

MEMO# 25197

May 18, 2011

Cost Basis Reporting - Shareholder Communications Document Developed by TAAC

[25197]

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TO: OPERATIONS COMMITTEE No. 18-11
TRANSFER AGENT ADVISORY COMMITTEE No. 37-11
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 29-11
BROKER/DEALER ADVISORY COMMITTEE No. 28-11
TAX COMMITTEE No. 29-11 RE: COST BASIS REPORTING - SHAREHOLDER COMMUNICATIONS DOCUMENT DEVELOPED BY TAAC

The ICI Transfer Agent Advisory Committee (“TAAC”) formed a Cost Basis Reporting (“CBR”) Task Force in 2008 to provide ICI member input on the evolving cost basis reporting regulations and to serve as a forum to discuss operational challenges faced by funds as they work to implement mandatory cost basis reporting by January 1, 2012. The TAAC CBR Task Force recently finalized the attached document, “Shareholder Communications for Cost Basis Reporting.”

“Shareholder Communications for Cost Basis Reporting” provides information to assist mutual funds and their transfer agents as they craft communications for fund shareholders on mandatory cost basis reporting. The document covers a number of important cost basis reporting concepts, including fund policies for cost basis reporting, shareholder elections, 1099B reporting and S Corp solicitations. The document is also available online on the Cost Basis Reporting Member Resource page that can be accessed through the Committee pages of the ICI website.

The “Shareholder Communications for Cost Basis Reporting” document is intended to serve as a resource for ICI members but may not include all concepts that an individual fund should or may wish to communicate to its shareholders. Further, this document does not provide any legal advice regarding the requirements or proper interpretation of the cost basis reporting rules. Funds may wish to consult their counsel before implementing any shareholder communications.

I’m sure you will join me in thanking the TAAC CBR Task Force for developing this wonderful

resource for ICI members. Questions or comments on the “Shareholder Communications for Cost Basis Reporting” document may be directed to me at butler@ici.org or 202-326-5850.

Diane M. Butler
Director - Transfer Agency & International Operations

[Attachment](#)

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