

**MEMO# 16760**

November 12, 2003

## **DTCC SERVICE AVAILABLE TO IDENTIFY TRUST-PREFERRED SECURITIES**

[16760] November 12, 2003 TO: TAX COMMITTEE No. 73-03 RE: DTCC SERVICE AVAILABLE TO IDENTIFY TRUST-PREFERRED SECURITIES As discussed at the recent Tax Committee meeting, the Depository Trust & Clearing Corporation ("DTCC") offers a service that identifies securities which are generally described as equities but whose distributions are treated as interest (not dividends) for tax purposes. DTCC reviews prospectus information in order to identify whether non-resident aliens are subject to withholding on distributions. This information is reflected both in a "Tax Code" and an "NRA Tax Indicator" included in the "DIVANN" file for DTCC participants. For non-participants, DTCC offers this information for a fee through a service known as "Data Delivery Service." Generally this information is provided on an ongoing basis, i.e., each day the service reports the codes associated with distributions announced that day. However, if a fund wanted to know which securities in its portfolio paid dividends that should be treated as interest in the past year, DTCC informs us that it would likely be possible to determine that information as well. DTCC is also considering whether to report exchange information for foreign securities, or qualified dividend status for foreign dividends, in the future, but has not determined whether it is feasible to report such information. If you would like more information on the Data Delivery Service, please contact Patricia Reilly of DTCC at 212/855-4028. David Orlin Assistant Counsel

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