

**Cost Basis Steering Committee Meeting  
Minutes**

Date: February 15, 2011  
Time: Noon – 2 p.m.

I. DTCC Update

- As of 2/7/2011, 81 firms submitted records to CBRS in Production. 10 of these firms are banks, 61 are broker-dealers, and 10 are transfer agents
- As of 2/7/2011, 194 firms have signed up to use the service: 29 banks, 98 broker-dealers, and 67 transfer agents. 78 of these firms have tested. Note: Many of these firms use service bureaus, and service bureaus do not necessarily test for all of their clients. Also, many of these firms have signed up to use CBRS via WebDirect, and anecdotally, these customers do not plan on testing

II. Issues to discuss

- **Should we remove the edits that CBRS does to compare a CBRS record to an ACATS transfer?** The SIFMA CAT division members met and decided that they did not need these edits. DTCC will consult with its development team and check what fields are impacted if we remove the edits, and then report back to the committee. There may be one or two fields where the edits are appropriate, and should be kept in place
- **Should the quantity field be expanded to allow 5 digits past the decimal (as opposed to 4) before truncation occurs?** The committee decided to keep the quantity field as is: truncate after four decimal places
- **.0001 tolerance: keep or eliminate?** The committee decided to eliminate this tolerance
- **2011 enhancements to the system.**
  - DTCC has begun the process of creating the capability to upload an Excel spreadsheet to CBRS via WebDirect. This project includes making a template available to show users the correct format
  - DTCC is working with the mutual fund industry to define the necessary changes to CBRS to support the passage of cost basis on mutual fund assets. Tentatively, DTCC would like the requirements by the end of March. We are working on developing a specific timeline, with the goal of implementing the changes earlier than last year's project (code went to the Production environment in December)

- **Open issues/post-implementation enhancements**
  - **Firm rejecting a request record.** Previously the committee had discussed a Best Practice where firms could firm reject a Request record they felt had been received in error. It turns out CBRS does not allow this in all circumstances. As a result, the committee revisited this issue today, and decided that firms should not firm reject a request record. If a firm receives a request record it feels it has received in error, it should just ignore the request
  - In transaction types 36 and 37, CBRS populates the receiving firm number on the MRO. When this happens, CBRS does *not* indicate that it has modified the field—and it should. DTCC will correct this error
  - The Receiving and Submitting Customer Account fields in the record layouts are confusing. A separate subcommittee will work on clarifying the comments in the record layouts.
- **Blank value in the CUSIP field in a request record.** In the record layouts there is a best practice that says if a submitter sends a request record for an ACATS transfer with a blank value in the CUSIP field, this means the request is for cost basis on all the assets in that transfer. The committee revisited whether this Best Practice is appropriate. A blank value may be appropriate for a request for cost basis on a user CUSIP. Derek will lead a sub-committee to talk more about User CUSIPs, ACATS, and CBRS—this is an issue carried over from the previous meeting—it is still open
- **Deleting the *Total Average Cost* field from the asset input record.** The mutual fund industry representatives will talk about the possibility of deleting this field and report back to this committee at the next meeting—this is an issue carried over from the previous meeting—it is still open
- **UFS symbol.** The Investment Company Institute (ICI) Bank, Trust, and Recordkeeper Advisory Committee (BTRAC) assigns an Underlying Firm Symbol (UFS) to firms that are not NSCC members. It may be possible to use the numbers to help identify counterparties in CBRS. DTCC will research this issue. Below is an Important Notice that discusses this identifier:

[http://www.dtcc.com/downloads/legal/imp\\_notices/2008/nsc/a6580.pdf](http://www.dtcc.com/downloads/legal/imp_notices/2008/nsc/a6580.pdf)

### III. Next steps

- The next meeting will be on Monday, March 14, 2011, Noon to 2 PM eastern