



TAXbit |  uphold

How Uphold Elevates User
Experience and Achieves
Tax Compliance with
TaxBit Digital W9/W8



Uphold is a global multi-asset digital trading platform. By providing an easy and secure place to trade and manage digital assets, Uphold has powered:

- > **10 million**
Users in over 150 countries
- > **\$4 billion**
In transaction volume
- > **250+**
Cryptocurrencies or stablecoins and 37 national currencies



As one of the first exchanges to promote radical transparency by publishing a detailed account of their reserves, Uphold has established a track record of strong regulatory compliance. Additionally, by partnering with TaxBit, Uphold is prepared to meet expanded tax information reporting requirements set to go into effect soon. By leveraging TaxBit's Digital W9/W8 collection and validation process, Uphold is able to utilize and ensure accurate customer information is being collected and reported forward (i.e. Forms 1099) with an unparalleled user experience.

The Problem

Traditional tax compliance vendors are not built for the demands of the digital asset economy defined by evolving regulations.

As a result of the landmark Infrastructure Investment and Jobs Act of 2021, crypto brokers will soon be required to collect and report significantly more customer tax information the IRS. As a key first step and industry best practice for verifying customers' taxpayer information, leading digital asset exchanges have already begun collecting and verifying Forms W-9 in advance.

Failing to collect, validate and maintain customer information can potentially result in millions of dollars of withholdings for customers in addition to operational burdens and liability risks for enterprises. The lack of automation with Forms W-9 will lead to incredibly difficult Form 1099 filing challenges. It will also increase the risk of receiving the very dreaded "B Notice" from the IRS, and potential corresponding penalties for filing Forms 1099 with incorrect or missing taxpayer identification numbers (TIN).

The Solution

The process of collecting, validating, and storing Forms W9 and W8 can be a complex process to build in-house – with high stakes for inaccuracy.

Enterprises need a modernized tax information reporting system that lowers operational costs, elevates user experience, and reduces regulatory uncertainty.

This holistic solution was a key criterion for Marco Martins, Lead Product Manager at Uphold. In working with TaxBit, Marco was complimentary of how easy it was to deploy, noting how: “TaxBit’s solution has been top notch for its ease and speed of integration.”



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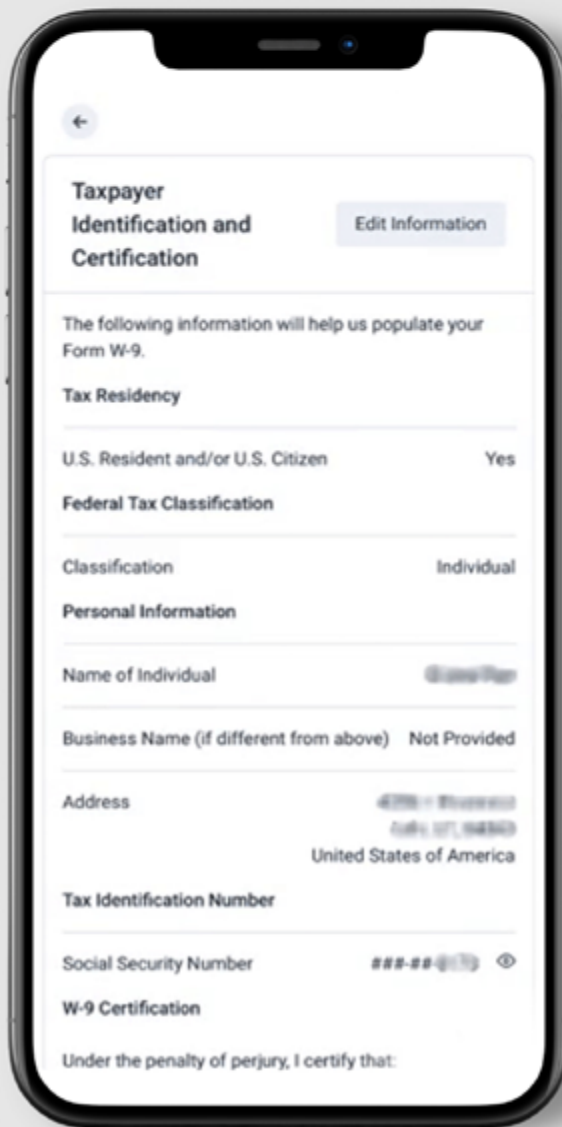
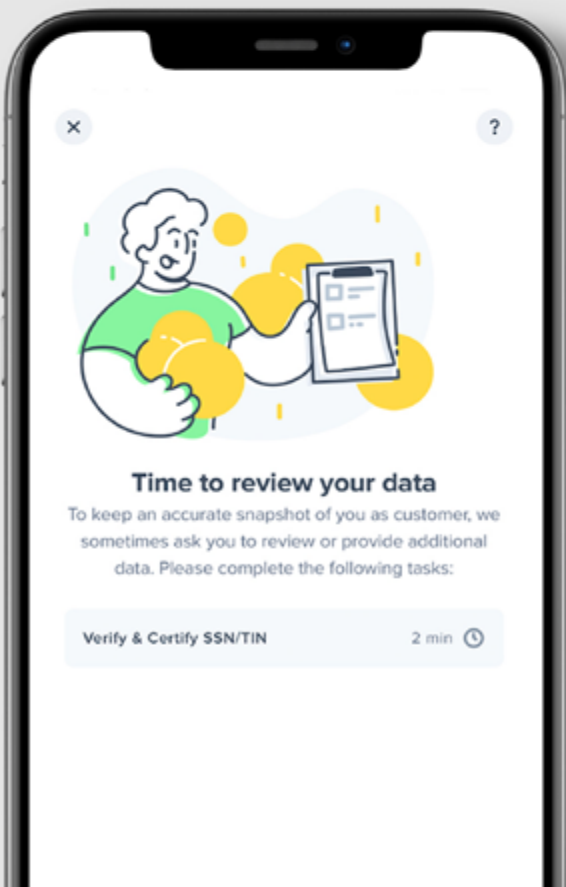
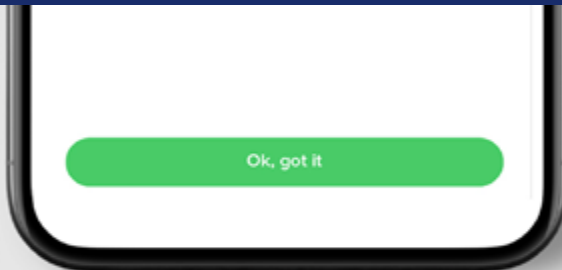
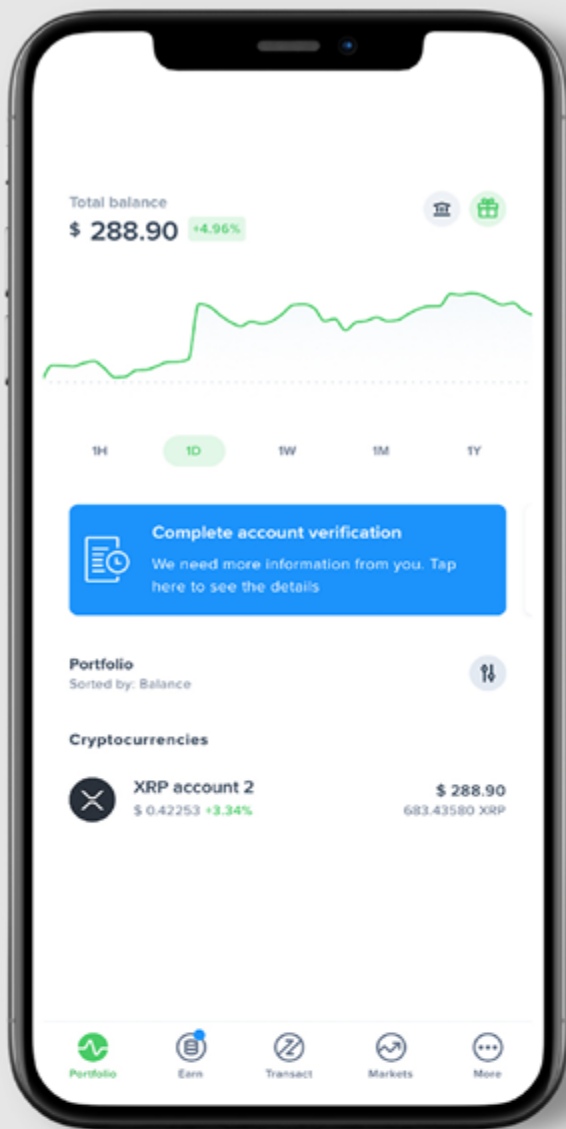
TaxBit’s Digital W9/W8 solution, powered by proven and powerful APIs or easily embeddable SDK, seamlessly integrates with Uphold’s existing customer onboarding and software development processes – and is readily scalable to meet the highest demands. In the past three months, TaxBit has supported Uphold in:

- › Collecting and validating nearly **500,000** W9 Forms
- › Automating the matching of more than **1.5 million** TINs (taxpayer identification numbers)
- › Operating at a minimal API latency of **567ms**





A world-class digital
W9 experience
utilising TaxBit SDK



Before TaxBit

- ✗ Lack of collection of Forms W-9
- ✗ No automated TIN matching
- ✗ Lack of streamlined 1099 processes leading to high operational burden
- ✗ Manual efforts to query, extract and generate 1099's

After TaxBit

- ✓ Automated collection of Forms W9 with Digital W9/W8 product
- ✓ Automated TIN matching
- ✓ Streamlined 1099 processes replacing product for manual human efforts
- ✓ Ability to automate the end-to-end information reporting lifecycle



Together, we have enabled a seamless tax onboarding experience for Uphold's U.S. customers. And as a TaxBit customer myself, I can safely say their team has provided us with world class support.

Marco Martins
Lead Product Manager, Uphold

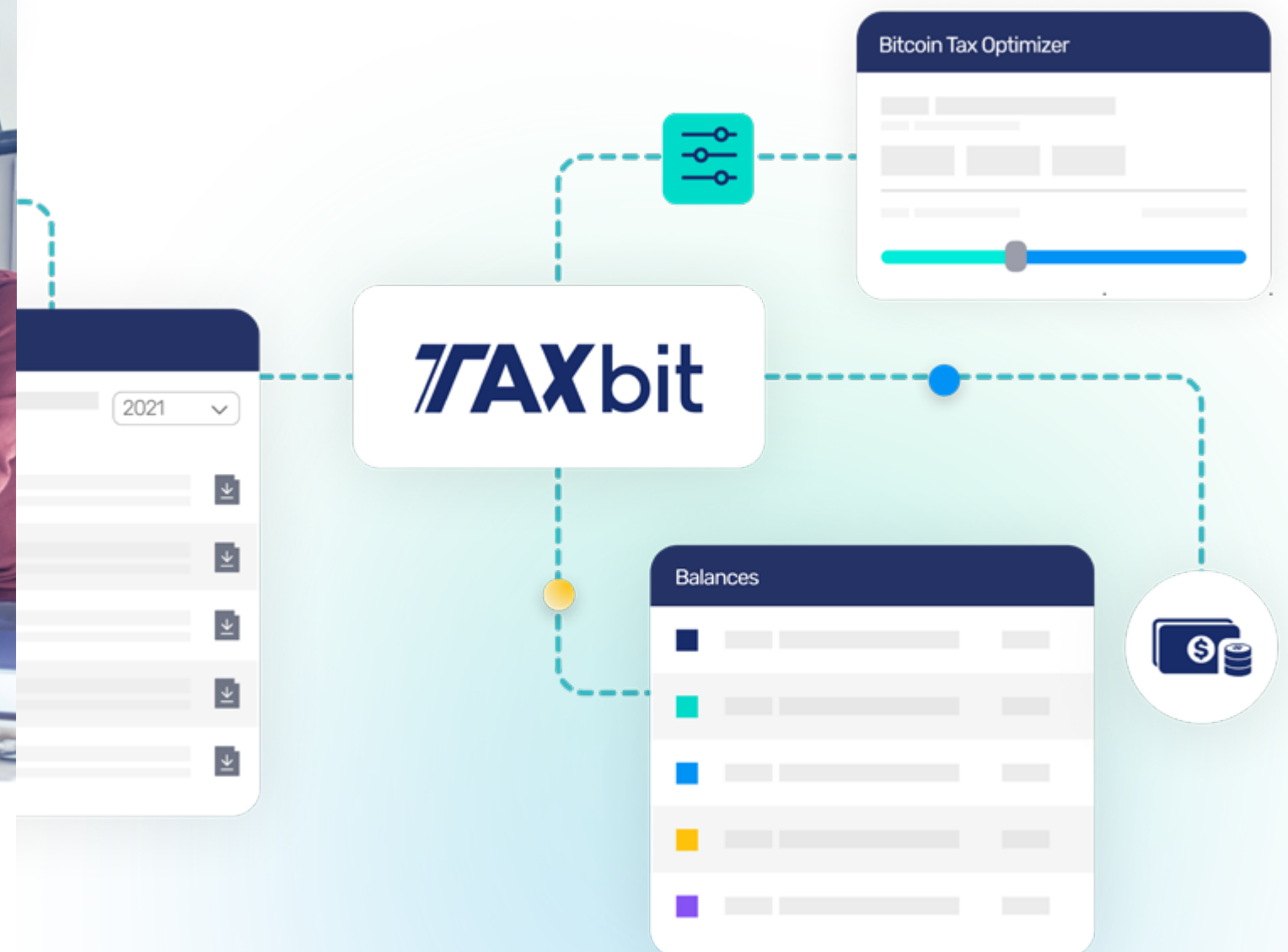
While W9 validation is an industry best practice, it is also the mission-critical first step in the broader tax information reporting lifecycle. Together, Uphold and TaxBit are proving that enterprise-grade tax compliance can be both effective and deliver a great customer experience.



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



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