045-1(m) for details.

If you reduce gross proceeds by option premiums, check "Net proceeds" in box 3a. Otherwise, check "Gross proceeds" in box 3a.

For reporting sales of specified NFTs using the optional reporting method, if you are reporting aggregate gross proceeds attributable to first sales by a creator or minter and aggregate gross proceeds attributable to specified NFT sales that are not first sales, file two Forms 1099-DA. File one Form 1099-DA to report the specified NFT sales attributable to first sales, and file another Form 1099-DA to report specified NFT sales that are not attributable to first sales. In addition, for sales of specified NFTs attributable to first sales by a creator or minter, report those sales in box 11c and leave box 1f blank.

Box 1g. Cost or Other Basis

Enter the adjusted basis of any digital asset sold unless the digital asset is not a covered security and you check box 9 and choose not to complete box 1g. If you check box 9 and are not reporting basis, leave box 1g blank. Enter -0- in box 1g only if the digital asset sold actually had a basis of zero.

In the case of an exchange of digital assets, the digital asset transaction costs paid by the taxpayer to effect the exchange are allocable generally to the disposition of the transferred digital assets for purposes of determining basis. In the case of a sale of digital assets in exchange for other digital assets differing materially in kind or extent, for which the acquired digital assets are withheld to pay the digital asset transaction costs to effect the original transaction, the total digital asset transaction costs paid by the taxpayer to effect both the original transaction and any dispositions of digital assets to pay such costs are allocable exclusively to the original transaction. See Regulations sections 1.1001-7 and 1.1012-1(h)(2)(ii)(C).

If you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method, you may leave box 1g blank.

Identification of digital assets. If the customer has acquired digital assets on different dates or at different prices and sells less than the entire position in the digital assets, report the sale according to the customer's adequate and timely identification of the digital assets to be sold. If no identification is provided at or prior to the time of the sale, you generally must first report the sale of the earliest units of the digital asset purchased by the customer. You may take into account customer-provided acquisition information, described in Regulations section 1.6045-1(d)(2)(ii)(B)(*4*), for purposes of determining when a customer purchased a digital asset. If you do not take customer-provided acquisition information into account for that purpose, treat digital assets transferred into the customer's account as acquired as of the date and time of the transfer.

Under current law, brokers may use customer-provided acquisition information solely for lot-selection purposes and not for reporting basis or acquisition dates.

Average basis method. The average basis method is only available for digital assets that are also a tokenized security. The security has to be one for which the average basis method is permitted under section 1012(c) or (d).

Box 1h. Accrued Market Discount

For digital assets that are covered securities and also debt instruments for federal income tax purposes, enter the amount of accrued market discount in box 1h.

Box 1i. Wash Sale Loss Disallowed

Wash sales. Losses from wash sales of tokenized securities must be reported. See Regulations section 1.6045-1(c)(8)(i)(D). For such tokenized securities treated as stock or securities under section 1091, if both the sale and purchase transactions occur in the same account with respect to such tokenized securities with the same CUSIP number, you must report the amount of the disallowed loss under section 1091 in box 1i. However, you are permitted, but are not required, to report in box 1i any other loss for a tokenized security that is disallowed under section 1091. For example, you may report a disallowed loss under section 1091 in box 1i even though a digital asset that is also a stock or security is sold in one account and repurchased in a different account. Increase the adjusted basis of the acquired digital asset by the amount of the disallowed loss reported in box 1i.

You also do not have to apply the wash sale rules if:

- The purchased digital asset is transferred to another account before the wash sale,
- The purchased digital asset was purchased in another account and later transferred into the account from which the digital asset was sold,
- The digital assets are treated as held in separate accounts, or
- The customer has notified you in writing (including in an electronic format) that the customer has made a valid and timely mark-to-market election under section 475 and identified the account from which tokenized securities were sold as containing only securities subject to the election.

For more details, see Regulations section 1.6045-1(d)(6)(iii).

Example. In September 2026, your customer Alex buys for $1,000 100 units of digital asset ABC that is a tokenized security treated as stock or securities under section 1091. In October 2026, Alex sells the 100 units for $600. Within 30 days of the sale, Alex buys 75 units of digital asset ABC with the same CUSIP number in the same account. Since Alex's loss is $400 ($1,000 minus $600), but the loss on 75 units is disallowed, Alex's disallowed loss is $300. Report the $600 gross proceeds from the sale in box 1f, $1,000 basis in box 1g, and $300 wash sale loss disallowed in box 1i. The $300 disallowed

loss is added to Alex's basis in the newly purchased 75 units.

Box 2. Check if Basis Reported to IRS

Check this box if:

- You are not checking box 9, or
- You are checking box 9 but are reporting basis to the IRS in box 1g anyway.

Do not check this box if you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method.

Box 3a. Reported to IRS

See *Box 1f. Proceeds*, earlier.

Box 3b. Check if Proceeds Are From a Qualified Opportunity Fund (QOF)

Check the "QOF" box if you are reporting a disposition of an interest in a QOF.

Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, persons who have not furnished their TIN to you in the manner required are subject to withholding on certain amounts required to be reported on this form. This is called backup withholding. For more information on backup withholding, including the rate, see part N in the current Pub. 1099 and go to *IRS.gov/Form1099DA*. For information on transitional relief from backup withholding, see Notice 2025-33.

Use Form W-9 to request the TIN of the recipient. For foreign recipients, request the recipient instead complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY and Regulations section 1.6045-1(g)(4) for when a broker may treat a customer as an exempt foreign person.

Box 5. Check if Loss Is Not Allowed Based on Amount in 1f

See *Acquisition of control or substantial change in capital structure*, earlier.

Box 6. Gain or Loss

If the digital assets sold, exchanged, or otherwise disposed of are covered securities, or if they are noncovered securities and you check box 9 but choose to complete box 6, determine whether the gain or loss is short-term or long-term under section 1222, and whether any portion of the gain or loss is ordinary. In making the determination, you must do the following.

- Apply the normal rules for property acquired from a decedent to the digital assets.
- Apply the normal rules for property acquired as a gift to the digital assets.
- If a customer acquired digital assets that are stock or securities that caused a loss from a sale of other digital assets that are stock or securities to be nondeductible under section 1091, use the rules in section 1223(3) to determine the holding period of the acquired digital assets.

Except as provided below, in addition to checking the applicable short-term or long-term box, you are required to check the "Ordinary" checkbox if all or a portion of the gain or loss may be ordinary. You may not report both short-term and long-term gain or loss on the same Form 1099-DA.

For transactions that are denominated in a currency other than the U.S. dollar, brokers must check the "Ordinary" checkbox because these transactions may be section 988 transactions to the customer. Because a customer may make an election to treat gains and losses on certain section 988 transactions as capital, the broker must also check the short-term or long-term box to indicate whether any portion of the gain or loss may be short-term or long-term.

You are not required to consider other transactions, elections, or events occurring outside the account when determining whether the gain or loss on the sale is short-term or long-term.

Box 7. Check if Only Cash Proceeds Were Paid in the Transaction

Check this box if only cash (that is, U.S. dollars or any convertible foreign currency issued by a government or central bank) proceeds were paid in the transaction.

Check this box even if you have combined the reporting of an underlying transaction with the report of the transaction to pay broker fees, as described in General Reporting, earlier.

Box 8. Check if Broker Relied on Customer-Provided Acquisition Information

Check this box if you receive or previously received customer-provided acquisition information to identify which digital assets of a type were sold, exchanged, or otherwise disposed of, even if the customer-provided acquisition information was not used for the particular digital asset lot reported on this form. If the customer previously sold, exchanged, or otherwise disposed of all the digital assets for which they provided that customer-provided acquisition information, you do not need to check this box.

Box 9. Check if Digital Asset Is a Noncovered Security

You may check this box if reporting the sale of a noncovered security. Do not check this box if reporting the sale of a covered security.

If you check this box, you do not have to complete boxes 1d, 1g, 1h, 1i, and 6, and you do not have to check box 2. If you check box 9 and choose to complete boxes 1d, 1g, 1h (if applicable), 1i (if applicable), 2, and 6 for a noncovered security voluntarily, you are not subject to penalties under sections 6721 and 6722 for failure to report or furnish the information correctly. For returns filed for sales after 2025, you are subject to penalties under section 6721 and 6722 for failure to report or furnish the information in boxes 1d, 1g, 1h (if applicable), 1i (if applicable), 2, and 6 correctly if you do not check box 9 even if you are reporting the sale of a noncovered security.

Do not check this box if you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method.

Box 10. Reserved

Reserved for future use.

Box 11a. Reason Digital Asset Is Eligible for an Optional Reporting Method

If you are reporting sales of a digital asset eligible for an optional reporting method, check the appropriate box, if applicable, to indicate which type of digital asset is being reported. If you check "Qualifying stablecoins," you must complete box 11b. If you check "Specified NFTs," you must complete box 11b and, if applicable, box 11c. If you do not check one of these boxes, you do not have to complete boxes 11b or 11c.

Box 11b. Number of Transactions

If you are using the optional reporting method for reporting the designated sales of qualifying stablecoins or specified NFTs, enter the number of transactions reported on this form.

Box 11c. Proceeds From a Primary Sale

If you are reporting the sale of specified NFTs, enter the aggregate gross proceeds attributable to first sales by a creator or minter. Do not enter the aggregate gross proceeds attributable to the first sales by a creator or minter in box 1f.

Box 12a. Number of Units Transferred in

If you are reporting the sale of digital asset units that were transferred into a custodial account, enter the number of units to 18 decimal places.

If you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method, you may leave box 12a blank.

Box 12b. Transfer-in Date

If digital assets were transferred into a custodial account, enter the date of such transfer-in in MM/DD/YYYY format. Leave this box blank if the digital assets were transferred in on a variety of dates.

If you are reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method, you may leave box 12b blank.

Box 13. Reserved

Reserved for future use.

Boxes 14 Through 16. State Information

These boxes may be used by filers who participate in the Combined Federal/State Filing Program and/or who are required to file paper copies of this form with a state tax department. See Pub. 1220, Specifications for Electronic Filing of Form 1097, 1098, 1099, 3921, 3922, 5498, and W-2G, for more information regarding the Combined Federal/State Filing Program. These boxes are provided for your convenience only and need not be completed for the IRS. Use the state information boxes to report payments for up to two states. Keep the information for each state separated by the dash line. If you withheld state income tax on this payment, you may enter it in box 16. In box 14, enter the abbreviated name of the state. In box 15, enter the filer's state identification number. The state number is the filer's identification number assigned by the individual state.

If a state tax department requires that you send them a paper copy of this form, use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient for use in filing the recipient's state income tax return.