

Translating the Complex Language of Tax into Data to Meet Today's Corporate Actions Processing Needs

There is nothing simple about the language of tax. And, when it comes to processing the tax impact of corporate actions, understanding the language of tax has become much more critical as a result of the cost basis reporting law. Today, the need to translate tax language into tax accurate data—including IRS Form 8937 information—to adjust the basis of your foreign and domestic securities—is now essential to avoid significant penalties.

Operations departments now need technology that automates delivery of these critical tax details to upload directly into portfolio accounting systems to adjust basis—every day.



Wolters Kluwer
Financial Services

Get the tools you need to meet today's higher corporate actions reporting requirements

At Wolters Kluwer Financial Services, we speak tax. Our sophisticated corporate actions tax tools *translate* tax into the *essential data* you must have to meet today's corporate actions reporting requirements. You'll save time and reduce resource burdens and penalty risks. Our solutions include:

FCATS™ —Foreign & Domestic Corporate Actions Taxability Service

FCATS™ automates delivery of the tax consequences of foreign and domestic corporate actions to the securities you hold so that you can upload data directly into your portfolio accounting system to streamline processing.

CISR™ 8937—Issuer Reporting Service

CISR™ 8937 is the essential compliance tool that provides one centralized source for all publicly available issuer statements. In the event of an audit, it shows the broker had obtained IRS Forms 8937 and could provide relief from IRS penalties.

Capital Changes

Capital Changes provides rich and comprehensive tax content—including analysis and commentary for foreign and domestic corporate events.

BasisPro

BasisPro is an automated basis calculator that adjusts for corporate actions and wash sales and can be integrated into cost basis reporting systems to help you meet the new law's transfer reporting requirements.

We make it simple

Count on Wolters Kluwer Financial Services for the tax expertise and technology tools you need to streamline corporate actions processing to meet today's higher reporting requirements for compliance with the cost basis law.

Tax  Data

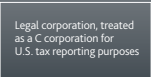

The El Paso merger

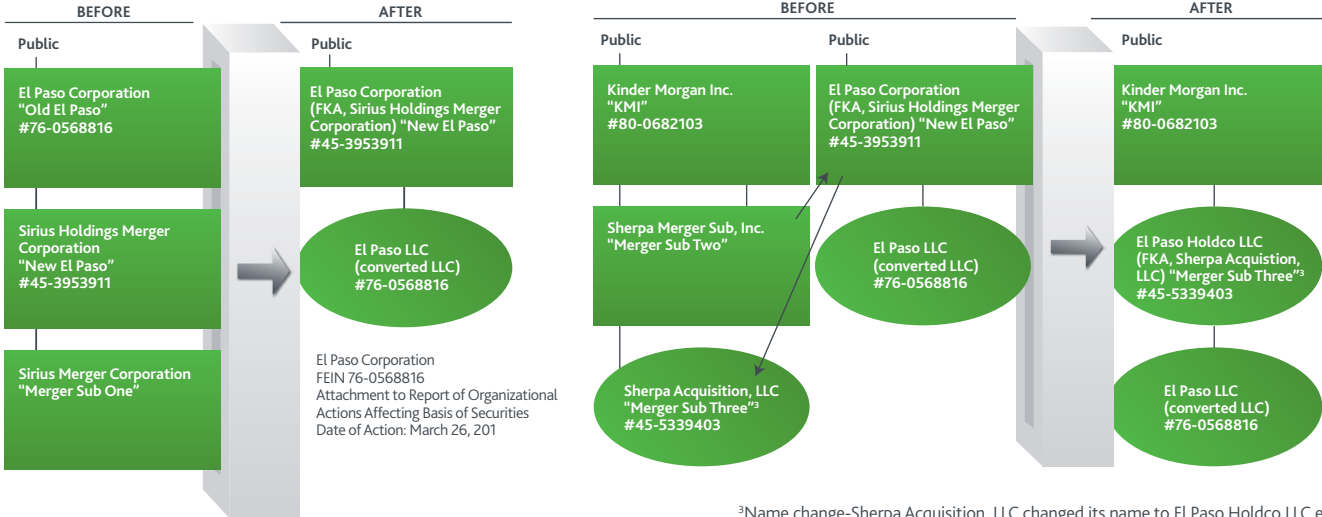
The El Paso merger into Kinder Morgan clearly demonstrates many of the complexities with processing the tax impact of corporate actions in the new world of tax reporting—including accounting for IRS Form 8937 information. The diagram is one of many attachments to the 8937 that was filed for this event.

*How fast can you figure out how to book the tax of the El Paso merger from this information?
Count on Wolters Kluwer Financial Services ... We make it simple.*

Learn how our corporate actions solutions can streamline processing for you.
Contact us at 800-472-1009 option 2.

Legend for Shapes:

-  Legal corporation, treated as a C corporation for U.S. tax reporting purposes
-  L.L.C. entity, treated as a disregarded entity for U.S. tax purposes



Know the law

The cost basis reporting law requires brokers to account for the quantitative effect of corporate actions on the basis of covered securities, including the information reported on an issuer statement—New IRS Form 8937. Since the law does not carve out or provide any exception for foreign securities, foreign corporate actions must also be taken into account.

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