



Investment Compliance

CATS™

Corporate Actions Taxability Service

Streamline corporate actions processing by monitoring securities-of-interest (SOI) for both foreign and domestic corporate actions, improving operational efficiencies and reducing manual activity.

A significant percentage of the top ten brokerage firms already rely on Wolters Kluwer® for the essential foreign and domestic corporate actions taxability details now required to accurately adjust the basis of their securities to meet the higher reporting requirements resulting from the cost basis law.

CATS is our SOI based corporate actions taxability service that tracks all publicly traded foreign and domestic securities that you hold. This highly customizable service simplifies access to the corporate actions tax details you need, significantly reducing reliance on tedious, manual research or overburdened internal resources.

Our highly customizable SOI based corporate actions taxability service ensures all publicly traded foreign and domestic securities that you hold are tracked automatically for tax consequences. This service simplifies access to the corporate actions tax details you need, significantly reducing reliance on tedious, manual research or overburdened internal resources. CATS provides comprehensive corporate actions taxability coverage for foreign and domestic securities of interest. CATS automates delivery of the essential corporate actions tax details you need to adjust the basis of your covered securities to meet the requirements of this law.

Accounting for the tax consequences of foreign and domestic corporate actions to the basis of covered securities is essential to meet the 1099-B and transfer reporting requirements of the cost basis reporting law. Failure to do so accurately can result significant tax penalties. These solutions combine the deep corporate actions expertise of our dedicated Capital Changes team with the efficiency of our proven GainsKeeper® technology.

- Specify & upload your foreign & domestic Securities of Interest (SOI) into the system
- Leveraging data from premier reference data partners and Capital Changes, this service applies a rules-based logic to determine corporate actions taxability
- Generate daily, corporate actions taxability XML data files to upload into portfolio accounting systems
- Create custom corporate actions views using multiple search filters, such as effective date, pay date, taxability consequences, CUSIP, ISIN and SEDOL
- Export custom reports for processing and validating
- Access the key taxability attributes behind the corporate actions, such as: fair market value (FMV), basis allocations, boot rule or cash consideration details, as well as other relevant tax details affecting basis

One source for all foreign and domestic corporate actions taxability

Throughout the financial services industry, self-clearing, external-clearing and discount brokerages as well as mutual funds are using CATS to streamline corporate actions processing. The system finds foreign corporate actions quickly, reducing the amount of time that tax and operations teams spend identifying, analyzing, and processing taxability. Additionally, CATS reconciles custodian data and gap fills missing taxability. The result is increased cost and resource savings.

- Tracks all publicly traded foreign and domestic securities in your portfolio
- Monitors your SOI for foreign & domestic corporate actions
- Exports key, fielded corporate actions data attributes, including:

Corporate Action Data:

- Security ID's
- Key corporate action dates
- Stock Rate
- Cash Rate
- Fractional share methodology

Tax Data

- Taxability (ranging from non taxable, partially taxable to fully taxable)
- Fair Market Value
- Basis Allocation

- Deploys easily as a web-based application or -via batch processing using SFTP in XML format
- Exporting and importing capabilities

Wolters Kluwer foreign corporate action solutions start with the deep tax expertise of Capital Changes. Leveraging our award winning GainsKeeper® tax lot accounting technology, CATS incorporates a proprietary rules-based system to automate delivery of the key, fielded corporate actions data attributes you need to accurately adjust the basis of your SOI.

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.

To find out more about CATS, or to request a demonstration, please visit WoltersKluwerFS.com/CATS or contact us at 800.481.1522.

About Wolters Kluwer Governance, Risk & Compliance

Governance, Risk & Compliance (GRC) is a division of Wolters Kluwer, which provides legal and banking professionals with solutions to ensure compliance with ever-changing regulatory and legal obligations, manage risk, increase efficiency, and produce better business outcomes. GRC offers a portfolio of technology-enabled expert services and solutions focused on legal entity compliance, legal operations management, banking product compliance, and banking regulatory compliance.

Wolters Kluwer (AEX: WKL) is a global leader in information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. Wolters Kluwer reported 2019 annual revenues of €4.6 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries and employs 19,000 people worldwide.

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CATS Product Sheet