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Reporting

The partnership comes just ahead of the kick-off to the 2020 tax filing season in January. The IRS recently released its draft form for the season, moving virtual currency to page one of the standard 1040 form.

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Cryptocurrency exchange [Bitstamp](#) has selected global tax software maker [Sovos](#) for its 1099 crypto tax information reporting needs. As virtual currency scrutiny grows at the IRS, the company will use the [Sovos Tax Information Reporting solution](#) to fully automate reporting and payment for traditional and modern transaction-level

tax reporting, as well as deliver real-time regulatory compliance, freeing teams from

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“The Sovos solution automates complex reporting at the federal and state level, which allows our team to focus on other client-centric initiatives,” said Hunter Merghart, Head of U.S. at Bitstamp.

Founded in 2011, Bitstamp is the world's longest-running cryptocurrency exchange and Europe's largest by trade volume.

Protecting Investors with High-Volume Crypto Tax Reporting

Bitstamp joins other crypto industry pioneers — including [Paxos](#), [Gemini](#) and [BlockFi](#) — that have turned to Sovos for high-volume crypto tax reporting. As a trusted partner, Sovos is the largest private filer to the IRS of 10-Series tax forms and can quickly adapt to the [compliance needs of the cryptocurrency market](#).

Despite its increased scrutiny, the IRS has yet to provide clear guidance on [1099 form requirements for cryptocurrency reporting](#). In the meantime, exchanges must interpret the regulations to help investors understand their crypto tax obligations and avoid reporting incorrect income to the IRS and any applicable state departments of revenue. With such high volumes of exchanges in a market full of regulatory unknowns, it is critical for companies like Bitstamp to use a seasoned partner like Sovos to overcome blockchain tax reporting compliance challenges and pitfalls.

“As cryptocurrencies grow increasingly popular, they have in turn fallen under heightened IRS scrutiny. Bitstamp understands that to remain compliant, they need a trusted partner like Sovos to automate what can be a truly arduous and confusing process,” said Paul Banker, general manager of Tax and Regulatory Reporting at Sovos.

To learn more about protecting your digital asset company from the burdens and risks of cryptocurrency tax reporting, visit

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