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Previous Meeting Notes: September 23, 2014 – Reviewed & Approved

Next Meeting Planned: October 14, 2014 Noon- 1:00 pm ET

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### 10/7/2014 Meeting Notes

The Cost Basis Steering Group discussed to the following:

- A. Best Practices for the use of fixed income fields on the Tax Lot Input record layouts posted 10/2/2014 were reviewed & approved.
- a. Wash Sale Adjustment Amount**  
Fixed income securities should not be adjusted for the disallowed loss, resulting from a wash sale on the current cost basis.
  - b. Tax Lot Original Cost**  
The Original Cost should be what the customer paid for the security on the purchase date.
  - c. Tax Lot Current Cost**  
The current cost should be adjusted for wash sales, when the asset is not a fixed income security. For fixed income securities, the current cost should be modified as of the settlement date of the transfer for: corporate actions, return of principal, OID, accretion/amortization, etc.
- B. The best practices for Market Discount, Bond Premium, Acquisition Premium, Accrued Original Issue Discount (OID), Disallowed Carryover Offset, Wash Sale Adjustment Amount, and FMV as of gift were included in the newest version of the CBRS User Guide posted 10/2/2014 as agreed upon in the previous meeting. One exception was the Acquisition Premium, where the text highlighted in yellow below was added.

<b>Acquisition Premium</b>
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Situation	Acquisition Premium	Current Cost <i>Note: Should not include wash sale adjustments or disallowed carryover amount</i>
<b>No Applicable Election</b>	<p>Amount of acquisition premium accreted from the settlement date of acquisition through the settlement date of transfer</p> <p>For OID bonds purchased at par or at a bond premium, this amount should be 0.00 or equal to the amount of accrued OID</p>	<p>Cost adjusted for the amount of acquisition premium accreted from the settlement date of acquisition through the settlement date of transfer</p> <p>For OID bonds purchased at par or at a bond premium, this amount should be 0.00 or equal to the amount of accrued <b>OID</b></p>
<b>Default of debt purchased at an acquisition premium</b>	<p>Amount of acquisition premium accreted from the settlement date of acquisition through the settlement date of transfer</p>	<p>Cost adjusted for the amount of acquisition premium accreted from the settlement date of acquisition through the settlement date of transfer</p>