



## G2 FinTech Publishes Groundbreaking Straddles White Paper

### *Tax Implications of Straddles*

**New York, February 16, 2012** – G2 FinTech, provider of tax analysis and regulatory compliance software for the investment management community, has today announced the publication of a new white paper, **Tax Implications of Straddles** (*Straddles*). The latest in a series, this resource discusses two issues that are integral to capital gains calculations: (1) how to calculate taxable gains and losses for straddles transactions, per Section 1092 of the tax code, and (2) how to account for the effects of other taxable events, such as wash sales, on straddles and vice versa. Designed to help firms produce accurate IRS and investor reports, this paper is of particular interest to both fund administrators providing end-of-year tax services and to hedge funds running tax-aware strategies.

This groundbreaking paper specifically focuses on “basic” and “identified” straddles, and employs a fresh, new vocabulary to discuss Section 1092, a complex section of the tax code. With clear examples, G2 FinTech’s paper presents practical applications of Section 1092 as related to cost basis and holding period adjustments and the basic elements involved in calculating disallowed losses. In addition, *Straddles* addresses “interweaving,” a key concept behind comprehensive tax analyses that looks at the interaction between different sections of the tax code. In particular, *Straddles* discusses the interplay between Section 1092 (straddles) and Sections 1091 (wash sales), 1233 (short sales) and 1259 (constructive sales), and how that relationship ultimately impacts capital gains calculations.

“In order to run accurate and audit-ready tax analyses, firms need to understand how straddles gains and losses affect wash sale calculations,” says George Michaels, CEO, G2 FinTech. He

adds, “This involves complicated calculations that take into account numerous interdependencies. We hope this white paper will serve as a useful guide on how to tackle this complex process and handle these interrelated taxable events.”

**Tax Implications of Straddles** is available for free and is also part of a series of white papers posted on **G2’s Cost Basis Advisory** web page: <http://www.g2ft.com/costbasisadvisorypage>. A practical resource for the tax and accounting community, this page addresses real-world cost basis challenges affecting fund administrators, prime brokers and their hedge fund clients. G2 regularly updates this page, and plans to cover “mixed” straddles in its next white paper on this topic.

**G2 FinTech** ([www.g2ft.com](http://www.g2ft.com)) specializes in tax compliance and regulatory software for the investment management community. **TaxGopher®**, G2’s flagship product, is a sophisticated tax analysis engine for cost basis adjustments. TaxGopher enables firms to meet their compliance requirements by providing accurate information on taxable gains and losses. G2 also offers software solutions to aid firms in addressing complex regulatory requirements, such as UCITS and the new Form PF. The firm’s software products help Clients solve business problems that have been traditionally addressed with in-house code or expensive third-party services. G2 Clients include leading Hedge Funds, Brokerage Firms and Fund Administrators in the U.S. and around the globe. The company also maintains a practical resource for the tax and accounting community that addresses real-world cost basis challenges. Visit G2’s [Cost Basis Advisory Page](http://www.g2ft.com/costbasisadvisorypage) (<http://www.g2ft.com/costbasisadvisorypage>) to learn more.

**Media Contacts, G2 FinTech:**

Steph Johnson/Jackie Mavin  
Aspectus PR  
646 274 1348/646 792 2109  
[G2@aspectuspr.com](mailto:G2@aspectuspr.com)