



***Congressional Review Act Disapproval Resolution on
Cryptocurrency Broker Reporting from the IRS
(H.J. Res. 25)***

Background:

- On December 27, 2024, the U.S. Department of the Treasury (Treasury) released final regulations creating **reporting requirements for trading front-end service providers that work directly with users on digital asset transactions** (i.e., DeFi Brokers).
 - These regulations were developed as part of the Biden Administration’s Infrastructure Investment and Jobs Act.
- The **new rule would require DeFi Brokers to file a Form 1099 and subject DeFi Brokers to the same reporting rules** as brokers for securities and operators of custodial digital asset trading platforms.
 - However, unlike securities brokers or centralized brokers of custodial digital assets – which operate more like banks – **DeFi Brokers are decentralized, do not collect the information from users needed to implement this rule, and are not the same as traditional securities brokers.**
- Since the rule was issued, stakeholders have filed a lawsuit against the IRS and Treasury, asserting that the IRS and Treasury exceeded their statutory authority, violated the Administrative Procedure Act, and infringed on the privacy of DeFi Brokers and users.
 - **Stakeholders claim that the rule would cripple the digital asset industry, place unlawful burdens on software developers, and stifle innovation** at the cost of American entrepreneurship.

House Joint Resolution 25:

- The Joint Resolution would **disapprove of and effectively repeal the rule** submitted by the IRS relating to “Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales.”
- The Joint Resolution would also **wipe the slate clean for Congress to enact the Trump Administration’s desired policy related to DeFi Brokers.**