

Tax Regulatory Changes in the Cryptocurrency Industry

Regulatory regimes around the world are coming to terms with the emergence of the Cryptocurrency industry. As regulation increases, so does the complexity involved with each transaction, creating longer account opening and maintenance times and driving up costs. This is leading to strained relationships between exchanges, brokers, wallet providers and account holders.

The impact of current and proposed regulation:

Lack of Centralization & Standardization

Repetitive but inconsistent requirements for data and documentation, create inefficiencies and relationship degradation across accounts.

Lack of Validated Entity Information

Documentation requirements and controls will be stricter and require procedures be in place and actively tested. Meeting new rules and remediation may present a plethora of issues for a newly regulated business.

Limited Transparency and Controls

Account opening times will increase due to a lack of industry standardization, transparency and controls. Remediation efforts can require multiple attempts to correct.

Challenges with Proposed Regulations

Evolving crypto regulations are not all in sync which could lead to conflicting regulations among different jurisdictions or even between compliance programs in the same jurisdiction.

Reporting

The IRS will be issuing 1446 regulation for cryptocurrency and it is expected that 1099-B reporting will be required. Regulators around the world are looking to leverage existing reporting frameworks to facilitate reporting, requiring deep understanding of current reporting processes.

Enhanced Compliance

Demonstrate a new level of transparency and meet increasing regulatory requirements while customers require ease of use across platforms.

IHS Markit offers an integrated suite of solutions to solve your needs



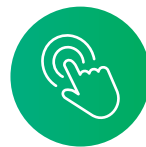
Tax Reporting

Streamline the exchange of information between your teams, account holders, and government agencies. Keep up to date with global reporting changes as they occur.



Tax Utility

Collect, validate and monitor tax forms and self-certifications; securely distribute to your banking partners in accordance with IRS regulations.



Digital Tax Onboarding

Streamline the onboarding process and provide real-time status between your account holders, internal teams and your banking partners.



Outsourcing Solutions

Meet new requirements with assistance from dedicated experts that comprehend the rules and requirements and can provide assistance exactly where it is needed.

For more information on our suite of products and services please visit us at ihsmarkit.com/riskandregcompliance
MK-TaxSolutions@ihsmarkit.com