

**Cost Basis Steering Committee Meeting  
Minutes**

August 16, 2011, Noon – 2 p.m.

I. Approval of August 3, 2011 Meeting Minutes

- The Committee approved the minutes as written

II. Issues discussed

- *Transfer Agent LPA number vs. TA number:* The committee discussed various solutions to the issue where some transfer agents have LPA numbers which have the DTCPRF firm type, but transactions where transfer agents are the submitters are restricted to firm type AGTNBR. DTCC will research whether LPA numbers can be labeled as AGTNBR on the CBRS master file. As a part of this discussion, the issue came up where a transfer agent has made some, but not all of their TA numbers eligible for CBRS. On the withdrawal transaction types (36 = DWAC and 37 = WT) CBRS populates the firm number, and rejects records sent to ineligible transfer agent numbers. On a future STA call, TAs will be encouraged to make all their numbers eligible for CBRS to prevent rejects.
- *Gifted shares transferred to an average cost account. The carryover basis for the transferred via CBRS gets overridden by the average cost for the position.* The committee discussed that clarification is needed from the IRS to understand how to treat gifted shares in an average account. Various industry groups will discuss when and how to approach the IRS.
- *Best Practices for 'Exempt Recipient Accounts' indicator: should a CBRS user, who has asked not to receive basis for retirement accounts, firm reject a record for a retirement account?* A fund, who has chosen to have exempt recipient accounts (defined as retirement accounts in this context) excluded from the basis it receives, may decide to firm reject a record for a retirement account to discourage the submitter from sending the record. The CBR Task Force is planning to discuss the question on an upcoming call and report back to the committee.
- *Account number for manual mutual fund transfers:* The committee agreed on a Best Practice where the submitter should always populate the Deliverer Account Number.
- *Manual Transfer Control Numbers for CBRS-only users:* The issue stemmed from a discussion of mutual funds, but the committee discussed a format that could be used for all asset transfers. One suggestion is Julian date (3 bytes) + sequence number (3 bytes) + CUSIP (9 bytes) + deliverer account number (15 bytes) [or receiver account number if deliverer account number is not available]. The committee will continue to discuss possible formats
- *No Asset Category on the Tax Lot Input record layout.* The committee discussed the fact that the Asset Category field is not included on the Tax Lot Input record layout. After the meeting DTCC developers provided the response that whenever a rule on the Tax Lot Input record layout depends upon the Asset Category field, CBRS refers to the Asset Category on the associated Asset Input record.

III. Next Meeting: Tuesday, August 23, 2011 from Noon – 2 PM eastern