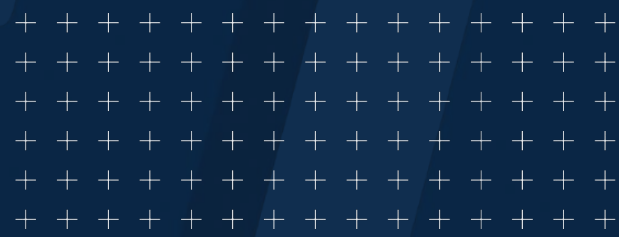




Standardizing Crypto Finance

NYDIG and Taxbit join forces to solve crypto tax and accounting challenges, laying the foundation for broader digital asset adoption.



NYDIG

NYDIG, a bitcoin company that fuses high tech with institutional-grade finance to usher in a new era of financial products, came to Taxbit with a need to move beyond a periodic tax reporting motion towards an end-to-end tax solution with near real-time APIs and centralized reporting capabilities.

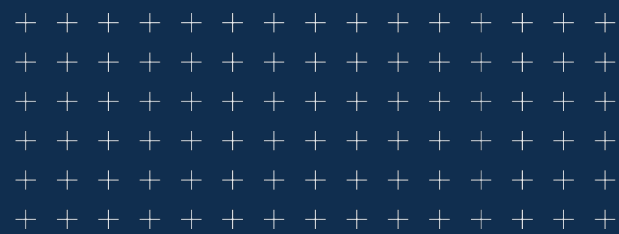
The Challenge

Taxing troubles: Overcoming manual processes and complex cryptocurrency reporting obstacles

Before partnering with Taxbit, NYDIG had attempted a series of arduous and manual solutions in-house and faced the following challenges:

- Tedious, complicated accounting process for their core business
- Inadequate, periodic tax reporting for their clients
- A lack of a reporting system to manage GAAP-compliant gains and losses
- Uncertainties regarding the complex tax landscape in the cryptocurrency industry

NYDIG understood the big-picture scenario in the industry: regulatory and tax uncertainties, reputational concerns, and lack of infrastructure were top obstacles to institutional investment in cryptocurrency. Limited accounting infrastructure has hindered the crypto industry, as traditional ERP solutions need more support. [High-profile failures in recent years](#) showed the need for crypto-specific systems that integrate with existing ERPs.



Taxbit arrived with a very clear conceptual model around how data should be captured, normalized, and used to deliver our required Tax and Accounting compliance capabilities. This strong perspective was unique amongst others we considered and a powerful accelerant for our product roadmap.

John Dalby

CFO of NYDIG

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The Solution

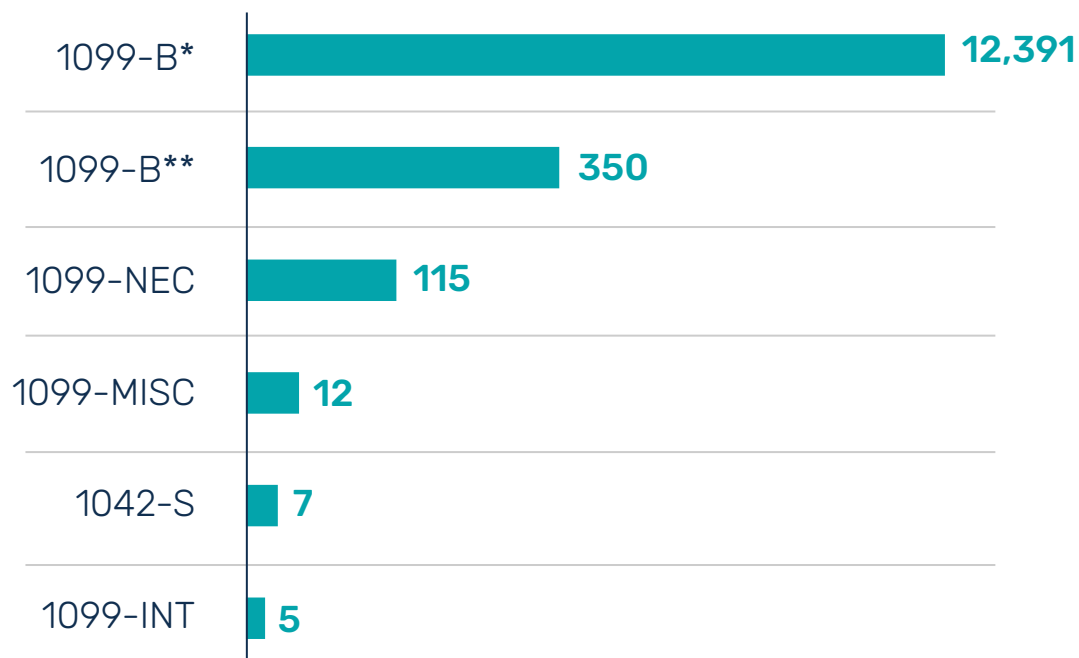
Taxbit delivers end-to-end crypto tax and accounting compliance for NYDIG

Taxbit helped NYDIG deploy key enhancements that reduced operational costs and increased customer delight in their Platform Solutions Group. This API-focused offering enables clients to build rails for Bitcoin transactions, storage, loyalty programs, and more. By integrating Taxbit's near real-time transaction API and embracing a SaaS solution for Tax Compliance with the Taxbit Dashboard, NYDIG and their clients now have a single source of truth with permission-based access to view, update, and manage user and transactional data.

Taxbit's industry-leading end-to-end solution for tax and accounting includes:

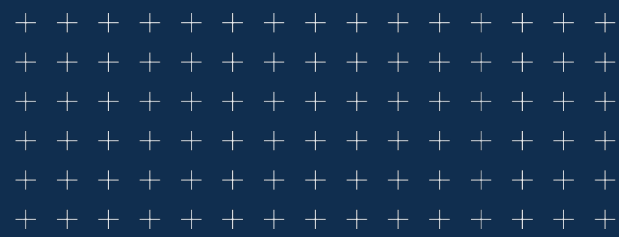
- Delivering forms electronically and physically
- Filing forms 1099-B with the IRS and individual States
- Reconciling and validating a complex set of institutional data
- Verifying US Tax IDs for NYDIG's partners with the IRS TIN Match API
- Centralizing data, forms, and tax operations into the Taxbit Dashboard
- Creating near real-time data feeds for all transactional and user activities
- Generating 1099-Bs, transaction summaries, and customized end-of-year tax packets for customers

Number of form types generated for NYDIG clients



NYDIG was also able to track 5M+ transactions, while accounting for the complexity of crypto assets, with features such as:

- Lot-level inventory tracking that manages their FIFO queues with auditor-friendly transparency and tracking
- Support for corporate tax filings across multiple legal entities and a consolidated parent company
- Tracking cost basis, impairment-affected book value, and fair value tracking for millions of crypto lots stemming from over 1M unique transactions



Taxbit's willingness to come to the table to build a joint roadmap, taking into account our learnings and experiences in 2022, delivered measurable improvements in operational efficiency and business value for us in 2023. There's a humble authenticity underpinning the true partnership we have with Taxbit.

John Dalby

CFO of NYDIG

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The Result

Combining tax and accounting for a future-proof and complete compliance solution

In an era where tax and accounting standards are swiftly evolving, Taxbit's end-to-end solutions enable enterprises like NYDIG to achieve complete compliance—today and into the future.

NYDIG surpassed their goals and achieved the following results:

- Successfully pass a Big Four audit
- Operationalize their year-end accounting process
- Implement an industrialized, evergreen tax reporting program
- Utilize a complete compliance solution (that also includes accounting)
- Deploy key enhancements that reduce operational costs and increase customer satisfaction
- Accurately generate and file critical tax forms for a wide variety of companies and complex use cases
- Have a single source with permission-based access to view, update, and manage user and transactional data

For NYDIG and other industry leaders, this level of financial transparency and regulatory accountability are the keys to unlocking the **bright future of digital assets.**

About Taxbit

Taxbit is the world's leading technology partner for Tax and Accounting compliance. Our platform provides a single system of record, capable of efficiently powering both information and financial reporting, for high-volume and highly complex asset transactions. While originally born to serve the compliance needs of digital assets, our next generation products and services are evolving to help digital or traditional businesses bridge the compliance gap. Developed in a fast-evolving, digital asset driven world, Taxbit was created by experts for experts and offers:

A single platform: Providing full control of customer data and processes. No more fragmentation across manual processes, multiple vendors, and multiple solutions.

Powered by API technology: The Taxbit Platform automatically ingests, validates, and normalizes data processes for internal teams, external partners, and customers.

Bringing together best-in-class technology and certified experts: Our subject matter experts consist of CPAs, attorneys, IRS and FASB alumni, and Big Four partners who become a seamless extension of your team.

Real-time data calculations provide one source of truth: Achieve unparalleled transparency for your tax information reporting teams and clients.

Established SOC-compliant control framework and enterprise-grade security: Ensure the integrity of our systems, data, and financial records.

Expertise beyond crypto: Our modern technology is built for the complexity of digital assets, but is now primed to unlock non-crypto use cases across broader finance, services, and technology.



taxbit

Let's Talk

Email: info@Taxbit.com

Web: www.Taxbit.com