

President Trump Revokes Regulations Applicable for Front-End Service Providers Facilitating Digital Asset and Cryptocurrency Transactions



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ALERTS

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On April 10, 2025, President Trump signed into law a measure¹ that repeals the final regulations relating primarily to persons who are front-end service providers that operate decentralized finance (DeFi) platforms, which were published by the Department of the Treasury (the Treasury) and the Internal Revenue Service (the IRS) on December 30, 2024 (the Final DeFi Regulations). The Final DeFi Regulations required DeFi industry participants offering services to facilitate digital asset transactions to report any such transactions occurring on or after January 1, 2027 in the same manner as a broker of digital assets or a digital asset trading platform. Pursuant to the repeal, such front-end service providers will not need to report gross proceeds and certain customer information to the IRS as required by the Final DeFi Regulations. Our previous alert on the Final DeFi Regulations can be accessed [here](#).

The measure does not repeal the final regulations relating to information reporting by custodial brokers, determination of basis and gain or loss, and backup withholding regarding certain digital asset transactions and exchanges (the Final Regulations). Our previous alert on the Final Regulations can be accessed [here](#).

The Final DeFi Regulations were repealed under the Congressional Review Act (CRA), which permits Congress to review and strike down any regulations issued by federal agencies for up to 60 days after the issuance. As a consequence of the repeal under the CRA, the Treasury and the IRS are prohibited from issuing subsequent regulations that are “substantially the same in form” as those previously repealed, which would mean any new regulations issued in respect of front-end service providers would need to be substantively different from the Final DeFi Regulations.

The repeal of the Final DeFi Regulations aligns with the Trump Administration’s crypto-friendly approach to regulation. For more on these regulatory changes, see Wilson Sonsini’s Fintech and Financial Services partner [Jess Cheng](#)’s recent *Law360* article “[3 Action Items For Innovators Amid Fintech Regulatory Pivot](#).”

If you have any questions about any tax issues related to the repeal of the Final DeFi Regulations, the Final Regulations, or digital assets, please contact [Greg Broome](#), or any member of the Tax practice at Wilson Sonsini.

Anjali Krishnan and Robert Sherrill contributed to the preparation of this alert.

[1] H.J.Res.25 - 119th Congress (2025-2026): Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Internal Revenue Service relating to "Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales",

H.J.Res.25, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/house-joint-resolution/25>.