

WALL STREET CONCEPTS' PROFESSIONAL SERVICES

Leverage Wall Street Concepts' expertise to help improve how you manage your tax information reporting

Increasingly, financial services firms must report tax information to investors in ways that are computationally complex and that incorporate information from outside their standard transaction history. Ever more onerous regulatory hurdles, new and sophisticated investment products, and a desire to add customer-friendly features to the documents further complicate the picture.

At the same time, many firms are reluctant to allocate a portion of their tight budgets to tax reporting systems or staff. Yet superior tax-information reporting can actually help win and retain clients.

SunGard's Wall Street Concepts (WSC) business can help firms adapt their existing systems to the latest products and regulations, thereby helping to increase efficiency without increasing costs.

The specialists within WSC have decades of experience in tax reporting, and staying up to date with the latest changes is core to their business. Customers can feel reassured that they are working with experts who have deep understanding of U.S. tax information issues, including the special requirements of individual asset classes such as Real Estate Mortgage Investment Conduits (REMICs), Widely Held Fixed Investment Trusts (WHFITs), Original Issue Discount (OID) Bonds, Real Estate Investment Trusts (REITs), Mutual Funds and Unit Investment Trusts (UITs).

WSC's Professional Services include the following areas:

Cost basis

New legislation is mandating the reporting of cost basis on the 1099-B form. WSC's asset class services provide information that affects cost basis for a variety of equity, fixed income and structured products. Most customers, however, do not fully integrate the information from WSC into their cost basis or gain/loss systems. Some have yet to develop full fledged cost basis capability.

WSC's Professional Services specialists can:

- Consult on cost basis computations on all asset classes
- Advise how to integrate the daily accrual of OID, market discount, bond premium and acquisition premium information from WSC
- Address issues around liquidating distributions, returns of capital identified after year-end and "receipt-based" UIT proceeds

Electronic delivery of tax statements

Electronic delivery of tax statements can provide significant savings by eliminating the printing and mailing costs.

For example, nominees are permitted to deliver tax documents electronically to investors who have provided and not subsequently withdrawn consent. The investor must be sent an e-mail notification that tax documents are available for retrieval online. If the e-mail bounces back as undeliverable, the nominee must mail either the printed statement or a notice that the electronic statement is available.

Firms can re-evaluate this process and find potential cost savings with the help of WSC's Professional Services team, which can:

- Analyze the current cost to print and mail and the projected costs of implementing electronic delivery and then determine the break even and payback periods
- Assess the available options for implementing electronic delivery through a holistic approach that includes statements, confirms and information returns for all business units
- Develop the ability to track account, investor or household level "consent statuses" for information return delivery
- Assist in the selection of print vendor or data warehouse

Dividend posting

WSC's TEFRA Glossary service provides information on the multiple tax character of single distributions made on structured products. This information is typically used to clean up the incorrect postings for their tax reporting but could also be integrated into the dividend posting process to ensure accurate reporting at the time of payment. This would help provide a better customer experience, minimize erroneous withholding and reduce the need to clean up payment data for year end tax reporting.

WSC's team can:

- Consult on process modification to correctly characterize the distributions when they are booked
- Address the potential impact to basis reporting on instances that involve option premium
- Assess the impact of inaction on NRA withholding

Transaction data

By analyzing the asset class transaction history and published market data for customers of its Compliance Plus outsourcing service, WSC can identify tax reporting issues that could lead to costly corrections, among other findings. As a result, this service can help customers avoid potential penalties, reduce errors and increase productivity at the time when resources are stretched.

The team can:

- Assign dedicated operations staff to review and update the customer's transaction data to ensure proper reporting of corporate actions, in-kind payments, restructuring events, disagreements on income type with TEFRA Glossary and inconsistent income bookings
- Provide a mechanism for the subscriber to give final approval for all revisions or additions to the transaction history

- Book additional transactions or adjustments as directed by the client
- Respond to standard WSC audit reports for Income Reallocation and UIT
- Complete the review and adjustments before the 1099 filing deadline
- Provide a library of supporting documentation

KEY ADVANTAGES OF WALL STREET CONCEPTS' PROFESSIONAL SERVICES:

- Help find potential cost savings
- Improve the efficiency of current processes
- Help firms comply with cost basis reporting requirements
- Increase the accuracy of tax reporting and improve the client experience
- Help customers avoid costly corrections and penalties

NEED MORE INFORMATION?

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