



#:	CBRS003.2015-Amended
Date:	May 1, 2015, Amended May 8, 2015
To:	All Cost Basis Reporting Service (CBRS) users
From:	Product Management
Subject:	CBRS Phase 5 update

As previously announced in DTCC Solutions Important Notice, # CBRS002.2015, dated April 16, 2015; the Cost Basis Reporting Service (CBRS) will be making changes to align with the recently published Internal Revenue Service (IRS) revised regulations applicable to covered fixed income and options.

In addition to the three previously announced adjustments to the CBRS layouts, #4 has been added:

1. Remove the field supporting the fixed income election for treating **Interest as Original Issue Discount (OID)**.
2. Insert an edit to verify that the **Last Adjustment Amount Date** field is populated when the asset category is equal to a covered fixed income.
3. Add a field to the end of the layouts, called **Prior Year Mark to Market**, for the specific use of reporting 1256 options.
4. Remove the edit requiring ISO Currency to be U.S. Dollar (USD) when a Wash Sale Adjustment Amount is populated. (See layout changes below.)

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Non-Confidential

Wash Sale Adjustment Amount	17	550	566	A/N	COND	<p>(a.k.a. Disallowance amount) Used only for wash sales. Amount in USD of the disallowed loss from a wash sale, which has been added to the cost basis. Wash Sales Adjustment Amount will be rejected if Currency is not USD.</p> <p>This field should be greater than zero, if the Original Acquisition Date for Wash Sale Adjustment is populated. If this field is populated and Original Acquisition Date for Wash Sale Adjustment is blank, CBRS will reject the record.</p> <p>If a Wash Sale occurred on a fixed income product (CDCP, CORP, GOVT, MUNI, MBS, or ZERO), then both the Wash Sale Adjustment Amount and the Original Acquisition Date for Wash Sale Adjustment are required to be populated if the tax lot is covered.</p> <p>If Original Acquisition Date for Wash Sale Adjustment is populated and this field is populated for any other Asset Category, CBRS will pass the record.</p> <p>If Original Acquisition Date for Wash Sale Adjustment is not populated then the Wash Sale Amount should be blank. (Zero can be accepted in place of blank.) In this case, CBRS will populate this field with zeroes and pass the record.</p> <p>In the case of blank value, CBRS will populate this field with zeroes and pass the record.</p> <p>Position of decimal denoted by a ',' (comma). Up to two decimal places will be supported before truncation occurs.</p> <p><u>Best Practice:</u></p> <ul style="list-style-type: none"> • Fixed income securities should not be adjusted for the disallowed loss, resulting from a wash sale on the current cost basis. • For all other security types, the original and current cost basis should be adjusted for the disallowed amount.
-----------------------------	----	-----	-----	-----	------	---

ISO Currency Code	3	570	572	A/N	REQ	<p>Note: There will not be a system default. This field must be populated by the submitter.</p> <p>Valid values for this field are the standard ISO Currency Codes (e.g. USD, CAD, JPY).</p> <p>USD must be populated for Currency, if the Wash Sales Adjustment Amount is populated, otherwise the record will reject.</p> <p>If populated value is not USD, the ISO Currency Code is the currency corresponding to the value in the Exchange Rate field.</p>
-------------------	---	-----	-----	-----	-----	--

A point of clarification; when submitting the cost basis on the Tax Lot Input record for 1256 options; the **Tax Lot Current Cost** field should be populated with the acquisition basis of the option.

The most recent file record layouts have been posted to the DTCC.com websites.

File Name	Test #	Production#
Tax Lot Input Record	DATATRAK SYSID	46708
CBRS Transaction Output	AutoRoute Product ID	02980264

The updated record layouts and CBRS User guide have been posted to the website and DTCC Learning Center.

Additional Information

More details about the modification are described in the CBRS User Guide. Log on to the DTCC Learning Center by following the link below to learn more about the service.

<https://dtcclearning.com/learning/clearance/topics/cbrs.html>

Time Line

Client testing for the changes specified in this notice will be available for the planned production implementation scheduled in November 2015.

If you have questions about CBRS, please call your Relationship Manager or Customer Support at 888-382-2721, option 5, followed by option 1.

Janice DiTore
Director, Product Management