
Previous Meeting Notes: April 1, 2014 – Reviewed & Approved

Next Meeting Planned: April 15, 2014 Noon- 1:00 pm ET

4/1/2014 Meeting Notes, modified 4/3/2014

1. The CBRS Steering Group agreed to the proposed changes for both the Cost Basis Tax Lot and Asset Input records.
 - The comments in various fields were adjusted to accommodate the Transaction Type field value changes of :
 - a. Modify the definition from 06= Other Depository Deliveries (e.g. FED) (Non-ACATS) to 06 = FED
 - b. Add 09 = Non-Domestic Depository (Foreign)
 - c. Add 10 = Other
 - The Receiver Customer Account Number field on the Asset Input was missing the 08 = Options in the comments. It will be added to the final version.
 - The comment on Tax Lot Record Input layout for the Amortization Premium Election (730) will be modified as follows:
 - **Yes** means the client has been amortizing the premium;
 - **No** means the client elected not to amortize the premium.

2. The following is guidance for calculating the cost basis related to a Wash Sale when populating the Tax Lot Record input to CBRS.

As a Best Practice:

- Fixed income securities should not be adjusted for the disallowed loss, resulting from a wash sale on both the original and current cost basis.
 - For all other security types, the original and current cost basis should be adjusted for the disallowed amount.
-
- Original Acquisition Date for the Wash Sale (542) should be supplied.
 - Original Cost (612) = what the customer paid for the security on the purchase date.

- Wash Sale Adjustment Amount (550) = (a.k.a. Disallowance amount) ~~accretion or amortization that accounts for the difference between the original cost and the adjusted cost.~~ Amount of the disallow loss from a wash sale, which has been added to the cost basis.
3. Precious metals transferred are non-covered assets and as a best practice should not be submitted to the Cost Basis Reporting System.
 4. The following Best Practices should be followed for populating the Tax Lot Record input to CBRS.
 - Bond Premium (752) varies depending on how the Amortization Premium Election was populated.
 - If yes, then amount of the bond premium reported should be as of the last interest payment (coupon) date.
 - If no, then the bond premium field should be zero.
 - Acquisition Premium (769) must be adjusted daily and the amount reported on CBRS should be as of the settlement date of the transfer.

An example of the original cost, bond premium, and acquisition premium is shown below.

Elections remain the Same	
Original Cost	105
Purchase Date	1/1/2014
Transfer Date	3/1/2017
January 1, 2017 Cost	102

Bond Premium field (752) should show \$3
 Amort. Premium Election (730): Yes - Client has been amortizing at the delivering firm.
 Tax Lot Original Cost (612): 105
 Tax Lost Current Cost (649): 102 as of last coupon payment (1/1/2017)