

APL Corporate Actions & Cash and Capital Adjustments (Reorgs)

General Notes

Processing Standards

IS does not automatically process reorgs on unlisted securities. We process stock splits on ex-date; some clients have control jobs set up to process on the night before ex-date. (refer to “what we process” or a complete list).

If a “reorg” is not processed, user can use one of the functions to process or user can send mail to cis-reorg@fiserv.com using the CAPITAL CHANGES / REORGS forms in MAILBOX.

Data Sources

Financial Times Interactive Data provides information on stock splits, stock dividends and cash dividends.

Xcitek provides information on name changes, mergers, distributions and tenders.

Corporate Actions

Processing Standards

IS processes name changes, mergers, reverse splits, mandatory tenders and distributions on listed securities. These transactions are processed on or as close to effective date as possible

Information Retrieval

LOOKUPREORG Allows the user to look up details on a reorg that has been processed.

LOOKUPSPLIT Allows the user to see stock splits and dividends that have been processed. This function / report combines the functionality of PRCAP and PRCAPAC which can also be run separately.

Functions

POSTDIST	Process non-taxable distributions.
POSTDIVSEL	Process cash dividends for all accounts for only one security.
POSTDISTMULT	Process non- taxable distributions involving more than two new securities.
POSTSEC CONV	Process name changes, mergers, reverse splits, and bond conversions involving two securities.
POSTSEC CONV INPUT	Process similar to POSTSEC CONV, however creates a control job that will post the batch that night.
POSTSECMULT	Process name changes, mergers, reverse splits and bond conversions involving more than two securities.
POSTSECLOT	Process security lottery conversions involving two securities.
POSTSECPERCENT	Process conversions by percent, convert only a percentage of the original holding to the new position.
POSTTENDER	Process cash tenders.
FOREIGNDIV	Process foreign dividends and the foreign tax withholding when the net dividend has been posted.
POSTROC & POSTROCEX	Process the delivery of a position and receive it back in with the COST being the original cost minus the return of capital amount.
POSTROP	Process a return of principal transaction.

Capital Adjustments

Processing Standards

IS processes stock splits and dividends for all listed securities. Transactions are typically processed on the night of the ex-date but can be processed on the morning of the ex-date by request.

Functions

STOCKSPLIT	Process a stock split or dividend.
EDDPR	Allows a user to edit the DIV4, REC4 and PAY4 fields with the most recent data and it automatically adjusts the DIV1-3, REC1-3 and PAY1-3 fields.

Fields

Stock split / dividend updates for a security can be blocked by coding the first character of the PFLAGS security master field in the following manner:

- I = Do not update INDIV field
- D = Do not update DIV / REC / PAY fields
- B = Do not update the INDIV or DIV / REC / PAY fields

Accounts can be blocked from processing dividends by coding the BASEAC field with -9999.

Reports

AUTOCP.PRT	Daily report displaying any stock split or dividend processed the night before. This will also show duplicate securities being moved from one SACUS to another.
ALERTSTATUS	Allows the user to see a list of accounts that hold securities with pending or late reorgs to be posted. This function / report combines PENDREORGS and LATEREORGS, which can also be run separately.
CAPHST.PRT	Daily report displaying any corporate actions processed the night before.

Cash Adjustments

Processing Standards

IS processes cash dividends for all listed securities. Although Cash Adjustments are not typically part of the “reorg” process, requests are sometimes processed.

Information Retrieval

SCREENSEC	Allows user to see the two most recent dividends.
EDITSEC and EDSEC	Allow users to pull up and view all dividend fields (DIV / REC / PAY 1-4).

What we process

Name changes.

Reverse splits.

Mergers and Acquisitions.

Conversions.

Taxable and Non-Taxable Distributions.

Plans of reorganization.

Mandatory taxable and non-taxable Exchanges.

Transferable rights offerings.

Cash dividends.

Fields

Accounts can be blocked from processing dividends by coding the BASEAC field with -9999.

Cash dividend and stock split/ dividend updates for a security can be blocked by coding the first character of the PFLAGS security master field in the following manner:

- I = Do not update INDIV field
- D = Do not update DIV / REC / PAY fields
- B = Do not update the INDIV or DIV / REC / PAY fields

Functions

EDDPR	Allows a user to edit the DIV4, REC4 and PAY4 fields with the most recent data and it automatically adjusts the DIV1-3, REC1-3 and PAY1-3 fields.
POSTCAPGAIN	Process capital gain with the option of re-investing.
POSTROC	Manually process return of capital.
POSTROCEX	Manually process return of capital, based on ex-date.
POSTROCAUTO	Automatic processing of return of capital.

DVRAUTO	Process reinvested dividend.
POSTDIVSEL	Process cash dividends.
FOREIGNDIVS	Process cash dividends for foreign securities.
