

results in almost immediate delivery of a commodity. A forward sale is a sale under a forward contract. However, sales and exchanges of timber for lump-sum payments must be reported on Form 1099-S, Proceeds From Real Estate Transactions.

Report sales of agricultural commodities under a regulated futures contract, sales of derivative interests in agricultural commodities, and sales of receipts for agricultural commodities issued by a designated warehouse on Form 1099-B. A designated warehouse is a warehouse, depository, or other similar entity designated by a commodity exchange in which or out of which a particular type of agricultural commodity is deliverable to satisfy a regulated futures contract. Sales of warehouse receipts issued by any other warehouse are not reportable.

Sales of precious metals. A sale of a precious metal (gold, silver, platinum, or palladium) in any form for which the Commodity Futures Trading Commission (CFTC) has not approved trading by regulated futures contract (RFC) is not reportable. Further, even if the sale is of a precious metal in a form for which the CFTC has approved trading by RFC, the sale is not reportable if the quantity, by weight or by number of items, is less than the minimum required quantity to satisfy a CFTC-approved RFC.

For example, a broker selling a single gold coin does not need to file Form 1099-B even if the coin is of such form and quality that it could be delivered to satisfy a CFTC-approved RFC if all CFTC-approved contracts for gold coins currently call for delivery of at least 25 coins.

Sales of precious metals for a single customer during a 24-hour period must be aggregated and treated as a single sale to determine if this exception applies. This exception does not apply if the broker knows or has reason to know that a customer, either alone or with a related person, is engaging in sales to avoid information reporting.

Exemption certificate. A broker may require an exempt recipient to file a properly completed Form W-9, Request for Taxpayer Identification Number and Certification, or similar form. A broker may treat an exempt recipient that fails to do so as a recipient that is not exempt. See part J in the 2021 General Instructions for Certain Information Returns for more information.

Transfer Statement

Any person that transfers custody of a specified security (defined later) to a broker after 2010 (after 2011 if the stock is in a regulated investment company, and after 2014 for certain debt instruments, options, and securities futures contracts) must give the broker a written transfer statement within 15 days after the date of settlement for the transfer.

The transferor must furnish a separate statement for each security and, if transferring custody of the same security acquired on different dates or at different prices, for each acquisition. However, a separate statement is not required for:

- Noncovered securities, and

- Securities acquired more than 5 years before the transfer for which basis is determined using an average basis method.

These rules apply to:

- Any broker,
- Anyone that acts as a custodian of securities in the ordinary course of a trade or business,
- Any issuer of securities,
- Any trustee or custodian of an individual retirement plan, or
- Any agent of the above.

These rules do not apply to:

- The beneficial owner of a security or any agent substituted for an undisclosed beneficial owner,
- Any governmental unit or any agency or instrumentality of a governmental unit holding escheated securities, or
- Any organization that holds and transfers obligations among members as a service to its members.

Information required. Each transfer statement must include:

- Date the statement is furnished;
- Name, address, and telephone number of the person furnishing the statement;
- Name, address, and telephone number of the broker receiving custody of the security;
- Name of the customer(s) for the account from which the security is transferred;
- Account number for the transferring account and, if different, the receiving account;
- CUSIP or other security identifier number of the transferred security;
- Number of shares or units;
- Type of security (such as stock, debt instrument, or option);
- Date the transfer was initiated and settlement date of the transfer (if known); and
- The security's total adjusted basis, original acquisition date, and, if applicable, the holding period adjustment under section 1091.

For a debt instrument, the following additional information is required.

- A description of the payment terms used by the broker to compute any basis adjustments under Regulations section 1.6045-1(n).
- The issue price.
- The issue date, if different from the original acquisition date.
- The adjusted issue price as of the transfer date.
- The initial basis.
- Any market discount that has accrued as of the transfer date.
- Any bond premium that has been amortized as of the transfer date.
- Any acquisition premium that has been amortized as of the transfer date.
- Whether the transferring broker has computed any of the information by taking into account one or more elections under Regulations section 1.6045-1(n).
- The last date on or before the transfer date that the broker made an adjustment for a particular item relating to a debt instrument transferred on or after January 1, 2016.