



INSTITUTE NEWS

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WILLIAM McDONOUGH TO SPEAK AT JUNE 10TH MEMBERSHIP LUNCHEON PRECEDING ANNUAL GENERAL MEETING

William J. McDonough, President of the Federal Reserve Bank of New York and Chairman of the Basel Committee on Banking Supervision, will speak at the membership luncheon preceding the Institute's Annual General Meeting and Elections in New York on Tuesday, June 10th. Mr. McDonough, who is retiring in July after ten years as President of the New York Fed, has been asked to talk about the major challenges facing the economy and financial markets.



*William J. McDonough,
President of the Federal
Reserve Bank of New
York.*

In his capacity as President of the New York Fed, Mr. McDonough also serves as the Vice Chairman and a permanent member of the Federal Open Market Committee, which is responsible for formulating U.S. monetary policy. He joined the New York Fed after a 22-year career in the private sector at

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REPRESENTATIVE BARNEY FRANK SPEAKS AT JANUARY MEMBERSHIP LUNCHEON

Representative Barney Frank, the Ranking Democratic Member of the House Financial Services Committee, discussed his views on major financial services issues of importance to international banks at the Institute's membership luncheon on January 16th in New York. As the senior Democrat on the committee, Representative Frank plays a pivotal role on all legislation that comes before it.

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From left: Lawrence R. Uhlick, Executive Director and General Counsel, Institute of International Bankers; Rep. Barney Frank, Ranking Democratic Member, House Financial Services Committee; and Robert B. Mills, Chief Financial Officer and Regional Operating Officer/Americas, UBS, and Institute Chairman.

ANNUAL WASHINGTON CONFERENCE ON MARCH 3RD AND 4TH WILL FOCUS ON KEY POLICY INITIATIVES AND BUSINESS ISSUES

Arrangements are being completed for the Institute's Annual Washington Conference, which will feature a keynote address on Monday morning, March 3rd by **Peter R. Fisher**, Under Secretary of the Treasury for Domestic Finance. Under Secretary Fisher is the Bush Administration's senior advisor on all matters relating to the U.S. financial markets and institutions, and plays a critical role in the key policy and business issues affecting our member institutions.

This year's conference will be especially valuable in providing an early assessment of how the economic and financial services policy agendas of the Bush Administration and Congressional leaders are shaping up in the new 108th Congress that convened in early January. The program will also include an address on the impact of the crisis in Iraq on the U.S. and global economy and financial markets. The conference is the one time of year when we collectively project the Institute and our members to the Washington community in connection with

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INSTITUTE TO HOLD SEMINAR ON ANTI-TYING COMPLIANCE AND REGULATION, INCLUDING NEW REGULATION W, ON FEBRUARY 12TH

The Institute will hold a seminar regarding recent developments affecting international banks in the areas of anti-tying compliance and regulation of transactions with affiliates, including the Federal Reserve's new Regulation W, on Wednesday, February 12th, from 9:00 a.m. to 12:00 noon at the James B.M. McNally Amphitheater at Fordham University School of Law (140 West 62nd Street).

Some of the key topics that the seminar will cover in the area of anti-tying include how U.S. anti-tying restrictions affect international banks, the consequences of non-compliance with U.S. anti-tying laws, the key exceptions to the prohibitions on anti-tying arrangements—including the "traditional bank products" exception and the often-overlooked safe harbor for transactions with non-U.S. customers—and the impact of

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The Institute's mission is to help resolve the many special legislative, regulatory and tax issues confronting internationally headquartered financial institutions that engage in banking, securities and/or insurance activities in the United States.

299 Park Avenue, 17th Floor, New York, N.Y. 10171

Telephone: (212) 421-1611 Facsimile: (212) 421-1119

E-Mail: IIB@IIB.ORG HTTP://WWW.IIB.ORG

Robert B. Mills, Chairman Lawrence R. Uhlick, Executive Director

ANNUAL CONFERENCE

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*Peter R. Fisher,
Under Secretary of
the Treasury for
Domestic Finance.*



*R. Glenn Hubbard,
Chairman, Council
of Economic
Advisers.*



*Susan Schmidt Bies,
Member of the
Board of Governors
of the Federal
Reserve System.*



*John D. Hawke,
Jr., Comptroller of
the Currency.*



*Rep. Michael G.
Oxley, Chairman,
House Financial
Services Committee.*



*Alan L. Beller,
Director of
Corporation Finance
and Senior
Counselor, SEC.*



*Laurence H. Meyer,
Distinguished Scholar at
the Center for Strategic
and International
Studies in Washington.*

the many critical issues affecting your bottom-line results and we strongly encourage all member institutions to be represented.

Other confirmed speakers at the 2003 conference include: **R. Glenn Hubbard**, Chairman of the White House Council of Economic Advisers; **Susan Schmidt Bies**, Member of the Board of Governors of the Federal Reserve System and Chair of the Board's Banking Supervisory and Regulatory Committee; **John D. Hawke, Jr.**, Comptroller of the Currency; **Rep. Michael G. Oxley**, Chairman of the House Financial Services Committee; **Alan L. Beller**, Director of Corporation Finance and Senior Counselor, Securities and Exchange Commission; and **Laurence H. Meyer**, former member of the Federal Reserve Board and currently a Distinguished Scholar at the Center for Strategic and International Studies in Washington.

As in past years, the second day of the conference will feature expert panels dealing with important tax and regulatory developments that will have a direct impact on your business activities. Participants on the tax panel will include **Barbara Angus**, International Tax Counsel at the Department of the Treasury, and **John Staples**, Associate Chief Counsel (International), at the IRS. Participants on the regulatory panel will include: **Richard Spillenkothen**, Director of Banking Supervision and Regulation, Federal Reserve Board; **Nancy Wentzler**, Deputy Comptroller of the Currency for Global Banking and Financial Analysis; **Annette L. Nazareth**, Director of Market Regulation, Securities and Exchange Commission; and

Michael J. Lesser, Deputy Superintendent, Foreign Financial Services Division, New York State Banking Department. The conference will be held at the Four Seasons Hotel (2800 Pennsylvania Avenue, N.W.), beginning Sunday evening, March 2nd and ending at noon on Tuesday, March 4th.

The 2003 conference will be an excellent opportunity for representatives of member institutions from the U.S. and head offices as well as representatives of banking associations from around the world to exchange views on major financial services developments and meet informally with top government officials. There will be a welcoming reception on Sunday evening from 5:00 p.m. to 7:00 p.m. sponsored by **Cleary, Gottlieb, Steen & Hamilton**. Program sessions begin Monday morning and continue throughout the day. The Monday Luncheon Program, which will feature Chairman Oxley of the House Financial Services Committee as speaker, will be sponsored by **Clark/Bardes Consulting – Banking Practice**. The Monday evening reception for conference attendees, Administration officials, bank regulators and Members of Congress and their senior staff will be sponsored by **PricewaterhouseCoopers LLP**. We are grateful to all of the sponsors for their generous support. This year, the Monday evening reception will take place at the Smithsonian Institution's Freer Gallery of Art (Jefferson Drive at 12th Street, S.W.), a Beaux-Arts masterpiece that houses the Smithsonian's artistic treasures. Spouses/guests are cordially invited to the Sunday and Monday evening receptions.

JUNE 10TH LUNCHEON

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First Chicago Corp., where he served as Vice Chairman and a Director of the bank holding company. Mr. McDonough earlier served in the U.S. State Department and the U.S. Navy.

The luncheon will be held at the Waldorf-Astoria Hotel, with a reception at 12:00 noon in the Hilton Room on the first floor, followed by lunch beginning promptly at 12:30 p.m. The luncheon will end no later than 2:00 p.m.

All interested representatives of member institutions are encouraged to attend the luncheon and to invite their business customers and other colleagues as guests. Tables may be reserved in the name of Institute member banks and member firms of the Professional Liaison Committee. All member bank representatives are also encouraged to remain for the Annual General Meeting and Elections, which will last for approximately half an hour.

ANNUAL INSTITUTE SEMINAR ON THE U.S. TAXATION OF INTERNATIONAL BANKS TO BE HELD ON JUNE 17-18 IN NEW YORK

Preparations are under way for the Institute's annual two-day seminar on the U.S. taxation of international banks, to be held on Tuesday, June 17th and Wednesday, June 18th in New York (location to be announced). As in past years, this comprehensive seminar will feature government officials and private-sector experts (including representatives of Institute member banks and member firms of our Professional Liaison Committee), who will address the latest developments affecting international banks operating in the United States.

The program will include discussions of key issues that tax professionals need to consider with their senior management as well as practical "how-to" sessions for tax specialists and other interested professionals.

Last year's seminar was attended by approximately

JANUARY LUNCHEON

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In his remarks, Representative Frank said he is a "great believer" in the free market and "intends to continue to fight for the ability of the markets to function." He also noted that he was an early advocate of abolishing the barriers between commercial and investment banking under the Depression-era Glass-Steagall Act and that he did not favor revisiting the Gramm-Leach-Bliley Act, which removed those barriers.

Representative Frank also expressed support for an exemption for international banks from the insider lending prohibitions under the Sarbanes-Oxley Act. Representative Frank said he was the author of the existing exemption in the Act that applies to FDIC-insured domestic banks and was "sympathetic" to the concerns of international banks to receive comparable treatment. In other remarks, Representative Frank said there was a "good chance" for passage this year of regulatory relief legislation, if "narrowly drafted."



Rep. Frank (left) meets with attendees during the reception prior to the luncheon.

200 member bank representatives and tax professionals from both the United States and head offices and was very well received. Given the importance of these tax issues to your bottom-line results, all member institutions are encouraged to be represented at the seminar.

Additional information and registration material will be distributed in the near future and we urge you to reserve June 17th and 18th on your calendars. This year's seminar is being co-chaired by Institute Tax Committee members John Rozsa (Mizuho Corporate Bank, Ltd.) and Jeff Karp (TD Securities (USA) Inc.) and is being organized in conjunction with the Institute's professional staff, Tax Committee Chairman Andrew Barkin (UFJ Bank Limited), and Yaron Reich (Cleary, Gottlieb, Steen & Hamilton), the Institute's tax counsel.

REGULATION W SEMINAR

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ongoing inquiries by the NASD and Congressman Dingell regarding tying practices of banks affiliated with broker-dealers.

In the area of affiliate transaction regulation, the most important recent development is the Federal Reserve Board's issuance of a final rule implementing and interpreting Sections 23A and 23B of the Federal Reserve Act—Regulation W. Regulation W will become effective on April 1, 2003, and it presents important compliance issues for the many international banks that are subject to the rule.

Mark Van der Weide of the Federal Reserve Board's Legal Division will speak on the first panel of the seminar regarding Regulation W. Mr. Van der Weide has been actively involved in the Federal Reserve Board's development of Regulation W. The Institute also expects a representative of the Federal Reserve Bank of New York to participate on a panel regarding anti-tying issues. These government officials will be joined by experts from leading professional firms and one of our member institutions.

All member banks are encouraged to send one or more representatives to the seminar. There will be a registration fee of \$250 per person (\$350 per person for non-members) to attend.

SCHEDULE OF EVENTS THROUGH JUNE 2003

All interested officers of member institutions are urged to put these dates on their calendars.
In particular, we encourage you to attend the Institute's Annual Washington Conference at the
Four Seasons Hotel in Washington on March 2-4, 2003.

Wednesday, February 12, 2003
9:00 a.m. - 12:00 noon

Institute Seminar on Anti-tying Compliance and Regulation of Transactions with Affiliates, including the Federal Reserve's new Regulation W, at Fordham University School of Law (140 West 62nd Street).

Sunday evening - Tuesday afternoon
March 2-4, 2003

Institute's Annual Washington Conference, at the Four Seasons Hotel.

Tuesday, June 10, 2003
12:00 noon

Institute's Annual General Meeting and Membership Luncheon, at the Waldorf-Astoria Hotel. The guest speaker will be William J. McDonough, President of the Federal Reserve Bank of New York.

Tuesday, June 17
Wednesday, June 18, 2003

Institute's Annual Seminar on the U.S. Taxation of Interational Banks (location to be announced). This comprehensive two-day program provides a detailed and authoritative review of the key issues and developments affecting internationally headquartered banking/financial institutions operating in the United States.

Dates for additional seminars, workshops
and other events will be provided in the near future
