

# **Cost Basis Reporting Service (CBRS)**

## ***DTCC Solutions LLC***

### **New Account Instructions**

DTCC's Cost Basis Reporting Service (CBRS) helps financial intermediaries comply with the IRS mandate requiring the reporting of cost basis information to investors and the federal government. These instructions guide you through the process of joining the service.

**Prospective users must complete the CBRS new account forms to become eligible for the service in both testing and production.**

### **Who Can Use this Service**

All financial intermediaries subject to the IRS regulations are eligible to apply to use CBRS, including companies who are not currently members of any service offered by one of DTCC's affiliate companies.

### **Benefits**

- Provides the industry with a common, secure hub and automated standard for passing cost basis information
- Assists financial organizations in complying with cost basis legislation
- Leverages existing system capabilities broker-dealers previously used to pass cost basis information on Automated Customer Account Transfer Service (ACATS) transactions

### **Resources**

To learn more about CBRS, please go to the CBRS webpage on [www.dtcc.com](http://www.dtcc.com). The page includes links to the CBRS record layouts, User Guide, Important Notices about the service, and the documents mentioned in these instructions:

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

If you are a broker-dealer, bank, or transfer agent, and have questions about the new account process, please contact your relationship manager or the Client Account Representative Team at (212) 855-4270.

If you are a mutual fund company, please contact your relationship manager or the Wealth Management Services (WMS) Marketing at (212) 855-8877.

## The New Account Process

Once you've made the decision to become a user of CBRS, you will need to complete the necessary documentation. The stages listed below can overlap and run concurrently.

Prospective users who have completed the Know Your Customer (KYC) process can expect to be set up to use CBRS in approximately ten business days. All other applicants are subject to additional compliance screening which extends the time it takes to establish a new account. In these cases, Account Administration will contact you as your company moves through the approval process.

Below is the list of the types of documents DTCC requires for the CBRS New Account Process:

- Legal Agreements. All CBRS users are required to sign the User Agreement before accessing the system in both the testing and production environments. Users are expected to comply with the CBRS Operating Agreement and other Applicable Publications, including the User Guide and Important Notices.
- Compliance Requirements. In order to comply with Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance procedures mandated by the USA Patriot Act, we need documentation that allows us to identify the user and to confirm that its senior officers are fit and proper persons.
- Connectivity. You can leverage existing connectivity to DTC or NSCC to connect to CBRS. If you would like to have access to CBRS via WebDirect, you will need to fill out an Access Coordinator Form. (You need to fill out this form even if you already have an Access Coordinator for other DTCC services.) DTCC's Service Activation Group will help you establish connectivity to CBRS.

The process for signing up to use CBRS follows these steps:

1. Submit the completed required documents based on the instructions on the following pages.
2. Receive your CBRS Account Number and the CBRS Product Request Form from DTCC's Account Administration.
3. Instruct DTCC about your company's use of a Service Bureau to access CBRS, if applicable. If you would like to use a Service Bureau, follow the instructions at the end of this document.
4. If you would like to access CBRS through WebDirect, submit the completed Access Coordinator Form. The Service Activation Group will confirm that they have received the form.
5. You will receive an email from DTCC when you are successfully set-up for your connection to CBRS, through either the computer to computer connection or WebDirect. If you are set up for both connections, you will receive two emails—one for each type of connection.

**To expedite the account set-up process, scan and email the complete, signed User Agreement and Service-Add Letter, and if applicable the CBRS User Questionnaire or KYC Questionnaire, to [DTCCSolutionsAA@dtcc.com](mailto:DTCCSolutionsAA@dtcc.com).**

Then send the original copy of the forms to:

ATTN: Account Administration  
DTCC Solutions LLC  
18301 Bermuda Green Drive  
Tampa, FL 33647

Once you have completed the Product Request Form, email it to one of the three choices below, depending on what kind of company you are:

- Brokers-Dealers and Banks, send the completed Product Request Form to [rmsupport@dtcc.com](mailto:rmsupport@dtcc.com).
- Mutual Fund Companies, send the completed Product Request Form to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com) and your Relationship Manager.
- Transfer Agents/Issuers, send the completed Product Request Form to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com).

**To expedite gaining access to WebDirect, scan the completed and signed Access Coordinator form and email it to Service Activation at [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com).**

Then send the original copy of the forms to:

ATTN: Implementation Services  
DTCC Solutions LLC  
55 Water Street, Floor 1SL  
New York, NY 10041

**? How do I pay for CBRS?** DTCC generates a CBRS invoice for each CBRS account on a monthly basis. A company that has a settlement account uses its settlement account to pay the balance on its CBRS invoice. A company that does not have a settlement account pays by wire: wire instructions are on the invoice.

## CBRS Forms

The forms necessary to join CBRS depend on your company's existing relationship(s) with DTCC. **The content of the forms is the same for each type of applicant and will be signed by such applicant in the form provided by DTCC. User documentation will not be negotiated.** Please follow the guidelines below, based on your company type:

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### If you are a DTC Participant

**You need:**

User Agreement  
Service-Add Letter  
Product Request Form

**You may need:**

Access Coordinator Form

If you are a DTC Participant, you need to sign the CBRS User Agreement, and review and follow the CBRS Operating Procedures. You also need to send a Service-Add letter, on your company's letterhead. On this letter, please indicate that you are a DTC Participant, and include your DTC Participant Number. When DTCC sets up your CBRS account and you establish connectivity, you will have access to the testing environment. The Service-Add letter asks for a date when you will start using the service in our production environment. Please choose an effective date that will give your company enough time to test its CBRS processing.

All users of CBRS need to fill out and return the Product Request Form to submit and receive files through the computer to computer connection or WebDirect, or both. You will receive the Product Request Form from DTCC's Account Administration department with an email that contains your new CBRS Account Number. You need to copy the Product Request Form onto your company's letterhead, complete the necessary information, and return it to [rmsupport@dtcc.com](mailto:rmsupport@dtcc.com).

If you would like to access CBRS via WebDirect, please fill out the Access Coordinator Form as well. You will need your CBRS Account Number in order to fill out the Access Coordinator Form. Please wait until DTCC's Account Administration gives you your CBRS Account Number before submitting the Access Coordinator form.

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### If you are a participant in both DTC and NSCC

If you are both a DTC and an NSCC Participant, follow the instructions for DTC Participant above.

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**If you are a DTC Limited Participant utilizing the Direct Registration Service****You need:**

User Agreement  
Service-Add Letter  
Product Request Form

**You may need:**

Access Coordinator Form

If you are a DTC Limited Participant, you need to sign the CBRS User Agreement, and review and follow the CBRS Operating Procedures. You also need to send a Service-Add letter, on your company's letterhead. On this letter, please indicate that you are a DTC Participant, and include your DTC Participant Number. When DTCC sets up your CBRS account and you establish connectivity, you will have access to the testing environment. The Service-Add letter asks for a date when you will start using the service in our production environment. Please choose an effective date that will give your company enough time to test its CBRS processing.

All users of CBRS need to fill out and return the Product Request Form to submit and receive files through the computer to computer connection or WebDirect, or both. You will receive the Product Request Form from DTCC's Account Administration department with an email that contains your new CBRS Account Number. You need to copy the Product Request Form onto your company's letterhead, complete the necessary information, and return it to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com).

If you would like to access CBRS via WebDirect, please fill out the Access Coordinator Form as well. You will need your CBRS Account Number in order to fill out the Access Coordinator Form. Please wait until DTCC's Account Administration gives you your CBRS Account Number before submitting the Access Coordinator form.

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**If you are an NSCC Member and not a DTC Participant****You need:**

User Agreement  
Service-Add Letter  
Product Request Form

**You may need:**

KYC Questionnaire  
Access Coordinator Form

If you are an NSCC Member, and not a DTC Participant, you need to sign the CBRS User Agreement and review and follow the CBRS Operating Procedures. You also need to submit a Service-Add letter, using the template provided on DTCC's website. Use your company's

letterhead for the Service-Add letter. On this letter, please indicate that you are an NSCC Member, and include your NSCC Member Number. When DTCC sets up your CBRS account and you establish connectivity, you will have access to the testing environment. The Service-Add letter asks for a date when you will start using the service in our production environment. Please choose an effective date that will give your company enough time to test its CBRS processing.

All users of CBRS need to fill out and return the Product Request Form to submit and receive files through the computer to computer connection or WebDirect, or both. After you submit your User Agreement and Service-Add letter, you will receive the Product Request Form from DTCC's Account Administration department with an email that contains your new CBRS Account Number. You need to copy the Product Request Form onto your company's letterhead, complete the necessary information, and return it to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com) and your Relationship Manager.

If you would like to access CBRS via WebDirect, please fill out the Access Coordinator Form. You will need your CBRS Account Number in order to fill out the Access Coordinator Form. Please wait until DTCC's Account Administration gives you your CBRS Account Number before submitting the Access Coordinator form.

If your company has not completed the KYC Process, you need to fill out the KYC Questionnaire. Please contact your Relationship Manager if you have questions about the KYC Process.

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**For All Other Applicants (including Transfer Agents that do not have a Limited Participant Account at DTC)**

**You need:**

User Agreement  
CBRS User Questionnaire  
Formation Document  
Service-Add Letter  
Product Request Form

**You may need:**

Access Coordinator Form

If your company does not fit into one of the categories above, you need to sign the CBRS User Agreement and review and follow the CBRS Operating Procedures. You need to fill out the CBRS User Questionnaire. You also need to provide a Formation Document applicable to your form of legal entity (e.g. articles of incorporation, articles of formation, charter, etc.).

All users of CBRS need to fill out and return the Product Request Form to submit and receive files through the computer to computer connection or WebDirect, or both. You will receive the Product Request Form from DTCC's Account Administration department with an email that

contains your new CBRS Account Number. You need to copy the Product Request Form onto your company's letterhead, complete the necessary information, and return it to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com).

If you would like to access CBRS via WebDirect, please fill out the Access Coordinator Form. You will need your CBRS Account Number in order to fill out the Access Coordinator Form. Please wait until DTCC's Account Administration gives you your CBRS Account Number before submitting the Access Coordinator form.

As you move through the approval process, Account Administration will work with you to establish the effective date for the Service-Add letter. Use your company's letterhead for the Service-Add letter. On this letter, enter your company name in the box that asks for your Member/Participant name and number, and leave the "Existing DTC Participant, NSCC Member" box unchecked.

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### **To access CBRS through a Service Bureau**

If your company will access CBRS through a Service Bureau, you need to fill out the new account forms based on the instructions above. After you have established your CBRS account, you will also need to provide a letter on your company's letterhead, including the information listed below. Please scan the completed and signed letter, and for DTC Participants, email to [rmsupport@dtcc.com](mailto:rmsupport@dtcc.com); for NSCC Members who are not DTC participants, email to your Relationship Manager; for Transfer Agents, email to [webimplementation@dtcc.com](mailto:webimplementation@dtcc.com). You can email this letter at the same time that you send in the Product Request Form.

Include this information on your letter:

- Name of the Service (CBRS)
- Name of the Service Bureau
- Technical contact at your company
- Technical contact at the Service Bureau
- Effective date
- Your CBRS account number
- Your DTC participant number, NSCC Member number, or Transfer Agent number, as applicable