

## HOLDING PERIOD SPECIFIC OID REPORTING

Tax information reporting requirements are often a costly burden for financial services firms. Firms face ever more onerous regulatory hurdles, while new and sophisticated investment products are developed every day. However, tax reporting is not only about compliance. It can provide new ways of servicing clients.

The services of SunGard's Wall Street Concepts (WSC) business are designed to do both. Its coverage of discount obligations exceeds the scope of information available through government publications and helps customers turn a regulatory obligation into an opportunity to provide better service to their clients.

The Holding Period Specific OID Reporting offering is a transaction-based service that supports compliance with the reporting regulations that cover instruments issued with Original Issue Discount (OID). Using transaction histories provided by the customer firm, WSC calculates the appropriate income for each tax lot and returns the data to the customer. The customer can then produce Forms 1099-OID for the beneficial shareowners.

Users can create customizable reports that show processing statistics on volume, security type and total dollars reportable. The service also provides monthly identification of securities, monthly collection of subscriber's transactions, and annual computation of reportable income and secondary market adjustments such as premium and discount. A daily service is available to firms interested in the ongoing adjustments to cost basis due to the accrual of OID and market discount, as well as the amortization of premium.

Customers can use the service to process three types of bonds:

### Taxable OID Discount Bonds

Includes all of the securities in Section 1A, 1B and 1C of Publication 1212. In addition, WSC includes a significant number of issues that are OID-reportable but are not part of Publication 1212. Treasury Bills and short-term Agency issues are also covered here. Special attention is given to Pay-In-Kind (PIK), Reset/Split rate, contingent debt, Inflation Protection Bonds and Equity Units.

### Certificates of Deposit

Includes brokered discount Certificates of Deposit (CDs). Issuers of these instruments are not required to file with the IRS for inclusion in Publication 1212.

### Nontaxable Municipal OID Bonds

Includes all municipal obligations that have more than a de minimis amount of discount. The Municipal OID, while nontaxable, can be provided as a customer service. Investors receiving these annual OID accruals will have the information necessary to adjust cost basis.

## KEY BENEFITS OF THE HOLDING PERIOD SPECIFIC OID REPORTING SERVICE:

- Helps firms comply with regulations governing the recognition of OID income
- Allows customers to concentrate on managing client relationships rather than tax reporting
- Helps firms avoid miscalculating the income reported to an investor by coordinating non qualified stated interest payments (NQSI)
- Computes premium and discount on secondary market purchases, allowing customers to supply their clients with additional information that they need
- Reduces the administrative burden by identifying what securities are considered to be an OID obligations

Widely used by brokerage firms, banks, trust companies, mutual funds and insurance companies, SunGard's Wall Street Concepts business is an authority on U.S. tax reporting issues.

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## NEED MORE INFORMATION?

Please contact your sales representative at + 1-800-825-2518 or visit us at <http://www.sungard.com/wallstreetconcepts>.

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