



INSTITUTE'S ANNUAL TAX SEMINAR ON JUNE 17TH AND 18TH WILL INCLUDE A KEYNOTE LUNCHEON ADDRESS BY ASSISTANT TREASURY SECRETARY OLSON

Arrangements are being completed for the Institute's annual seminar on U.S. taxation of international banks on Tuesday, June 17th and Wednesday, June 18th at the Marriott Marquis, 1535 Broadway (between 45th and 46th Streets). The seminar program will include a keynote luncheon address by Pamela F. Olson, Assistant Secretary of the Treasury for Tax Policy.

This seminar is the Institute's most important event of the year on tax issues, bringing together government officials and private-sector experts (including representatives of Institute member institutions and member firms of our Professional Liaison Committee), who will provide a detailed and authoritative review of the key issues and developments affecting internationally headquartered financial institutions operating in the United States. Given the importance of these tax issues to your bottom-line

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INSTITUTE TO HOLD SEMINAR ON BASEL II, INCLUDING TREATMENT OF OPERATIONAL RISK AND HOST COUNTRY ISSUES, ON JUNE 24TH IN NEW YORK

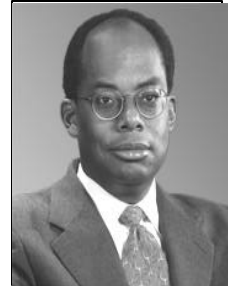
The Institute will hold a seminar in New York on Tuesday, June 24th on the latest developments regarding the proposed New Basel Capital Accord, including in particular the treatment of operational risk as well as host country issues. Confirmed speakers include Daniele Nouy, Secretary General of the Basel Committee on Banking Supervision, Richard Spillenkothen, the U.S. Federal Reserve Board's Director of Banking Supervision and Regulation, and Kevin Bailey, Deputy Comptroller of the Currency for Bank Supervision Policy (the preliminary program is available on the Institute's web site at www.iib.org/events).

The Basel Supervisory Committee issued its third consultative paper on April 29th and final adoption of the new accord – known as Basel II – is expected by the end of this year. Full implementation of Basel II is anticipated by the end

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FEDERAL RESERVE BOARD VICE CHAIRMAN ROGER W. FERGUSON, JR. TO SPEAK AT JUNE 10TH MEMBERSHIP LUNCHEON PRECEDING ANNUAL MEETING AND ELECTIONS

Roger W. Ferguson, Jr., Vice Chairman of the Board of Governors of the Federal Reserve System, will speak at the membership luncheon preceding the Institute's Annual General Meeting and Elections in New York on Tuesday, June 10th. Dr. Ferguson will speak on the topic: "Anticipated implementation of Basel II and the implications for U.S. operations of foreign banking firms."



Roger W. Ferguson, Jr., Vice Chairman, Board of Governors of the Federal Reserve System.

Dr. Ferguson took office as a member of the Federal Reserve Board in 1997 and became Vice Chairman in 1999. In his capacity as Vice Chairman, he is a representative of the Federal Reserve in international policy groups. He received a B.A. in economics (magna cum laude) in 1973, a J.D. in law

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INSTITUTE'S BOARD OF TRUSTEES MEETS WITH SENIOR TREASURY OFFICIAL

The Institute's Board of Trustees met on May 20th with Randal Quarles, Assistant Secretary of the Treasury for International Affairs. The luncheon meeting, held in the Institute's Board Room, covered a broad range of economic and financial services policy issues of importance to internationally headquartered financial institutions operating in the United States.



Randal Quarles (seated second from right), Assistant Secretary of the Treasury for International Affairs, meets with members of the Institute's Board of Trustees.

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.

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

TAX SEMINAR

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results, we urge all member institutions to be represented.

Topics to be covered at the seminar will include:

- recent U.S. and international developments regarding the imputation of capital to branches and other “permanent establishments”;
- an update on key federal tax legislation, including proposed changes to the “earnings stripping” rules;
- current information reporting and withholding developments, including those applicable to Qualified Intermediaries (QIs);
- state and local tax developments;
- the tax aspects of structuring U.S. domestic and cross-border lease transactions;
- developments regarding tax shelters;
- tax aspects and developments regarding securitizations;
- new financial products; and
- issues/concerns affecting federal, state and local tax audits.

While the seminar is designed for tax specialists, all interested professionals from both U.S. operations and head offices of our member institutions are encouraged to register. Attendees at the seminar who are licensed accountants in either New York or New Jersey will be eligible for Continuing Professional Education (CPE) credits. In addition, the Institute has filed with the New York Continuing Legal Education Board an application for accreditation of the seminar. In the event accreditation is granted, seminar attendees who are subject to the New York continuing legal education requirement will be eligible to receive CLE credit as authorized by the Board (in this connection, a copy of the Institute’s financial hardship policy is available from the Institute on request).

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.

JUNE MEMBERSHIP LUNCHEON

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(cum laude) in 1979, and a Ph.D. in economics in 1981, all from Harvard University. In 1973 and 1974, Dr. Ferguson was Frank Knox Fellow at Pembroke College, Cambridge University. Before becoming a member of the Board, Dr. Ferguson was a Partner at McKinsey & Company, Inc. From 1981 to 1984, he was an attorney at the New York City office of Davis Polk & Wardwell.

The luncheon will be held at the Waldorf-Astoria Hotel, with a reception at 12:00 noon in the Hilton Room (1st 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 of ten may also be reserved in the name of member institutions and member firms of the Professional Liaison Committee. All member representatives are also encouraged to remain after the luncheon for the Annual General Meeting and Elections, which will last for approximately half an hour. (See page 3 for the slate of candidates for Institute Officers and Trustees.)

BASEL II SEMINAR

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of 2006. In the United States, supervisory authorities have indicated that they intend to use only the most sophisticated version of Basel II, which will be required only for about the 10 largest U.S. banks. Another 10 big banks are expected to adopt it on a voluntary basis. Documents outlining plans for U.S. implementation of Basel II were released by the bank regulatory agencies in late May and publication of an Advanced Notice of Proposed Rulemaking is scheduled for July.

The Institute’s seminar will provide a timely opportunity to assess how the proposed final version of Basel II will impact business activities/profitability and regulatory compliance requirements. The competitive implications of the limited implementation of Basel II in the U.S. will also be discussed. These issues will be addressed from the perspective of internationally headquartered financial institutions operating in the United States.

The seminar will be held from 8:30 a.m. to 12:15 p.m. at the James B.M. McNally Amphitheater at Fordham University School of Law (140 West 62nd Street). There will be a registration fee of \$250 per person (\$350 per person for non-members) to attend.

SLATE OF CANDIDATES FOR JUNE 10th ELECTION

	<u>Term</u>	<u>Country of Origin</u>		<u>Term</u>	<u>Country of Origin</u>
Officers and Trustees¹					
Chairman					
• Robert B. Mills UBS	2003-04	Switzerland	• Kevin Ray The Bank of Nova Scotia	2003-04	Canada
Vice Chairmen					
• Waldo M. Abbot Royal Bank of Canada	2003-04	Canada	• Marcelo Sanchez Banco Itau S.A.	2003-04	Brazil
• Yukiharu Kiho The Bank of Tokyo-Mitsubishi, Ltd.	2003-04	Japan	• Jacques Thys Fortis Americas	2003-04	Belgium
• Everett Schenk BNP Paribas	2003-04	France	Trustees		
Past Chairman					
• Gonzalo de Las Heras Banco Santander Central Hispano	2003-04	Spain	• Rubens V. Amaral, Jr. Banco do Brasil S.A.	2003-06	Brazil
Secretary					
• Richard Ferguson Deutsche Bank AG	2003-04	Germany	• Nofal S. Barbar Arab Bank Plc	2003-06	Jordan
Treasurer					
• Einar Thodal-Ness Skandinaviska Enskilda Banken	2003-04	Sweden	• M. Rafiq Bengali National Bank of Pakistan	2002-05	Pakistan
Chairman of the Legislative and Regulatory Policy Committee					
• Claudio Marchiori Banca Intesa	2003-04	Italy	• Graham Broyd The Royal Bank of Scotland	2003-06	United Kingdom
Chairman of the Strategic Planning Committee					
• Robert C. O'Brien Credit Suisse First Boston	2003-04	Switzerland	• Dennis Buchert ² Credit Agricole Indosuez	2002-05	France
Chairman of the Membership Committee					
• Hernan Donoso Banco de Chile	2003-04	Chile	• Hans Moller Christensen Danske Bank A/S	2003-06	Denmark
Members of the Executive Committee					
• Akira Akiyama UFJ Bank Limited	2003-04	Japan	• Luc de Clapiers CDC IXIS North America, Inc.	2003-06	France
• Berit L. Henriksen Den norske Bank ASA	2003-04	Norway	• Joachim Doepp Commerzbank AG	2003-06	Germany
• Peter J. Phillips Lloyds TSB Bank plc	2003-04	United Kingdom	• Chester B. Feldberg Barclays Americas	2001-04	United Kingdom
			• Kristen M. Fletcher ³ ABN AMRO Bank	2001-04	Netherlands
			• Zvi Fuhrman Bank Hapoalim B.M.	2003-06	Israel
			• P. Joseph Hegener, Jr. Toronto Dominion Bank	2002-05	Canada
			• Paul L. Lee HSBC USA Inc.	2003-06	United Kingdom
			• Scott McInnis ⁴ Australia & New Zealand Banking Group, Ltd.	2001-04	Australia

¹ All officers and those designated as Members constitute the Institute's Executive Committee and also serve as Trustees. Mr. Lawrence R. Uhlick, Executive Director and General Counsel of the Institute, and Mr. Jens A. Westrick, Executive Vice President and General Manager of Norddeutsche Landesbank Girozentrale and Foreign Bank Representative on the New York State Banking Board, serve as ex officio members of the Executive Committee and the Board of Trustees.

² Completing the last two years of Mr. Didier Varlet's term.

³ Completing the last year of Mr. Andre Nel's term.

⁴ Completing the last year of Mr. Roy Marsden's term.

SLATE OF CANDIDATES

(Continued from page 3)

- Joachim Mies 2003-06 Germany
Dresdner Kleinwort Wasserstein
- Masatsugu Nagato 2003-06 Japan
Mizuho Corporate Bank, Ltd.
- Gianni Franco Papa⁵ 2002-05 Italy
UniCredito Italiano SpA
- Carlo Persico 2003-06 Italy
SANPAOLO IMI BANK

- Bruce T. Richards 2003-06 Australia
National Australia Bank
- Charles M. Vollmer 2001-04 Poland
Bank Pekao S.A.
- Bailin Zheng 2001-04 China
Bank of China

⁵ Completing the last two years of Mr. Dante Pasqualini's term.

SCHEDULE OF EVENTS THROUGH OCTOBER 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 General Meeting/Elections and Membership Luncheon on June 10th at the Waldorf-Astoria Hotel.

Tuesday, June 10, 2003
12:00 noon

Institute's Annual General Meeting/Elections and Membership Luncheon, at the Waldorf-Astoria Hotel. The guest speaker will be Roger W. Ferguson, Jr., Vice Chairman of the Federal Reserve Board.

Tuesday, June 17
Wednesday, June 18, 2003

Institute's Annual Seminar on U.S. Taxation of International Banks, at the Marriott Marquis in New York. 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.

Tuesday, June 24, 2003
8:30 a.m. - 12:15 p.m.

Institute Seminar on Basel II, including Treatment of Operational Risk and host country issues, at Fordham University School of Law (140 West 62nd Street).

Wednesday, September 10, 2003

Annual Institute Golf Outing at the Piping Rock Club, Locust Valley, Long Island.

Wednesday, October 29
to noon on Thursday, October 30, 2003

Annual Institute Seminar on Regulatory Examination and Compliance Issues Affecting International Banks, at the Grand Hyatt New York.

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