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Subject: margin trade vs option

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Attachments: Switch_From_Treating_Basket_Transactions....pdf; CCA_201426025_-_Section_446_-_General_Rule_for_Methods_of_Accounting.pdf

As fyi- thought you might find of interest

Client put 10% down; broker financed 90% - economically similar to - in-the-money cash settled call option with premium = 10% of notional. Under option, tax P&L = net cash; under financed trade, tax P&L gains, losses, expenses.

IRS challenged and treated as change in accounting method