NORTH AMERICAN DERIVATIVES EXCHANGE

Understanding Your 1099-B

The following may help you understand the information we have provided to you on your Form 1099-B for 2022. Nadex does not provide tax or legal advice. This is provided to you for informational purposes only.

Per the CFTC, Nadex's instruments are considered "commodity options" categorized as "swaps" for regulatory purposes. This may or may not be consistent with IRS categorization for tax purposes.

Further, the information contained herein may not be applicable to, or suitable for, the individuals' specific circumstances or needs and may require consideration of other matters. Accordingly, we strongly suggest that you consult with your personal tax advisor before making any filings with the IRS.

Box 1A – Description of Property – "Regulated Futures/Options" – contracts traded on North American Derivatives Exchange.

Box 8 – Profit or (loss) realized in 2022 on closed contracts.

Box 9 – Unrealized profit or (loss) on open contracts – 12/31/2021. This will be $0.00 unless you had open contracts on the last business day of the year.

Box 10 – Unrealized profit or (loss) on open contracts – 12/31/2022. This will be $0.00 unless you had open contracts on the last business day of the year.

Box 11 – Aggregate profit or (loss) on contracts – The sum of boxes 8, 9, and 10.

When will I receive my 1099-B?

Form 1099-B will be mailed by February 15, 2023.

How do I know whether I had a profit or loss for the year?

A loss is enclosed by parentheses. If the figure in Box 11 is in parentheses, you will report a loss for the year.

What is an unrealized profit or loss?

Profits or losses are realized when a position is closed. Profits and losses are unrealized when a position is open at the end of the year. The unrealized profit or loss is the difference between the value of the position on the last trading day of the year and the basis in that position.

How is the amount paid/received for an option reflected in my 1099-B?

The amount paid or received from the purchase, sale, or settlement of an option or position that has been closed is included in Box 8.

How do I know if I have an unrealized profit or loss?

The value of any unrealized profit or loss on an open position is shown in Box 10.

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What if I receive a "1099-B substitute statement"?

The IRS allows us to issue Form 1099-B or a substitute form that contains identical information.

If I receive my statement online, will I also receive my 1099-B online?

1099-B Forms are mailed to members and not available online.

How do I request a duplicate 1099-B Form?

You may request a duplicate through customer service at 1 (877) 77-NADEX. You may also email your request to **customerservice@nadex.com**.

I didn't receive a 1099-B this year. Why not?

There could be several reasons. If there was no activity in your account for the year, we would not issue a 1099-B. If you have moved or the mailing address Nadex has on file for you is incorrect, you may not have received the 1099-B we mailed to you. In order to have a copy of your 1099-B sent to your new address, you must do three things:

i) Update your **residential** address and/or mailing address in the "My Account" section of the Nadex platform.
ii) Send an email to **customerservice@nadex.com** notifying them that your residential and/or mailing address has changed and that a 1099-B should be mailed to the updated address.
iii) Provide Nadex with a copy of your valid government issued identification card.

If you have any questions regarding changing your address, please contact Nadex customer service.

Additional questions?

You may also email your questions and/or requests to **customerservice@nadex.com**.