

**Cost Basis Steering Committee Meeting
Minutes**

Date: December 14, 2010
Time: Noon – 1 p.m.

I. DTCC Update

- The new CBRS code successfully moved on Friday, December 10, 2010. The transaction output file was released to customers at approximately 10:30 PM—later than expected. DTCC addressed the problem, and on Monday, December 13, the same file was released at approximately 6 PM. DTCC will continue to monitor the system activity to watch for problems
- As of the meeting date, 40 firms submitted records to CBRS in Production. 2 of these firms are banks, and 38 are broker-dealers. One of these firms is new to CBRS.
- As of the meeting date, 167 firms have signed up to use the service: 22 banks, 92 broker-dealers, and 53 transfer agents. 55 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 discovered after implementation

- **Discrepancy between the asset record quantity and the sum of the quantities of the tax lot.** CBRS is passing a record where the asset quantity differs from the sum of the tax lots by 0.0001 shares or less. DTCC will confirm what the CBRS code is doing today, and then the committee will discuss if this discrepancy is acceptable, or if the code should have some other tolerance, or no tolerance at all
- **Average cost for mutual funds.** Firms report average cost in many different ways. To alleviate the confusion, the committee proposed that we eliminate the *Total Average Cost* field on the asset record, and create a system rule that allows users to populate the *Original cost* field only for bonds. The committee will continue to discuss this idea as we plan for the 2011 enhancements to the system
- **Control number field.** The committee agreed to the best practice that firms should left justify the value in the control number field
- **Transfer Agents that have multiple TA numbers.** The committee discussed whether a TA, when submitting records, needs to use the TA number that corresponds to the asset's CUSIP, or can use any of its eligible TA numbers as its submitting firm number. The group reached a consensus that it does not matter which number the TA uses. The STA will discuss this issue on its next call to confirm

III. Next steps

- The next committee meeting will be on January 4, 2010, Noon to 1 PM eastern