

Product Sheet

Cap DATA NOW

Capital Changes content transformed to data for fast corporate actions processing

Accelerate straight-through processing of corporate actions taxability data by automating the complete lifecycle of corporate actions ranging from pre-effective notices like early announcements to post-event detail confirmation per IRS Form 8937.



The challenge

The new T+1 settlement cycle impacts most routine securities trades on all North American (US and Canada) as well as Mexican securities exchanges (T+1 goes into effect in the US on Tuesday, May 28, 2024, and one day earlier [May 27] in Canada and Mexico). The T+1 settlement cycle impacts most brokers.



Corporate actions impact

T+1 accelerates the need for corporate action resolution and communication across various internal systems because all corporate actions affecting securities need to be processed before any related trades can be settled.



Corporate actions taxation impact

An important component of corporate actions processing is correctly and timely calculating the tax consequences of such events on an investor's basis and holding period in the affected securities. Traditionally, these determinations have been made by brokers via manual processes due to tax complexities. T+1 forces brokers to determine these tax consequences much more quickly.



The solution

Cap DATA NOW provides important corporate action taxability for equities, including early announcement data such as expected close dates, taxability details, and terms of important stock mergers, derived from Wolters Kluwer's Capital Changes product. Capital Changes is well known within the brokerage industry for its tax information and provides key event details. Cap DATA NOW provides the key corporate action details that industry participants need that are provided by Capital Changes plus more, including early announcements of corporate action events, but formatted as data to expedite corporate actions processing due to T+1 and further reduce manual activity.

Cap DATA NOW provides:



Early notification of corporate action events such as US traded stock mergers — including, but not limited to, early announcement of expected taxability, event terms and consideration amounts, and expected close and/or distribution dates from data reported in Capital Changes — providing an opportunity to get a jump on key corporate action information, prior to ex-date



Capital Changes and premier reference data partners' information that is incorporated into Cap DATA NOW's robust proprietary rules-based logic to determine corporate actions taxation



Hybrid adjustments to aspects of corporate actions detail allows Cap DATA NOW to align with a customer's books and records or other internal systems



Rich information — Complete life cycle of corporate actions; coverage for foreign and domestic exchange-traded equities



Corporate actions processing efficiency



Access to our product's entire database of events and/or limited alerts related to a customer's specific securities of interest (SOI)



Creation of custom corporate action views using multiple search filters, such as effective date, pay date, taxability consequences, CUSIP, ISIN, and SEDOL



API and XML data formats for automated content delivery and operational workflow tools



Access to the key taxability attributes behind the corporate actions, such as fair market value, basis allocations, boot rule or cash consideration details, as well as other relevant tax details affecting basis

Key data elements



Corporate action data:

- Security IDs
- Key corporate action dates
- Stock rate
- Cash rate
- Fractional share methodology



Tax data:

- Taxability (ranging from non-taxable and partially taxable to fully taxable)
- Fair market value
- Basis allocation

At Wolters Kluwer, tax accuracy is paramount. That's why we continuously embed our solutions with tax-accurate expertise and functionality. Tax, legal, and operations professionals at blue chip brokerage firms count on us for unparalleled foreign and domestic corporate actions tax content and sophisticated technology for investment tax reporting and compliance with the cost basis reporting law.

About Wolters Kluwer Financial & Corporate Compliance

Wolters Kluwer (EURONEXT: WKL) is a global leader in information, software, and services for professionals in healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2022 annual revenues of €5.5 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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