

# Universal Currency Receives IRS Ruling

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Universal Currency (UC) Receives IRS Ruling Exempting It From 1099B Reporting Requirements Due to Clearinghouse Role of UC.

Influences 1099B Reporting Requirements For Exchanges' Internal Direct Recip Accounts IRTA's global inter-exchange trading platform, Universal Clearinghouse Inc. (UC) received a Private Letter Ruling (PLR) from the IRS on January 8th, 2015 stating that:

"UC does not have a reporting requirement under Section 6045 of the Internal Revenue Code with regard to transactions in which it acts in its capacity as the clearinghouse between two barter exchanges to effect sales on behalf of their respective clients."

The IRS's UC PLR confirms that UC is not required to issue 1099B's because UC acts as a clearinghouse for transactions in which the UC exchange members' selling clients have already received a 1099B from their respective UC member exchange. If UC were to 1099B a UC transaction between UC member exchanges, it would result in unnecessary double IRS 1099B reporting of the same transaction.

While IRS PLR decisions apply only to the party that requested the PLR, private letter rulings are customarily used by taxpayers and the government for guidance.

IRTA requires that all IRTA exchange members comply with IRS 1099B Reporting Requirements. In this instance, the guidance IRTA has derived from UC's PLR confirms IRTA's long held position that barter exchanges do not have to submit 1099B's in direct recip situations since both barter exchange participants in a direct recip arrangement are in fact acting "as the clearinghouse between two barter exchanges to effect sales on behalf of their respective clients."

Read the entire IRS PLR for UC

Read UC's PLR submission letter to the IRS

If you have any questions regarding this matter, please contact IRTA's Executive Director, Ron Whitney at [ron@irta.com](mailto:ron@irta.com) or 757-393-2292.