Cost Basis Steering Committee Meeting Minutes

Date: January 4, 2011
Time: Noon – 2 p.m.

I.   <u>DTCC Update</u>
- As of the meeting date, 49 firms submitted records to CBRS in Production. 4 of these firms are banks, 44 are broker-dealers, and 1 is a transfer agent
- As of the meeting date, 178 firms have signed up to use the service: 26 banks, 93 broker-dealers, and 59 transfer agents. 64 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.   <u>Issues discovered after implementation</u>
- **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
- **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
- **Discrepancies in tax lot totals vs. asset lot.** For the quantity field and cost fields, there are discrepancies between the sum of the tax lots and the totals at the asset level—CBRS is not rejecting records with small discrepanacies. Potential solutions:
    - Eliminate the tolerance and program CBRS to reject any discrepancy
    - Extend the field to accommodate five decimal places. This solution may have a large impact to the systems—DTCC will research what this impact may be

III.   <u>Next steps</u>
- The next committee meeting will be on February 15, 2010, Noon to 1 PM eastern