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With more than 30 years' experience, we offer comprehensive and accurate securities reference, corporate actions and pricing data for derivatives, equities, fixed income, and investment funds around the globe. We also cover economic data extensively.

We understand how crucial financial and economic data is and take a different approach as to how we proceed:

- We do not rent data, we sell it

- We do not have onerous redistribution rules

- We customize our services to meet your needs

- We cover all countries – no matter how large or small

- Finally, we offer competitive prices

As a result of our on-going commitment to providing cost-effective and innovative data solutions, while ensuring the highest standards, EDI has achieved the internationally recognized quality and security certifications ISO 9001 and ISO 27001.

Headquartered in the United Kingdom, we have operations in Australia, Canada, Germany, India, Morocco, South Africa, and in the United States.

Our Support Team is available on +44 (0) 207 324 0020, 24 hours a day, Monday to Friday and are closed on Christmas and New Year's Day.

British Assessment Bureau — UKAS MANAGEMENT SYSTEMS S289 — **ISO 9001** QUALITY MANAGEMENT

British Assessment Bureau — UKAS MANAGEMENT SYSTEMS 8289 — **ISO 27001** INFORMATION SECURITY MANAGEMENT

Contents

Overview

This service has been designed enable users to track both a security's cost basis & its evolution and all its descendant's cost basis & evolution up to the current date. Therefore, this service includes all events that affect cost basis and number of units, e.g. De-merger, Distribution, etc.

The service supplies all the necessary information to track cost basis irrespective of the various tax methodology. It is up to the user to decide which tax methodology to apply and calculate accordingly.

The core service is disseminated as SFTP "feed" of daily files that contain the most recent cost basis figures and number of unit figures on a per exchange basis. Other methods of access are available as well, however are built from the SFTP feed.

The feed disseminates all events on their ex-date, external factors like incomplete corporate action information or new listing delays, etc, can delay this for some time.

Users can either load the records into a database for use later or apply records on an ad-hock basis.

Client Use Case Scenario

EDI's Cost Basis service is currently used by investment firms to verify equity securities cost allocation for tax purposes and the data goes back to January 2007. The most recognizable use for this service is by a large US financial institution as a secondary source for identifying the cost basis of global equity securities for their clients. EDI's corporate actions which serve as the foundation for the cost basis service are also being used by large tax/cost basis services as the source of the data used to calculate their own cost basis and tax allocation for their clients. Exchange Data's cost basis service is available via data feeds by exchange as well as a web-based portal. EDI's corporate actions announcements is our core product offering and is being used by over 150 direct clients and by managed solutions providers including IHS Markit, FIS Global, SmartStream, Tata and T Scape. In addition to our cost basis offering EDI's provide an adjustment factor file that is used by clients to provide historical price adjustments for global equities.

Security Evolution

WSE (Worldwide Security Evolution) has been designed to track the evolution of a security. Security evolution is where you start with a security then end up with multiple securities many years later. Many events, over time, can cause changes to the original holding, for example de-mergers and/or distributions will cause your original holding to be diversified into many other holdings. Additionally, different tax treatments to different events, e.g. DRIP, can cause new holdings, for same security, to have different cost basis to original holding. Tracking all these changes and their cost basis would be difficult without a security evolution service. Events that aid in the tracking of security evolution but have little effect on cost basis include code-changes, share-swaps, etc. For an example of security evolution see the "Sample Cases" section at the end of this manual.

Security Cost Basis

The difference between the cost basis of a security and its sale price is liable for CGT (Capital Gains Tax). Therefore, it is important to track a security's cost basis over time, hence the need for this service.

For example, 1000 ABC shares were bought for $1000 making the cost basis $1000 on the day of purchase. Sometime later ABC did a distribution (spin-off) of XYZ to its shareholders and the allocations were computed to be 60% (ABC) and 40% (XYZ). After the distribution the cost basis of ABC was $600 (60% of $1000) and XYZ was $400 (40% of $1000). Therefore, when XYZ was subsequently sold for $700 the amount liable for CGT was $300 ($700 - $400).

WSE would disseminate the above allocations (ABC: 60% and XYZ: 40%) in two records, one for ABC and the other for XYZ. Each record identifies both the original security as ABC and the distributed (spun-off) security as ABC and XYZ respectively. For example -

Stock	Issue	Event	Factor
ABC	ABC	Dist	0.6
ABC	XYZ	Dist	0.4

NOTE: 60% is disseminated as 0.6, which is standard in mathematics.

By doing the above users are able to clearly identify which record represents the stock (original security) and which record represents the issue (new security or cash).

Cash is included as a separate record because often the cash component of an issue is entitled to its portion of the stock's (original security) cost basis. For example, where a de-merger includes both a script component and a cash component. Also, where a capital return or dividend is done by way of a script issue, immediately redeemable for cash.

Tax Status

Tax status specifies how much of the issue's value is taxed in the financial year of receipt. Any portion of the issue's value not taxed immediately simply reduces the cost basis and hence defers tax until sold or converted to cash.

1. Taxable: The full issue value is taxed in the year of receipt. The issue (cash or script) value is immediately taxable and is considered part of your income for that financial year. No cost basis is transferred from stock to issue. For example, dividends are normally considered as income and the full dividend amount is taxed in the financial year they are received.

2. Tax-free: None of the issue value is taxed unless sold or converted to cash. Cost basis is transferred from original stock to the issue be it script or cash.

3. Tax-none: Special case where cash is received and is used to reduce cost basis of original stock, e.g. capital return.

This product does not specify the tax status of an event, it is up to the user to determine that and handle the cost basis appropriately. For example, a capital return is normally tax-none however in certain circumstances it can be tax-free. It is up to the user to decide which and handle accordingly.

Coverage

This service calculates and disseminates allocation factors for all events that affect or might affect the cost basis of a parcel of shares.

WECB covers the following events:

▪ Bonus	▪ Capital Call
▪ Capital Reduction	▪ Consolidation
▪ De-merger	▪ Distribution
▪ Dividend	▪ DRIP
▪ Merger	▪ Reclassification
▪ Return of Capital	▪ Rights (transient)
▪ Rights	▪ Subdivision
▪ Security Swap	
▪ Takeover	

This initial launch of this service only covers worldwide equities, fixed income will be added later.

This service does not cover unlisted securities, for example if a stock does a distribution of a security that is never listed then allocations will not be generated because the value of the unlisted security cannot be determined.

Valuation

This service uses the security's close price to calculate allocation factors, however many countries, including the US and GB, also accepts (High + Low)/2 and the open and VWAP, etc. In fact, there are many values you can use to calculate allocations, each generating a slightly different factor. All factors are acceptable so you will see other companies publishing slightly different allocation factors. Generally, governments do not have a problem with this as long as you are consistent.

Filename

WSE feed is tied to the price feed and uses the same filename prefix as price files with "SE" as the file type designator. For example, the ASX WCB file for the 1st June 2012, would be called "AU_XASX_SE120601.txt".

In each file there will be a header record that specifies the fieldnames followed by the security evolution records in the format specified below in the "Structure" section of this manual.

Structure

Record structure consists of the following tab-separated fields.

- Event: Text event code, includes:

  - BON: Bonus
  - CALL: Call
  - CAPRD: Capital Reduction
  - CONSD: Consolidation
  - ENT: Entitlement (Offer)
  - DIST: Distribution
  - DIV: Dividend
  - DMRGR: De-merger
  - DRIP: Dividend reinvestment plan

  - LCC: Local Code Change
  - MRGR: Merger
  - RCAP: Return of Capital
  - RTS: Rights
  - RTS-T: Rights Transient
  - SCSWP: Security Swap
  - SD: Subdivision
  - TKOVR: Takeover (script ONLY)

- Class: 3 digit numeric code to indicate type of event, includes:

  - 025: Bonus (same), 2 allocation record generated
  - 053: Capital Call, 2 allocation record generated

  - 026: Bonus (diff), 2 allocation record generated
  - 051: Capital Reduction, 2 allocation record generated

- 054: Capital Return, 2 allocation record generated
- 062: Consolidation, 1 allocation record generated
- 086: Distribution, multiple allocation record generated
- 014: Cash Dividend: 2 records generated
- 015: Script Dividend (same) & DRIP, 2 allocation record generated
- 016: Script Dividend (diff), 2 allocation record generated
- 076: De-merger, multiple records generated
- 072: Merger, 2 allocation record generated
- 045: Offer (same), 2 allocation record generated
- 046: Offer (diff), 2 allocation record generated
- 035: Rights (same), 1 allocation record generated
- 036: Rights (tran & diff), 2 allocation record generated
- 066: Security Swap, 2 allocation record generated
- 061: Subdivision, 1 allocation record generated
- 096: Takeover (script), 1 allocation record generated

- Old Local: Original local/ticker code, code used by exchange
- Old SecID: Original security ID, EDI's security code
- Old ISIN: Original ISIN
- Description: Textual description of event, for example "Distribution of 3 ABC for 1 XYZ".
- New Local: New local/ticker exchange code
- New SecID: EDI's security ID enables linking to record in EDI's price file.
- New ISIN: ISIN code
- Name: issuer name
- Exch: Listed exchange
- Home: Home exchange
- Sec Type: either "CSH" (cash) or EDI's security type code, e.g. "EQS" for equity.
- Date: ex-date of event
- Spare
- Ratio: Ratio of new shares to old shares, e.g. if you get 2 new for 5 old this ratio would be "0.4". This field is used to calculate the number of new shares held after the event, continuing with the same example, if the original units was 1000 then the new units is 400. NOTE this could apply to a reconstruction, where the old identifiers = new identifiers, or a de-merger where the old identifiers <> new identifiers.
- Round: specifies how rounding is handled, see FRACTIONS reference, for example "D" is down and "U" is up.
- Factor: allocation factor for a parcel of stock. Multiply original stock's cost basis by this factor to get the new cost basis for the stock or issue. Use of this field is dependent on the tax status of the event.
- Price: cost of taking up the issue, for rights and offers (entitlements) it is set to application money, everything else it is set to 0. This amount is added to the cost basis of the issue to get the issues total cost basis.
- Value: market value of stock or issue, used to calculate allocation factors, usually close price however can also be capital return amount or dividend amount, etc. Use of this field when

calculating cost basis is dependent on tax status. "NAN" or "" (blank) in this field indicates a value not available.

- Status: status of allocation, includes:

  - "A": Active ~ apply the allocation
  - "P": Pending ~ announced but not fully available yet
  - "R": Rescind ~ rescind the allocation (remove from database)

- Errors: error bit flags:

  - 0001: Stock does not exist
  - 0004: Issue does not exist
  - 0010: Terms not generated
  - 0002: Stock has not traded
  - 0008: Issue has not traded

- Action: Corporate action reference code (CaRef); enables linking this record to specific EDI corporate action.

- Tax Status: "T": Taxable, "F": Tax-free, "N": Tax-none. Currently this field set to "T" for dividends and "F" for everything else.

- Choice: Specifies what choice the issue is when multiple-choice. For example, a dividend in USD, GBP or AUD, this field will reflect "1", '2' or "3". Users must choose one for any calculations performed.

- Parcel: Specifies what the record represents, either "C" for cash component, "O" for original stock component or "N" for new issue component. Can be used to distinguish between different components of an event when all other fields are the same.

Number of records per event is dependent on the type of event, generally if the event does not generate a new security then only one records is disseminated otherwise multiple records are generated ~ one for each issued security and another for the original security.

Applying

Each record can be broken into four primary sections.

Fields 3 to 6 can be used to identify the stock (original security), for example:

- Old Local: LUPE
- Old SecID: 60064
- Old ISIN: SE0000825820

Fields 8 to 11 are used to identify the issue (security being de-merged or distributed and any cash component), for example:

- New Local: ENQ
- New SecID: 1807436
- New ISIN: GB00B635TG28

If the event is one that a new security is not being issued, for example capital return, then these fields will be the same as fields 3 to 6.

Fields 18 to 22 hold the values used to modify number of units and cost basis, for example:

- Ratio (new/old ratio): 1.3474
- Factor (allocation factor): 0.218213994411187
- Value (market value): 0.01
- Round (reserved): D
- Price (application money): 0.025

Using the above figures in a worked example and assuming our cost basis of SE0000825820 was $350000 prior to the de-merger (spin-off) then after the de-merger our cost basis would be:

SE0000825820: $273625 (350000 * 0.781786005588813)

GB00B635TG28: $76375 (350000 * 0.218213994411187)

Note: the above assumes a tax-free spin-off; refer below for more information.

Also, if we had 1000 shares of SE0000825820 prior to the de-merger then after the de-merger we would have 1000 shares of SE0000825820 and 1347 (1000 * 1.3474) shares of GB00B635TG28.

Cost Basis Methodology

"Stock" refers to original security.

"Issue" refers to new security or cash (when cash is only issue)

"Cash" refers to cash component of multiple component issue, e.g. cash and script

"Basis" refers to cost basis

"Units" refers to number of shares

- BON (same/dif)
    - Taxable

- Stock units = no change
- Stock basis = no change
- Issue units = stock units * issue ratio
- Issue basis = issue units * issue value
- Tax liability = issue units * issue value
- Issue purchase date = ex-date

- Tax-free

  - Stock units = no change
  - Stock basis = stock basis * stock factor
  - Issue units = stock units * issue ratio
  - Issue basis = stock basis * issue factor
  - Tax liability = nothing until sold or converted to cash
  - Issue purchase date = stock purchase date

- CALL (issue refers to call amount)
  - Tax-none

    - Stock units = no change
    - Stock basis = stock basis + issue value
    - Tax liability = nothing until sold or converted to cash

- CAPRD
  - Tax-free

    - Stock units = stock units * stock ratio
    - Stock basis = no change
    - Tax liability = nothing until sold or converted to cash

- CONSOL
  - Tax-free

    - Stock units = stock units * stock ratio
    - Stock basis = no change
    - Tax liability = nothing until sold or converted to cash

- DMRGR (Spin-off) ~ new shares issued pro-rata, old shares retained
  - Taxable

    - Stock units = no change
    - Stock bases = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue value
    - Tax liability = issue units * issue value
    - Issue purchase date = ex-date

  - Tax-free

- Stock units = no change
- Stock basis = stock basis * stock factor
- Issue units = stock units * issue ratio
- Issue basis = stock basis * issue factor
- Tax liability = nothing until sold or converted to cash
- Issue purchase date = stock purchase date

- DIST (Split-off) ~ shares are exchanged; to receive new shares you give up old shares, original shares not kept.
  - Tax-free

    - Stock units = stock units – swap units
    - Stock basis = stock basis – stock basis * swap units/stock units
    - Issue units = swap units * issue ratio
    - Issue basis = stock basis * swap units/stock units
    - Tax liability = nothing until sold or converted
    - Issue purchase date = stock purchase date

- DIST (Spin-off) ~ shares are issued pro-rata and shareholders keep original shares
  - Taxable

    - Stock units = no change
    - Stock bases = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue value
    - Tax liability = issue units * issue value
    - Issue purchase date = ex-date

  - Tax-free

    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor
    - Tax liability = nothing until sold or converted to cash
    - Issue purchase date = stock purchase date

- DIV cash (issue refers to dividend)
  - Taxable

    - Stock units = no change
    - Stock basis = no change
    - Tax liability = issue value

  - Tax-none

    - Stock units = no change
    - Stock basis = stock basis - issue value
    - Tax liability = nothing until sold or converted to cash

  - Tax-free

- Stock units = no change
- Stock basis = stock basis * stock factor
- Issue basis = stock basis * issue factor
- Tax liability = issue value – issue basis

- DIV script (same/diff)
  - Taxable
    - Stock units = no change
    - Stock basis = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue value
    - Tax liability = issue units * issue value
    - Purchase date = ex-date
  - Tax-free
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor
    - Tax liability = nothing until sold or converted to cash
    - Purchase date = stock purchase date

- DIV both (same/diff)
  - Taxable
    - Stock units = no change
    - Stock basis = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue value
    - Tax liability = issue units * issue value + cash value
    - Purchase date = ex-date
  - Tax-free (only cash is taxed)
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor
    - Cash basis = stock basis * cash factor
    - Tax liability cash = cash value – cash basis
    - Tax liability script = nothing until sold or converted to cash
    - Purchase date = stock purchase date
    - DRIP
      - Taxable
        - Stock units = no change
        - Stock basis = no change

- Issue units = stock units * issue ratio
- Issue basis = issue units * issue value
- Tax liability = issue basis
- Purchase date = ex-date
  - o Tax-free
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor
    - Tax liability = nothing until sold or converted to cash
    - Purchase date = stock purchase date
- ENT script (same/diff)
  - o Taxable
    - Stock units = no change
    - Stock basis = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue value
    - Tax liability = issue basis - issue units * issue price
    - Issue purchase date = ex-date
  - o Tax-free
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor + issue units * issue price
    - Tax liability = nothing until sold or converted to cash
    - Issue purchase date = stock purchase date
  - o Tax-free *special case*, only available in USA where issue factor < 0.15 AND shareholder chooses NOT to allocate
    - Stock units = no change
    - Stock basis = no change
    - Issue units = stock units * issue ratio
    - Issue basis = issue units * issue price
    - Tax liability = nothing until sold or converted to cash
    - Issue purchase date = stock purchase date
- MRGR
  - o Tax-free
    - Stock units = 0
    - Stock basis = 0
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor

- Cash basis = stock basis * cash factor
- Tax liability issue = nothing until sold or converted to cash
- Tax liability cash = cash value – cash basis
- Issue purchase date = stock purchase date

- RCAP cash (Return of Capital) (Issue refers to capital return)
  - Tax-none
    - Stock units = no change
    - Stock basis = stock basis - issue value
    - Tax liability = nothing until sold or converted to cash
  - Tax-free
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Issue basis = stock basis * issue factor
    - Tax liability = issue value – issue basis
- RTS-T, where "rights" refers to the rights security and "issue" refers to converted security. DO NOT USE "RTS" RECORDS
  - Taxable
    - Stock units = no change
    - Stock basis = no change
    - Rights units = stock units * rights ratio
    - Rights basis = rights units * rights value
    - Tax liability of rights = rights basis
    - Issue units = rights units
    - Issue basis = rights basis + rights price * rights units
    - Tax liability of issue = nothing until sold or converted to cash
    - Issue purchase date = ex-date
  - Tax-free
    - Stock units = no change
    - Stock basis = stock basis * stock factor
    - Rights units = stock units * rights ratio
    - Rights basis = stock basis * rights factor
    - Tax liability of rights = nothing until sold or converted to cash
    - Issue units = rights units
    - Issue basis = rights basis + rights price * rights units
    - Tax liability of issue = nothing until sold or converted to cash
    - Issue purchase date = stock purchase date
  - Tax-free *special case*, only available in USA where issue factor < 0.15 AND shareholder chooses NOT to allocate RTS script (same/diff)
    - Stock units = no change
    - Stock basis = no change
    - Rights units = stock units * rights ratio

- Rights basis = 0
- Tax liability of rights = nothing until sold or converted to cash
- Issue units = rights units
- Issue basis = rights basis + rights price * rights units
- Tax liability of issue = nothing until sold or converted to cash
- Issue purchase date = stock purchase date

- SCSWP script (user decides units to swap). Security swaps are different to other events, e.g. de-merger, because i) shareholder decides number of shares to swap and ii) shareholders loose the shares they swap.

  - Tax-free

    - Stock units = stock units – swap units
    - Stock basis = stock basis – stock basis * swap units/stock units
    - Issue units = swap units * issue ratio
    - Issue basis = stock basis * swap units/stock units
    - Tax liability = nothing until sold or converted
    - Issue purchase date = stock purchase date

- SUB

  - Tax-free

    - Stock units = stock units * stock ratio
    - Stock basis = no change
    - Tax liability = nothing until sold or converted to cash

- TKOVR

  - Tax-free ~ distribute stock's cost basis between script and cash (if any)

    - Stock units = 0
    - Stock basis = 0
    - Issue units = stock units * issue ratio
    - Issue basis = stock basis * issue factor
    - Cash basis = stock basis * cash factor
    - Tax liability cash = cash value – cash basis
    - Tax liability issue = nothing until sold or converted to cash
    - Issue purchase date = stock purchase date

  - Taxable

    - Stock units = 0
    - Stock basis = 0
    - Issue units = stock units * issue ratio
    - Issue basis = issue value * issue units
    - Tax liability = cash value + issue basis – stock basis
    - Issue purchase date = ex-date

DIV#1: In the US large dividend payment where the record date > ex-date and the stock was purchased between these two dates (see costbasis.com Return of Capital Payments).

Spin-off: According to costbasis.com a spin-off is when you retain all your existing shares and get additional shares in another company (see TWX spin-off of AOL, disseminated 07/01/10)

Split-off: According to costbasis.com a split-off is when you swap some of your existing shares for shares in another company (see Kraft split-off disseminated 05/08/08).

Split-ups: According to costbasis.com a split-up is where you do not retain any of your existing shares but get shares in others company/s.

Rescinding

When the Status field, of a record, is set to "R", then the record needs to be rescinded.

Rescinding simply means to remove (delete) an existing database entry for the record or reverse a previously applied allocation.

Generally, an event is rescinded when the event is cancelled or a key field for the event is changed after publication date. If an event is cancelled, then no new record/s will be generated however if a key field is changed then new record/s will be generated as well as the rescind records.

It is important to rescind all records before applying new ones.

Sample Cases

Interrogating a database, created from the service, has generated all sample cases below.

DRIP (Australian Securities Exchange)

Purchased 1000 ANZ on 6th June 2007 for a total cost of $30,000.00 and signed up for the DRIP.

From the 6th June 2007 to 31st Dec 2011 there were 9 dividends.

At the end of 2011 you would hold:

Date	Units	Code	Basis
20070606	1000	ANZ	30.00

Date	Units	Code	Basis
20071108	27	ANZ	27.33
20080508	30	ANZ	20.82
20081106	57	ANZ	13.58
20090507	33	ANZ	15.16
20091105	29	ANZ	21.75
20100506	28	ANZ	21.32
20101104	39	ANZ	22.6
20110512	36	ANZ	21.69
20111110	50	ANZ	19.09

NOTE: "Basis" is the cost basis per security.

Cost Basis (Australia Securities Exchange)

Purchased 1000 TNG on 6th June 2007 for a total cost of $550.00

From the 6th June 2007 to 31st Dec 2011 the following events took place –

- 29th Jun 2007:   Distribution of 1 BTV for 12 TNG

    - 06th Nov 2008:   Entitlement (Offer) of 1 BTVO for 4 BTV
    - 23rd Nov 2009:   Capital Return of 0.015/BTV
    - 20th Sep 2012:   Code change from BTV to SHD
- 06th Sep 2007:   Distribution of 1 WDR for 18.22 TNG

    - 16th Jun 2008:   Entitlement (Offer) of 1 WDR for 5 WDR
    - 19th Nov 2009:   Rights of 1 WDR for 5 WDR
    - 28th Apr 2011:   Entitlement (Offer) of 1 WDR for 8 WDR
    - 16th June 2011:   Distribution of 1 THR for 4.17 WDR
- 9th Jul 2008:   Entitlement of 1 TNG for 4 TNG

Assuming the Nov 2009 rights were sold, not converted, then at the end of 2011 you would hold –

Date	Units	Code	Basis
20070606	1000	TNG	0.42644
20070629	83	BTV	-0.0097

20081106	20	BTVO	0.00014
20070906	54	WDR	0.00774
20080616	10	WDR	0.00774
20110428	8	WDR	0.00774
20110616	17	THR	0.00017
20080709	250	TNG	0.42644

NOTE: "Basis" is the cost basis per security.

Worked Examples

The following worked examples are taken from real life events to demonstrate the use of the service in real situations. Use of the word "stock" refers to the original security and "issue" refers to the script or cash being issued.

XASX:HWG 26/10/2007 Capital return of AUD0.015/share

Ratio	Round	Factor	Price	Value
1		0.9508	0	0.29
1		0.0492	0	0.015

By default, the tax status of a capital return is "Tax-free", therefore –

Assuming 10000 shares with a cost basis of AUD5000.00

No change in units.

Cost basis for HWG becomes AUD4850.00 (50000 – 0.015 * 10000)

Tax liability = nothing until sold or converted to cash

See email 25/02/2014

XLON:HSLE 08/01/2014 Capital return of GBP0.0585/share

By default, the tax status of a capital return is "Tax-none", however in this case the capital return was by way of a bonus issue of B shares redeemable for cash. Therefore, some cost basis is transferred from the stock to the issue, thus reducing the amount the tax payable –

Ratio	Round	Factor	Price	Value
1		0.8703	0	39.25
1		0.1297	0	5.85

XASX:COA 24/12/2007 SPL Dividend of AUD0.53/share

By default dividends are "Taxable", therefore this is handled as below –

Ratio	Round	Factor	Price	Value
1		0.9255	0	6.58
1		0.0745	0	0.53

Assuming 1000 shares with a cost basis of AUD7000.00

No change in units

No change in cost basis.

Tax liability = AUD530.00 (0.53 * 1000)

See email 25/02/2014, attachment 18/02/2014

XLON:RR 23/10/2013 Dividend of GBP0.086/share

By default, the tax status of a dividend is "Taxable", however in this case the dividend was by way of C shares redeemable for cash. Therefore, the tax status should be "Tax-free" and the cost basis distributed as follows –

Ratio	Round	Factor	Price	Value
1		0.9917	0	1144.00
1		0.0083	0	9.56

XASX:TAL 28/12/2007 DRIP of 0.0152 for 1

Ratio	Round	Factor	Price	Value
0.0152		0.0149	0	2.8
1		0.9851	0	2.8

Assuming 1000 shares with a cost basis of AUD2500

Tax status of a dividend is normally "Taxable", therefore –

Stock units = stock units (no change)

Stock cost basis = stock cost basis (no change)

Issue units = stock units * ratio = 1000 * 0.0152 = 15.2

Issue cost basis = issue units * value = 15 * 2.8 = AUD42.00

Tax liability = issue units * value = 15 * 2.8 = AUD42.00

XASX:CFE 16/07/2007 De-merger of 1 GFE for 80 CFE (18/10/2007)

Ratio	Round	Factor	Price	Value
0.0125	U	0.0170	0	0.70
1	U	0.9830	0	0.505

Assuming 10000 shares with a cost basis of AUD5000.00

Normally tax status for de-merger is "Tax-free", therefore –

Stock units = stock units (no change)

Stock cost basis = stock cost basis * factor = 5000 * 0.9830 = AUD 4915.00

Issue units = stock units * ratio = 10000 * 0.0125 = 125

Issue cost basis = stock cost basis * factor = 5000 * 0.0170 = AUD85.00

No tax payable

Occasionally tax status of de-merger is "Taxable", therefore –

Stock units = stock units (no change)

Stock cost basis = stock cost basis (no change)

Issue units = stock units * ratio = 10000 * 0.0125 = 125

Issue cost basis = issue units * value = 125 * 0.70 = AUD87.50

Tax liability = issue units * value = 125 * 0.70 = AUD87.50

USCOMP:CHK 01/07/2014 De-merger of 1 SSE for 14 CHK

Ratio	Round	Factor	Price	Value
0.0714	C	0.0577	0	25.06
1	C	0.9423	0	29.24

Assuming 1000 CHK with a cost basis of USD35000.00

By default the tax status of a de-merger is "Tax-free", therefore the cost basis should be distributed as follows –

No change in number of CHK shares.

Using the ratio, we receive 71 SSE (1000 * 0.0714 rounded down)

Cost basis for CHK becomes USD32980.50 (35000 * 0.9423)

Cost basis for SSE becomes USD2019.5 (35000 * 0.0577)

Tax liability = nothing until sold or converted to cash

XASX:HCY 04/12/2007 Consolidation of 1 for 10

Ratio	Round	Factor	Price	Value
0.1	D	1	0	

Assuming 12345 HCY shares with a cost basis of AUD22400.00

Units after consolidation is 1234 (12345 * Ratio ~ rounded down)

No change in cost basis

Tax liability = nothing until sold or converted to cash

XASX:CSL 18/10/2007 Subdivision of 3 for 1

Ratio	Round	Factor	Price	Value
3		1	0	

Assuming 1000 CSL shares with a cost basis of AUD5000.00

Units after subdivision is 3000 (1000 * Ratio)

No change in cost basis

Tax liability = nothing until sold or converted to cash

XASX:AQA 06/12/2007 Bonus of 1 AQA for 5 AQA

Ratio	Round	Factor	Price	Value
0.2	D	0.1667	0	9.59
1	D	0.8333	0	9.59

Assuming 1000 AQA shares with a cost basis of AUD10,000.00

By default bonus issues are considered tax-free, therefore –

Stock units = stock units (no change)

Stock cost basis = stock cost basis * factor = 10000 * 0.8333 = AUD8333.00

Issue units = stock units * ratio = 1000 * 0.2 = 200

Issue cost basis = stock cost basis * factor = 10000 * 0.1667 = AUD1667.00

Tax liability = nothing until sold or converted to cash

Issue purchase date = ex-date

XASX:NEO 06/12/2007 rights of 1 NEOR for 8 NEO @ AUD0.025

Ratio	Round	Factor	Price	Value
0.125	D	0.0175	0.025	0.004
1	D	0.9825	0	0.028

Assuming 100000 NEO shares with a cost basis of AUD2500

Stock units = stock units (no change)

Stock cost basis = Stock cost basis * factor = 2500 * 0.9825 = AUD2456.25

Issue units = stock units * ratio = 100000 * 0.125 = 12500

Issue cost basis = stock cost basis * factor = 2500 * 0.0175 = AUD 43.75

IF RIGHTS SOLD

Rights sold on market for AUD62.50

Tax liability = AUD18.75 (62.50 – 43.75)

IF RIGHTS CONVERTED

No of NEO shares converted is 12,500

Cost bases of new shares is AUD356.25 (43.75 + 12,500 * 0.025)

Tax liability = nothing until sold or converted to cash

XASX:GWR 14/12/2007 Entitlement of 1 for 15 @ AUD1.85

Ratio	Round	Factor	Price	Value
0.0667	U	0.0625	1.85	2.09
1	U	0.9375	0	2.09

Assuming 10,000 GWR with a cost basis of 20,000

Stock units = stock units (no change)

Stock cost basis = stock cost basis * factor = 20000 * 0.9375 = AUD18750.00

Issue units = stock units * ratio = 10000 * 0.0667 = 667

Issue cost basis = stock cost basis * factor + price * issue units = 20000 * 0.0625 + 1.85 * 667 = AUD2483.95

Tax liability = nothing until sold or converted to cash

XASX:RSP 18/12/2007 Takeover of 0.94 NHC for 1 RSP

Ratio	Round	Factor	Price	Value
0.94		1	0	2.35
0		0	0	2.96

Assuming 10000RSP shares with a cost basis of AUD20,000.00

Stock units = 0

Stock basis = 0

Issue units = stock units * ratio = 9400

Issue basis = stock basis * factor = 20000 * 1 = AUD20000.00

Tax liability = nothing until sold or converted to cash

XASX:TEL 29/04/2007 Capital reduction of 8 TEL for 9 TEL

Ratio	Round	Factor	Price	Value
0.8889		1	0	

Assuming 10000 shares with a cost basis of 30000

Stock units = stock units * ratio = 10000 * 0.8889 = 8889

Stock basis = no change

Tax liability = nothing until sold or converted to cash

XASX:SRB (SecID 562276) 29/06/2007 Merger of 4 MXX for 5 SRB see 16/07/07

Ratio	Round	Factor	Price	Value
0.8	D	1	0	1.95
1	D	0	0	1.70

Assuming 10000 shares with a cost basis of 15000

Stock units = 0

Stock basis = 0

Issue units = stock units * ratio = 10000 * 0.8 = 8000

Issue basis = stock basis = 15000

Tax liability = nothing until sold or converted to cash

Enhancements

22/01/2015: Capital returns and cash dividends now generate two records instead of one, one for the stock and the other for the cash.

23/01/2015: Added Choice field: where shareholder has a choice, e.g. dividend in USD, GBP or EUR would be "1", "2" or "3"

23/10/2015: Added Parcel field: specifies whet the record represents, either –

- "O": Original stock

- "N": New issue

- "C": Cash

Customization

EDI is proud to offer the most effective and efficient solutions tailored to meet each individual customer's needs. We offer a range of customization options including:

- Delivery-based solutions to complement existing client infrastructure.
- Content provided at the geographical or portfolio holding level.
- Feeds containing particular formats, field content and integrated client level data items.

EDI uses its extensive data research expertise to source, scrub and integrate new client specified data items with existing products and services. For instance, a request from a multinational investment bank to source the DR universe and map it against its underlying share portfolio ultimately led to the development of EDI's successful Depositary Receipt Database.

In addition, EDI was the first vendor to successfully launch an ISO 15022 Corporate Action Messaging feed. This enables customers to reduce costs and increase efficiency by removing the need for multiple feed handlers.

Support

Customer Support

Monday – Friday
Open 24 hours

Saturday
Support Coverage ends 8am (GMT)

Sunday
Support Coverage resumes at 11pm (GMT)

Support Coverage is not available
Saturday 8am to Sunday 11pm

Call +44 207 324 0020

Email: support@exchange-data.com

Customer support is closed Christmas and New Year's Day.

We aim to acknowledge all queries within an hour of receipt and answer queries within 24 hours where possible.

We will send a progress report if a query is not resolved within that time-frame. We resolve around 95% of customer queries within 24 hours.

All queries sent to our Support department are filtered and dispatched to the relevant department. An IT staff member is engaged in the communication process to resolve complicated technical issues.

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