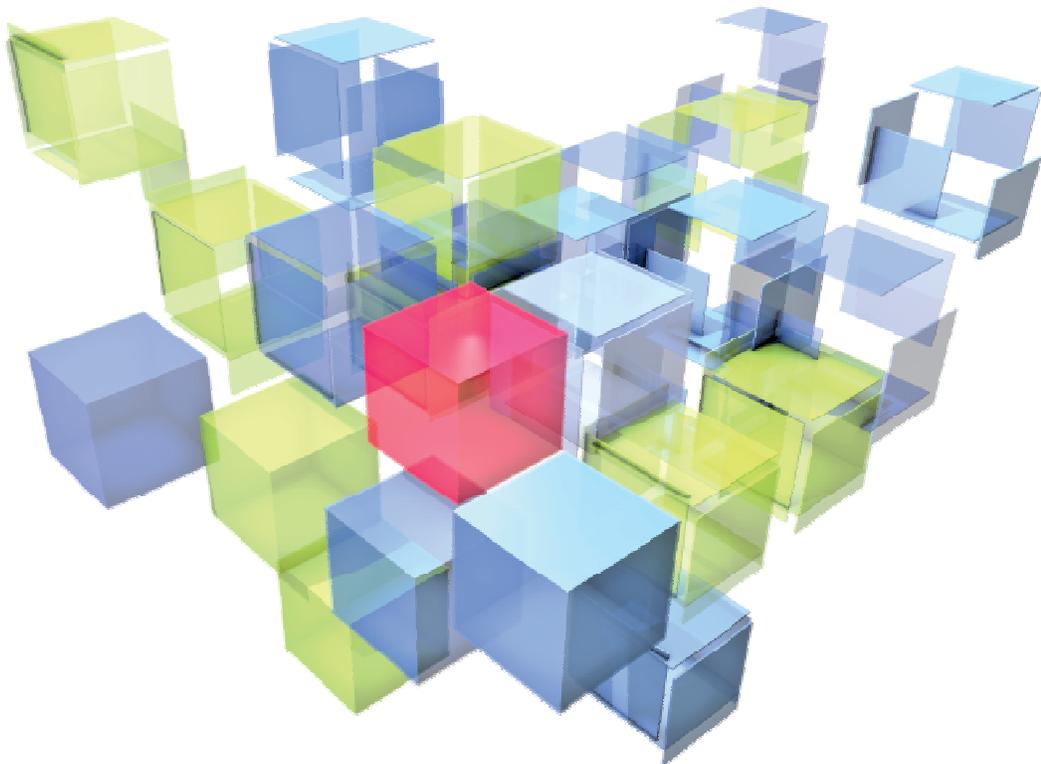


SecTAX to CCH CGT and Dividend Scheduling



Conversion Guide



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Introduction

About this guide

The purpose of this document is to outline the scope and process for upgrading **SecTAX** to **CCH CGT and Dividend Scheduling** within an existing **CCH Central** installation

General

The conversion program has been designed so that it can be used on multiple occasions and allows you to select which clients you want to convert and which periods. It contains a Pre-validate facility which will process the conversion without creating any data in the **CCH Central** record

Pre Conversion

The **CCH Central** client hosts the **CCH CGT and Dividend Scheduling** application. The conversion looks at the client reference in **SecTAX** and then looks for a match to the client code in **CCH Central**. If a match is found then the data is appended to the **CCH Central** client. If no match is found then the conversion can create a new client in **CCH Central** (see Configuration).

The conversion routine produces a security map. This checks that the security codes in use in **SecTAX** are valid, up to date and recognised by the **CCH CGT and Dividend Scheduling** securities database. Securities are classed as

- Valid,
- Valid but Defunct
- Not Recognised.

Any cases that contain codes classed as either Valid but Defunct or Not Recognised need to have the codes replaced in **SecTAX** by valid codes before they can be converted. The message Valid but Defunct usually indicates that autopost has not been run on all clients where there is a complex capital event on a security. SEDOL and ISIN codes used in **SecTAX** are replaced by CCH codes unless you have a London Stock Exchange licence to use SEDOL codes.

To ensure that the correct data is converted into the correct record there are a number of housekeeping tasks that need to be completed.

Housekeeping

- Run a *Securities in use* report in **SecTAX**, choosing the invalid security codes option. These need to be corrected in **SecTAX** before conversion or during the mapping process of the conversion. The conversion program allows you to browse to and select a security within **CCH CGT and Dividend Scheduling**.
- If you have corporate clients check the RPI figures are up to date in **SecTAX**. The RPI screen is found at **Activities** ▶ **Common/shared data** ▶ **RPI Tables**. It displays the current figures. To see previous years click the yellow Previous Year button or F7. You can import RPI figures into **SecTAX** by importing S6SECCOM.IMP.
- If you have clients for whom you no longer act, delete them or archive them to another database and then delete them. This ensures that only securities in use by live clients are reported when a *Securities in use* report is run.
- Print a client list from **SecTAX** and from **CCH Central** and compare lists to ensure that where a client exists in **CCH Central** and in **SecTAX** the client code is consistent. If necessary change the client reference in **SecTAX**.

-
- Ensure that client types have been set up correctly in **CCH Central**. To do this Create a report in **CCH Central** under **Smart reports > Client > Client List** including the following fields:

Client Code	Client Name	Contact Type
-------------	-------------	--------------

 Print the client list in code order

For all limited companies the Contact Type must be set to Limited

For all Trusts and Estates the Contact Type must be set to Trust

For all individuals the Contact Type must be set to Other Person

Joint Accounts

If there are any joint records in **SecTAX** there are a number of ways that these can be dealt with in **CCH Central**. It is recommended that you consider the following scenarios and produce a practice guide on how to deal with these.

In a simple case where there is just one portfolio for a husband and a wife the portfolio can be set up on one spouse e.g. the husband, and on the tax link tab each client can link to the husband's **CCH CGT and Dividend Scheduling** record and the appropriate percentage applied.

If the husband also has a personal portfolio and there are no investments common to both portfolios, the joint portfolio can still be hosted in his record.

If there are investments common to both portfolios, the personal portfolio and a percentage of the joint portfolio should be consolidated to ensure the correct capital gains tax rules are applied. The application is not able to deal with this. In this scenario we recommend that a portfolio is set up on both clients and all transactions halved.

It is also possible to set up a joint record in **CCH Central** to host the portfolio but this may not be permitted by your **CCH Central** administrator especially where **CCH Practice Management** is used.

Note: Joint portfolios can be split out in **SecTAX** before running the conversion. Set up new client then Use **Tools > Move investment** select all securities enter the percentage to be moved. Select a new client, select the fund then select either all transactions or transactions within a date range

Multiple Portfolios

CCH CGT and Dividend Scheduling allow multiple portfolios with a single client.

Note on what to convert

The conversion routine takes the closing balance at a specific date and uses that data to create a set of opening balances for the next year. If the tax year to 5 April 2015 has been processed in **SecTAX** then select April 5th 2015 and the conversion extracts a set of closing balances as at that date and creates a set of opening balances in the period April 6th 2015 to April 5th 2016. The earliest date that can be selected for conversion is April 6th 2008.

Configuration

Maintenance options

The following options require configuring before the conversion is run:

- Review Task Permissions. The permissions for **CCH CGT and Dividend Scheduling** are switched off when the application is installed.
- From **Maintenance** ▶ **CGT and Dividend Scheduling** ▶ **Convert Legacy Data** ▶ **Conversion Settings** select the location of your **SecTAX** programs folder and select your database from the dropdown list under **SecTAX Connection Name**. Set **Create new client if reference not in Central database** to True if you want the conversion to create new clients. The conversion program has been designed to run on multiple occasions so an **Overwrite Duplicates** setting has also been provided. If set to True then the CGT&DS data in Central will be deleted and reconverted if the conversion is rerun.

Conversion

- Take a backup of the live **SecTAX** database.
- Back up **CCH Central** database.
- Take a copy of the deploy folder.

To start the conversion routine go to **Maintenance** ▶ **CGT and Dividend Scheduling** ▶ **Convert Legacy Data** ▶ **SecTAX**. If you get an error message referring to the Gains data base connection string this can be ignored.

Client Name	Client Code	Central Client Exists	CGT and DS Data in Central
Alexander Mr Anthony	TEST2		
Individual Mr A. N.	IND01		
Individual Mrs Bertha Margaret	IND02		
Joint Mr John	JT001		
Test1 Mr	CONV001	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The conversion routine can be run on an individual client or a batch of clients.

1. Select **Closing balance date**.
2. For an individual client select type from drop down list. The search is on **SecTAX** data and can be on Client Name or Code.
3. Select Search for full client list.
4. If the client already exists in **CCH Central** the **Central Client Exists** column is ticked.
5. If that client already has a portfolio set up in **CCH Central** the **CGT and DS Data in Central** column is ticked.
6. Tick clients to be converted.

7. Select Security Map and click on column header Status to sort.

Status	Sectax Code	Company	Descript.	CGT and DS Code	Company	Description
Valid	00237400	Diageo	Ordinary...	A-130-305	DIAGEO	ORD GBP0.28 101/108
Valid but defunct	00287580	British A...	Ordinary...	A-168-629	BRITISH AMERICAN TOBAC...	ORD GBP0.25
Valid but defunct	00328683	New Star...	Ordinary...	0-328-683	Not on file	
Valid but defunct	00384704	Gus	Ordinary...	0-384-704	Not on file	
Valid	00425045	Rexam	Ordinary...	A-250-151	REXAM	ORD 64 2/7P
Valid	00459497	Imperial...	Ordinary...	A-274-560	IMPERIAL CHEMICAL INDUS...	ORD GBP1
Valid but defunct	00574873	Unilever...	Ordinary...	0-574-873	Not on file	
Valid	00604316	Morrison...	Ordinary...	A-358-721	MORRISON(WM.)SUPERMA...	ORD GBP0.10
Valid	00709954	Prudential	GBP0.05	A-420-341	PRUDENTIAL	GBP0.05
Valid	00754783	Royal Ba...	Ordinary...	A-449-863	ROYAL BANK OF SCOTLAND...	ORD GBP0.25
Valid but defunct	00803414	Shell Trns...	Ordinary...	A-803-414	Not on file	
Valid but defunct	00891602	Treasury	7 3/4%...	0-891-602	Not on file	
Valid	00976402	Wolseley	Ordinary...	A-582-188	WOLSELEY	ORD GBP0.25
Valid	03051469	Aegon Fu...	UK 100 I...	A-672-108	AEGON ASSET MANAGEME...	UK 100 INDEX TRACKING
Valid	03127489	Marks &...	Ordinary...	A-747-868	MARKS & SPENCER GROUP	ORD GBP0.25
Valid	03231078	Boots Gro...	Ordinary...	A-851-015	BOOTS GROUP	ORD GBP0.25
Valid	03283648	Rolls Roy...	Ordinary...	A-903-507	ROLLS ROYCE GROUP	ORD GBP0.20
Valid	03398649	Itv	Ordinary...	E-006-532	ITV	ORD GBP0.10
Valid	05250769	Abn-Amro...	EUR0.56	E-044-112	ABN-AMRO HLDGS NV	EUR0.56
Not recognised	1234CD	Linda's Co	Ordinary...	Unknown Security		
Not recognised	G-ARY-001	Gary's Co	Ordinary...	Unknown Security		
Valid	GB0007908733	Scottish &...	Ordinary...	A-469-708	SCOTTISH AND SOUTHERN...	GBP0.50

8. The conversion attempts to map the security codes in use in SecTAX to the correct codes in CGT&DS. Using this screen is described in the next section.
9. For security codes that exist in SecTAX but not in CCH CGT and Dividend Scheduling you can find a replacement code. Double click CGT and DS Security Code box to bring up Security Lookup tool. Click OK to update the entry on the grid. This does not update the data for mapping but allows you to tidy up the data which can then be exported to excel and utilised for the housekeeping in SecTAX.

Note: The manual mapping changes made in this way are not stored for reuse and are lost if Close is selected. It is better to make all changes in SecTAX as described below.

10. Go back to SecTAX and edit the security codes in the SecTAX Securities List to codes that exist in CGT and DS. To facilitate this approach use the Excel spreadsheet produced using the **Export** button above.
11. When all the securities in the batch are classed as Valid click the Create Map button.

Using the Security Map

The conversion attempts to map the security codes in use in SecTAX to the correct codes in CGT&DS. SecTAX can use SEDOL or ISIN codes. CGT&DS uses SEDOL or CCH codes.

The Status column can be:

- Valid. The conversion has found a valid CGT&DS security code. This is shown in the **CGT and DS Code** column.
- Valid but defunct. The code in SecTAX is a valid SEDOL or ISIN code (i.e. its check digit is correct) but no matching code can be found on the CGT&DS masterfile. There are two possible reasons for this:
 - The SecTAX security code is valid but missing from the CGT&DS masterfile. In this case the description "Valid but defunct" is inaccurate; "Valid but missing" would

be more appropriate. To resolve this, request the security via the CCH CGT Security Codes web site (http://www.cch.co.uk/software/support/2011/resources/cgt_security_codes/SecuritySearch.aspx)

- The SecTAX security code is invalid perhaps because it is defunct. In this case the problem could affect either all clients or just the one client being converted.:
 - If all clients are affected then edit the security code in SecTAX (in **Edit Security**).
 - If only the current client is affected it is probably because a Wizard needs to be run to convert the security to a new security code. This may require setting up the event in the Security History of the old security (in **Edit Security > History**). Then run the Wizard using the Autopost on any clients affected.
- Not recognised. The code in SecTAX is not a valid SEDOL or ISIN code.
 - This could be because it is an unlisted security which is not present in the masterfile. In this case, add it using the CCH CGT Security Codes web site, using the Add Unlisted Company tab.

When an Unlisted Security is added via the CCH website, the website allocates a SEDOL code (actually a “dummy SEDOL code” starting with a 9”) and a CCH code (starting with a Z). These codes are not visible in the website until the day after they were requested. The code used in SecTAX will be different. So after requesting the unlisted securities one day, go back to the website the next day and search for the unlisted securities. They should now have both a SEDOL and a CCH code. Edit the security code in SecTAX to the dummy SEDOL code.
 - It could be that the user does not subscribe to a data feed and has just made up their own codes. If this is the case, find the correct security code using the CCH CGT Security Codes website and then edit the security code in SecTAX to match.

Tip: Run a list of Securities in Use in SecTAX to help identify all invalid security codes across all clients.

Tip: When looking up securities to find the correct code to use in SecTAX for the conversion, the user must currently use the CCH website. This is because a search within CGT&DS will only show the CCH code (unless the user is licensed for SEDOL codes). But the SecTAX conversion currently checks for a matching SEDOL or ISIN code. A change is in the pipeline (as at April 2015) to allow the conversion to recognise CCH codes as well as SEDOL or ISIN codes which would allow the user to look up the security within CGT & DS.

Securities with an Alternative Treatment

One of the trickiest cases is where a security could be processed in alternative ways in CGT&DS. There are several cases where this happens:

- A gilt that is paid net or gross.

-
- A security that can pay dividends in alternative currencies, with foreign tax in some cases.
 - There is some uncertainty about whether a security is a reporting or non-reporting fund.

In these cases the most common treatment is set up on the main security code, but there may be alternative securities set up to handle scenarios judged less common. These alternative securities are identified by a “dummy SEDOL code” (starting with a 9”) and a matching CCH code (starting with a Z).

For example, Experian pays dividends in both GBP and, alternatively, with foreign tax deducted. A user might have a holding of Experian in SecTAX with foreign tax deducted and find that after conversion, UK tax is being deducted. If this happens, proceed as follows:

- Search for the security by name on the CCH website. Two possible securities will be shown, possibly with identical security descriptions. The conversion will have converted the data to the main security code. Edit the Balance B/Fwd entry in CGT&DS to use the alternative code (starting with a 9 or a Z).
- If there are other holdings in SecTAX that have yet to be converted then edit the security code in SecTAX in **Edit Security** to the “9 dummy SEDOL code”. This will avoid the problem on future client conversions.

Pre Validation

The conversion program contains a Pre-Validate facility that processes the conversion without creating any data in the **CCH Central** database. All securities must be mapped before the facility can be run.

The pre-validation report highlights any issues encountered when the full conversion is to be processed. The log looks the same as in the live conversion with the exception that each line is prefixed with “Pre Validation”. Any issues highlighted by the pre-validation should be corrected in **SecTAX** before converting the client.

If no issues are highlighted by the pre-validation the log reports “Pre Validation Converted, Client Code, Client Name, Fund Name”.

Transactions may be excluded from the conversion for a number of reasons such as a missing 31 March 1982 value, a missing GBP value or a holding error.

Pre-validation is not a mandatory step in the conversion process but it is useful in highlighting the issues that may arise during conversion. A security map must be created before the pre-validation routine can be processed.

Conversion

Once a security map has been created you can proceed to convert the selected clients. Click the **Convert** button to start the conversion.

Any transactions that are not converted are reported in the conversion log which will be displayed on screen following the conversion and can also be found as a text file:

SecTAXConversionReport.log - in your **CCH CGT and Dividend Scheduling Temp** folder,
...\ProSystemData\CGT and Dividend Scheduling\Temp.

Any issues highlighted by the conversion should be corrected in **SecTAX** before converting the client. Please note it is not possible to convert a batch of clients containing security codes that are valid but defunct and/or not recognised. As such it is probably best to initially convert small batches of clients.

Post Conversion

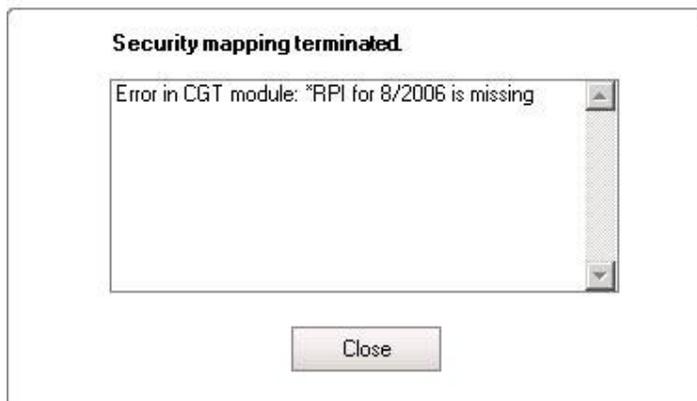
Data Checking

1. Run a client list from **CCH Central** in client name order to ensure that there are no duplicates (this is only important if **CCH Central** also exists.)
 - a. If there are duplicates
 - i. Delete the client created by the import from **SecTAX**
 - ii. Amend the client code in **SecTAX** to the **CCH Central** code
 - iii. Re-import the client individually
 - b. If a portfolio is imported onto the wrong client (i.e. if the same client code has been used in **CCH Central** and **SecTAX** but for different clients):-
 - i. Delete the portfolio
 - ii. Amend the client code in **SecTAX** to the correct code
 - iii. Re-import the client into **CCH Central**
2. Run a Contact list in **CCH Central** in name order
 - a. Identify potential duplicates
 - b. In **CCH Central** you are able to:
 - i. Produce a list of all clients linked to a contact record including any links to the Tax Return that do not produce an association
 - ii. Merge two contacts and automatically re-link all attached data.
 - iii. Merge a contact with a client and automatically re-link all attached data.
 - c. Prior to processing the year the portfolio balances should be checked against the **SecTAX** data

Appendix 1

Conversion Issues

Error Messages



This indicates that the RPI tables are not up to date in **SecTAX**. You can import RPI figures into **SecTAX** by importing **S6SECCOM.IMP**.