

must determine the reportable amount (other than amounts representing accrued interest or original issue discount) as of the date you receive, credit, or make the payment, whichever applies, at the spot rate or by following a reasonable spot rate convention, such as a month-end spot rate or a monthly average spot rate. When reporting the purchase or sale of a security traded on an established securities market, you must determine the U.S. dollar amounts to be reported (other than amounts representing accrued interest or original issue discount) as of the settlement date, at the spot rate or by following a reasonable spot rate convention. See Regulations section 1.6045-1(d)(8).

Generally, payments of foreign currency amounts representing accrued interest or original issue discount must be translated using the average rate for the interest accrual period, although certain customers may elect to translate such amounts using the spot rate on the last day of the interest accrual period. See Regulations sections 1.988-2(b)(2) and 1.6045-1(n)(4)(v).

Substitute payments. Do not report substitute payments in lieu of dividends and tax-exempt interest on Form 1099-B. Instead, report these payments in box 8 of Form 1099-MISC, Miscellaneous Income. See section 6045(d) and the Instructions for Forms 1099-MISC and 1099-NEC.

Stock options granted in connection with the performance of services. If an employee, former employee, or other service provider, in connection with the performance of services, obtains substantially vested shares of stock from the exercise of a stock option, and sells that stock through a broker on the same day, then the broker may not be required to report the sale on Form 1099-B. For details, see Rev. Proc. 2002-50, which is on page 173 of Internal Revenue Bulletin 2002-29 at [IRS.gov/pub/irs-irbs/irb02-29.pdf](https://www.irs.gov/pub/irs-irbs/irb02-29.pdf).

Partnership sale. Form 8308, Report of a Sale or Exchange of Certain Partnership Interests, does not have to be filed if, under section 6045, a return is required to be filed by a broker on Form 1099-B for the transfer of the partnership interest.

Exceptions. Brokers are not required to file, but may file, Form 1099-B for the following.

1. Sales for exempt recipients, including the following.
 - a. Charitable organizations.
 - b. IRAs.
 - c. Archer MSAs and health savings accounts (HSAs).
 - d. The United States or any state or a political subdivision of the United States or any state.
 - e. Corporations. However, see [Identifying a corporation](#), later, for instructions about how to know whether a customer is a corporation for this purpose. Also, you must file Form 1099-B for the sale of a covered security (defined later) by an S corporation if the S corporation acquired the covered security after 2011.
2. Sales initiated by dealers in securities and financial institutions.

3. Sales by custodians and trustees, provided the sale is reported on a properly filed Form 1041, U.S. Income Tax Return for Estates and Trusts.

4. Sales of shares in a regulated investment company that is a money market fund.

5. Obligor payments on the following.

a. Nontransferable obligations, such as savings bonds or CDs.

b. Obligations for which gross proceeds are reported on other Forms 1099, such as stripped coupons issued before July 1, 1982.

c. Callable demand obligations issued before January 1, 2014, that have no premium or discount.

6. Sales of foreign currency unless under a forward or regulated futures contract that requires delivery of foreign currency.

7. Sales of fractional shares of stock if gross proceeds are less than \$20.

8. Retirements of book-entry or registered form obligations issued before January 1, 2014, if no interim transfers have occurred.

9. Sales for exempt foreign persons as defined in Regulations section 1.6045-1(g)(1).

10. Sales of Commodity Credit Corporation certificates.

11. Spot or forward sales of agricultural commodities. See [Spot or forward sales of agricultural commodities](#), later.

12. Some sales of precious metals. See [Sales of precious metals](#), later.

13. Grants or purchases of options, purchases due to exercises of call options, or entering into contracts that require delivery of personal property or an interest therein.

14. Sales (including retirements) of short-term obligations issued on or after January 1, 2014. However, a broker may be required to file a Form 1099-INT for interest or original issue discount on a short-term obligation.

Identifying a corporation. For sales of covered securities (defined later) that were acquired after 2011, you cannot rely on Regulations section 1.6049-4(c)(1)(ii)(A) to tell whether a customer is a corporation. However, for sales of all securities, you can treat a customer as an exempt recipient if one of the following statements is true.

1. The name of the customer contains the term “insurance company,” “indemnity company,” “reinsurance company,” or “assurance company.”

2. The name of the customer indicates it is an entity listed as a per se corporation under Regulations section 301.7701-2(b)(8)(i).

3. You receive a properly completed exemption certificate on Form W-9 that shows the customer is not an S corporation.

4. You receive a Form W-8 that includes a certification that the person whose name is on the form is a foreign corporation.

Spot or forward sales of agricultural commodities. Agricultural commodities include grain, feed, livestock, meat, oil seed, timber, and fiber. A spot sale is a sale that