DTCC

Important Notice
DTCC Solutions LLC

#:	CBRS006.12
Date:	April 19, 2012
To:	All Cost Basis Reporting Service (CBRS) users
From:	Lydia Midwood
Subject:	Revised Cost Basis User Master File layout

This Notice describes the change DTCC is making to the Cost Basis User Master File Record Layout. Please see Important Notices CBRS 002.12 and CBRS004.12 for more information about this year's system enhancements.

The updated Cost Basis User Master File is scheduled to be available in the testing environment (the Participant Services Environment, or PSE) on June 22, 2012. The updated File is scheduled to be available in production starting on July 27, 2012.

The Autoroute product identification numbers for the Cost Basis User Master File Machine Readable Output (MRO) are 02981666 in PSE and 02561666 in Production. The Autoroute product identification numbers for the Cost Basis User Master File WebDirect Download are 02981667 in PSE and 02561667 in Production.

The new Master File record layout can be found on DTCC's website at:

http://www.dtcc.com/products/documentation/cs/cbrs.php

Explanation of the new functionality

This new functionality helps to reduce the manual processing that occurs when a user becomes ineligible for CBRS when its CBRS account closes as the result of events such as a merger or bankruptcy.

The changes to the Master File offer new functionality that will help in the instance when a user becomes ineligible for CBRS and another user assumes the ineligible user's accounts. The new functionality extends a record on the Master File to allow an active CBRS user to indicate that it should receive CBRS records on behalf of an inactive user. This functionality will work in the case where one user assumes responsibility for *all* of another user's accounts: it will not work in the case where one user's business goes to two or more other users.

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<u>Field definitions</u>

The revised file changes the name of two existing fields, and adds three new fields. The current version of the Master File uses the fields "Firm Account Number" and "Firm Type." In the new version of the file, these fields will be known as the "Active Firm Number" and "Active Firm Type." The new version of the file will also contain the "Search Firm Number," "Search Firm Type," and "Active/Inactive" indicator.

The field definitions are as follows:
- The "Active Firm Number" is the number of the CBRS user who is the active user of the system (the user's DTC, NSCC, or Transfer Agent (TA) number; or CBRS account number if the user does not have a DTC, NSCC, or TA number)
- The "Active Firm Type" is the type that corresponds to the "Active Firm Number" (DTCPRT for DTC participants, NSCPRT for NSCC participants, AGTNBR for transfer agents, and CBRACT for CBRS-only users (a CBRS user who does not have a DTC, NSCC, or TA number)).
- The "Search Firm Number" is the number of the CBRS user associated with the "Active Firm Number." In most cases, this number will be the same as the "Active Firm Number." In the instances when an active CBRS user has assumed cost basis responsibility for another CBRS user who has become inactive, this number will be the number of the inactive Firm (the inactive user's DTC, NSCC, or Transfer Agent (TA) number; or CBRS account number if the user does not have a DTC, NSCC, or TA number).
- The "Search Firm Type" is the type that corresponds to the "Search Firm Number" (DTCPRT for DTC participants, NSCPRT for NSCC participants, AGTNBR for transfer agents, and CBRACT for CBRS-only users (a CBRS user who does not have a DTC, NSCC, or TA number)). In the instances when an active CBRS user has assumed cost basis responsibility for another CBRS user who has become inactive, this type will be the type of the inactive Firm (the inactive user's type DTCPRT, NSCPRT, or AGTNBR; or CBRACT if the user does not have a DTC, NSCC, or TA number).
- The "Active/Inactive" field indicates whether the record corresponds to an active or inactive CBRS user. If the user is active, a CBRS user can populate the Contra Firm Number and Contra Firm Type fields with either the Active Firm Number and Active Firm Type or the Search Firm Number and Search Firm type. If the user is inactive, a CBRS user *must* populate the Contra Firm Number and Contra Firm Type fields with the Active Firm Number and Active Firm Type. CBRS records sent to the Search Firm Number and Search Firm Type will be system rejected.

A CBRS user can use the Search Firm Number/Type combination as the first place to look for the number of a CBRS contra party. Once a user locates the contra party's number, that user looks to the Active/Inactive indicator. If the contra party is active, a user can send the CBRS record either to the Search Firm Number and Type combination, or to the Active Firm Number/Type combination. *If the contra party is inactive, the user must send the CBRS record to the Active Firm Number/Type.*

For an active CBRS user, the value in the "CBRS Account Start Date" field corresponds to the date the account becomes eligible for processing in the production environment.

For an inactive CBRS user, the value in the "CBRS Account Start Date" field corresponds to the first date that the inactive record is valid.

Examples

For example, Firm A goes out of business, and Firm B assumes all of Firm A's accounts. Because Firm A has gone out of business, it is removed from the CBRS User Master File. Once this new functionality is in place, Firm A can become an "Inactive" record, and Firm B is the associated "Active" record. For each inactive record, a contra party should send CBRS records to the active user.

The following examples illustrate the different scenarios that can occur in the new version of the Master File. In these examples, as for all CBRS users, type AGTNBR = Transfer Agent (TA), type DTCPRT = DTC participant, type NSCPRT = NSCC participant, and type CBRACT indicates a CBRS user who does not have a DTC, NSCCPRT, or TA number (i.e. a "CBRS-only user").

CBRS User Account Number	CBRS Account Name	Active Firm Number	Active Firm Type	CBRS Account Start Date	Exempt Recipient Accounts	Search Firm Number	Search Firm Type	Active/ Inactive
000ZZZZ1	Example 1	AAA	DTCPRT	1/1/2011	N	AAA	DTCPRT	A
000ZZZZ2	Example 2	BBBB	NSCPRT	1/2/2011	Y	BBBB	NSCPRT	A
000ZZZZ3	Example 3	CCCCC	AGTNBR	1/3/2011	N	CCCCC	AGTNBR	A
000ZZZZ4	Example 4	DDDD	DTCPRT	1/4/2011	N	DDDD	DTCPRT	A
000ZZZZ4	Example 4	DDDD	DTCPRT	8/1/2012	N	EEE	DTCPRT	I
000ZZZZ5	Example 5	FFFF	NSCPRT	1/5/2011	Y	FFFF	NSCPRT	A
000ZZZZ5	Example 5	FFFF	NSCPRT	8/5/2012	Y	YYYY1	CBRACT	I
000ZZZZ6	Example 6	ZZZZ6	CBRACT	1/6/2011	N	ZZZZ6	CBRACT	A
000ZZZZ6	Example 6	ZZZZ6	CBRACT	8/6/2012	N	XXXX2	CBRACT	I
000ZZZZ7	Example 7	ZZZZ7	CBRACT	1/7/2011	N	ZZZZ7	CBRACT	A
000ZZZZ7	Example 7	ZZZZ7	CBRACT	8/7/2012	N	GGG	NSCPRT	I
000ZZZZ8	Example 8	HHHHH	AGTNBR	1/8/2011	N	HHHHH	AGTNBR	A
000ZZZZ8	Example 8	HHHHH	AGTNBR	8/8/2012	N	JJJ	AGTNBR	I
000ZZZZ9	Example 9	LLL	NSCPRT	1/9/2011	N	LLL	NSCPRT	A
000ZZZZ9	Example 9	LLL	NSCPRT	8/9/2012	N	MMM	NSCPRT	I
000ZZZZ9	Example 9	LLL	NSCPRT	8/10/2012	N	NNN	NSCPRT	I

Examples 1 - 3 are CBRS users who do not have a relationship with an inactive Firm Number. They are Active records only with no corresponding inactive records. The expectation is that most CBRS users will only have Active records.

Example 4 is a CBRS user who is a DTC participant, DDDD, who has assumed the cost basis responsibility for a retired CBRS user who is a DTC participant, number EEE. DDDD is the active user, and 'EEE' is the inactive user. All CBRS records intended for EEE should be sent to DDDD.

Example 5 is a CBRS user who is an NSCC participant, FFFF, who has assumed the cost basis responsibility for a retired user who is a CBRS-only user, YYYY1. FFFF is the active user, and YYYY1 is the inactive user. All CBRS records intended for YYYY1 should be sent to FFFF.

Example 6 is a CBRS-only user, ZZZZ6, who has assumed the cost basis responsibility for a retired user who is a CBRS-only user, XXXX2. ZZZZ6 is the active user, and XXXX2 is the inactive user. All CBRS records intended for XXXX2 should be sent to ZZZZ6.

Example 7 is a CBRS-only user, ZZZZ7, who has assumed the cost basis responsibility for a retired user who is a NSCC participant, GGG. ZZZZ7 is the active user, and GGG is the inactive user. All CBRS records intended for GGG should be sent to ZZZZ7.

Example 8 is a CBRS user who is a Transfer Agent, HHHHH, who has assumed the cost basis responsibility for a retired user who is a Transfer Agent, JJJ. HHHHH is the active user, and JJJ is the inactive user. All CBRS records intended for JJJ should be sent to HHHHH.

Example 9 is a CBRS user who is an NSCC Participant, LLL, who has assumed the cost basis responsibility for two NSCC participants—MMM and NNN. LLL is the active user, and MMM and NNN are the inactive users. All CBRS records intended for MMM or NNN should be sent to LLL.

To set up an inactive record:

The user who is the active needs to instruct DTCC to set up a new inactive record. DTCC will provide a template for the letter the active user will be required to submit.

By default, an inactive record will expire 18 months after it is set up. In its instructions to DTCC, an active user can request the inactive record to remain on the Master File for a longer amount of time, if necessary.

Additional Information
Please see the CBRS User Guide to learn more about the service:
http://www.dtcc.com/products/documentation/cs/cbrs.php

A copy of this Important Notice can be obtained from DTCC's website:
http://www.dtcc.com/products/documentation/cs/cbrs_notices.php

If you have questions about CBRS, please call your Relationship Manager or the Customer Service Hotline at 888-382-2721, option 6, then option 7, then option 2.