

MEMO# 25781

January 10, 2012

IRS Releases Final Form and Instructions for Reporting Organizational Actions Affecting Stock Basis

[25781]

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TO: BDAC COST BASIS REPORTING TASK FORCE No. 1-12
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 1-12
BROKER/DEALER ADVISORY COMMITTEE No. 1-12
OPERATIONS COMMITTEE No. 1-12
SMALL FUNDS COMMITTEE No. 1-12
TAX COMMITTEE No. 4-12
TRANSFER AGENT ADVISORY COMMITTEE No. 1-12 RE: IRS RELEASES FINAL FORM AND INSTRUCTIONS FOR REPORTING ORGANIZATIONAL ACTIONS AFFECTING STOCK BASIS

The Internal Revenue Service ("IRS") has released the final Form 8937, "Report of Organizational Actions Affecting Basis of Securities," and final instructions for the form. [\[1\]](#) The final form is substantially similar to the draft that was issued in November, 2011. [\[2\]](#)

After the draft instructions were issued, questions arose as to whether an issuer who chooses to utilize the public reporting exception must post the actual Form 8937 on its website, or whether the issuer can post simply the information contained in the form. The final instructions to Form 8937 clarify that an issuer is not required to file Form 8937 with the IRS and holders and nominees if, by the due date, the issuer posts a completed Form 8937 in a readily accessible format in an area of the issuer's primary public website dedicated to this purpose. The form must be accessible to the public on the website for ten years.

Karen Lau Gibian
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endnotes

[\[1\]](#) The final Form 8937 can be found [here](#) and the instructions can be found [here](#) on the IRS's website.

[2] See Institute [Memorandum](#) (25645) dated November 17, 2011.

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