



## ANNUAL REGULATORY EXAMINATION AND COMPLIANCE SEMINAR TO FEATURE TOP REGULATORS, PRIVATE SECTOR EXPERTS

Arrangements are being completed for the Institute's annual seminar on regulatory examination and compliance issues affecting international banks on Wednesday, October 29<sup>th</sup> and Thursday, October 30<sup>th</sup> (until noon) at the Grand Hyatt New York (Park Avenue at Grand Central Station).

This unique program brings together top bank regulators and leading private sector experts to confer with our member banks and discuss emerging supervisory issues and expectations, providing definitive and timely information to facilitate our members' compliance efforts and avoid costly problems in the examination process.

Confirmed governmental speakers include: Stephen M. Hoffman, Jr., Associate Director of Banking Supervision and Regulation at the Federal Reserve Board; Nancy Wentzler, Deputy Comptroller of the Currency for Global Banking and Financial Analysis; William L. Rutledge, Executive Vice President of the Federal Reserve Bank of New York, who will give the Wednesday luncheon address; Robert O'Sullivan, Senior Vice President of the New York Fed; Fred D. Finke, the OCC's District Deputy Comptroller for the Northeastern District; Thomas Abballe, Deputy Superintendent of the New York State Banking Department; Gregory P. Wyka, Assistant Regional Director of the Federal Deposit Insurance Corporation; and

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## ANNUAL WASHINGTON CONFERENCE

The Institute's 2004 Annual Washington Conference will take place from Sunday evening, February 29<sup>th</sup> to noon on Tuesday, March 2<sup>nd</sup> at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W. This is the Institute's most important event of the year, bringing together senior U.S. and international governmental policymakers and private sector experts to exchange views on key issues affecting the international banking community. Further details will be distributed later this fall. In the meantime, please mark these dates on your calendars and make plans to attend.

## TREASURY ASSISTANT SECRETARY ABERNATHY TO SPEAK AT MEMBERSHIP LUNCHEON ON TUESDAY, OCTOBER 7<sup>TH</sup> IN NEW YORK

Wayne A. Abernathy, Assistant Secretary of the Treasury for Financial Institutions, will speak at the Institute's membership luncheon in New York on Tuesday, October 7<sup>th</sup>. As Assistant Secretary, he plays a major policy role in coordinating the Treasury Department's efforts in connection with legislation and regulations affecting financial institutions and markets, including Treasury's recent proposal to assume oversight of Fannie Mae and Freddie Mac, the government-sponsored enterprises (GSEs) that are the largest players in the U.S. mortgage lending industry. The proposed restructuring of the supervision over the housing GSEs is one of the topics that Assistant Secretary Abernathy has been invited to address at the October 7<sup>th</sup> luncheon.



*Wayne A. Abernathy, Assistant Secretary of the Treasury for Financial Institutions.*

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## ASSET PLEDGE SEMINAR

Michael J. Lesser, Deputy Superintendent of the New York State Banking Department, and Richard Coffman, Partner at Clifford Chance US LLP, discussed implementation of the Banking Department's revised asset pledge requirement at an Institute seminar on September 30<sup>th</sup> at the Banco Santander Central Hispano Auditorium.

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*From left: Lawrence R. Uhlick, Executive Director and General Counsel, Institute of International Bankers; Michael J. Lesser, Deputy Superintendent, Foreign Financial Services Division, New York State Banking Department; and Richard Coffman, Partner, Clifford Chance US LLP.*

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

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## COMPLIANCE SEMINAR

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Howard F. Pitkin, Administrator of Depository Institutions, Connecticut Department of Banking.

Topics to be discussed at this year's seminar include:

- the banks' and bank examiners' perspectives on examination issues;
- key examination and compliance issues for international banks under the USA Patriot Act;
- emerging trends and best practices in operational risk management, including issues dealing with structured finance as well as business continuity; and
- managing credit risk in an uncertain economic environment.

This comprehensive seminar provides an excellent opportunity for experienced officers to be thoroughly updated on new developments and gain practical insights in preparing for examinations. It also will offer new officers a solid introduction to the U.S. regulatory system and compliance requirements. Last year's seminar was attended by approximately 200 representatives from the U.S. and head offices of our member banks and was very well received.

The registration fee for those wishing to attend the entire seminar is \$950 per person for members (\$1,250 per person for non-members), which will also cover the luncheon program on Wednesday and continental breakfasts on both days. There is also the option of a transferable registration (at \$1,250) that will give member institutions the flexibility of sending up to three representatives to the seminar on a rotating basis (only one individual at a time may attend the seminar program).

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## ASSET PLEDGE

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As previously reported, the New York State Banking Department significantly revised its asset pledge requirement effective last December, adopting many of the reforms recommended by the Institute. Given the importance of these revisions to member institutions with state-licensed branches and agencies in New York, the Institute arranged the seminar to provide an opportunity to review members' experience with the new regime and address questions that have arisen regarding its implementation. The seminar also included an overview of the new requirements and related developments, including the Banking Department's decision on the treatment of securities lending transactions for asset pledge purposes, which is posted on its website ([www.banking.state.ny.us/lo030520.htm](http://www.banking.state.ny.us/lo030520.htm)).

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## NEW MEMBER INSTITUTION

HSH Nordbank AG of Germany has joined the Institute as a new member. Klaus Bernhart is General Manager of the New York branch and also serves as the bank's Global Head of Transportation.

Mr. Bernhart was formerly Manager of LB Kiel's New York branch, which, with Hamburgische Landesbank, are the predecessors of HSH Nordbank. His thirty-year career includes officer positions at Bayerische Vereinsbank, and international postings in France, London and Luxembourg. He has headed various departments, including German corporates and banks, aircraft leasing, structured finance, leasing and transportation.

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## NEW MEMBER FIRM OF THE PROFESSIONAL LIAISON COMMITTEE

Kirkpatrick & Lockhart LLP has joined the Institute as a new law firm member of the Professional Liaison Committee.

Jerome Walker, a Partner in the New York office, is the firm's designated representative on the Professional Liaison Committee. Mr. Walker focuses his practice on the regulation and supervision of commercial banks. He is a former Managing Director and Head of Bank Regulatory Compliance for Deutsche Bank Americas, a former Senior Attorney for the Comptroller of the Currency and a former General Counsel and Compliance Officer for the U.S. operations of HongkongBank.

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## MEMBERSHIP LUNCHEON

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Prior to joining Treasury in December 2002, Assistant Secretary Abernathy served as Republican Staff Director of the Senate Banking Committee. During his tenure as staff director, he worked on such major legislation as The Investor and Capital Markets Fee Relief Act, The Gramm-Leach-Bliley Act and The Commodity Futures Modernization Act of 2000. He served on the Committee staff for over 20 years, beginning as an economist for the Subcommittee on International Finance and Monetary Policy from 1981 to 1986.

All interested representatives of member institutions and Professional Liaison Committee firms 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.

The luncheon will be held at the Waldorf-Astoria Hotel, with a reception at 12:00 noon in the Empire Room (1st floor), followed by lunch beginning promptly at 12:30 p.m. The luncheon will end no later than 2:00 p.m.

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**INSTITUTE PUBLISHES 16<sup>TH</sup> ANNUAL GLOBAL SURVEY OF  
REGULATORY AND MARKET DEVELOPMENTS IN BANKING, SECURITIES  
AND INSURANCE IN 40 COUNTRIES AND THE EUROPEAN UNION**

The Institute has published its 16<sup>th</sup> annual *Global Survey of Regulatory and Market Developments in Banking, Securities and Insurance*, which this year covers 40 countries and the European Union during the period from July 1, 2002 to June 30, 2003. The document is available on the Institute's web site at [www.iib.org/gs2003.pdf](http://www.iib.org/gs2003.pdf).

The *Global Survey* provides timely information to assist policymakers to better understand trends and developments around the world. Among the highlights of this year's *Global Survey* are the following:

- A subject selected for special attention in this year's Survey relates to the approach countries are taking to implementation of the proposed New Basel Capital Accord, or Basel II. While some countries have not yet made definitive decisions regarding the scope of application, the overwhelming trend is in the direction of applying Basel II to all banking institutions in a given country instead of only the most complex, as is the case with the U.S.
- Many countries around the world are enhancing their efforts to combat money laundering and the financing of terrorism.
- Several country chapters highlight initiatives to overhaul accounting, auditing and corporate governance practices as well as measures to ensure the independence of securities research. While regulators in the United States have drawn a sharp line separating research from investment banking activities, most notably in the historic \$1.4 billion "global settlement" with ten of the largest investment banking firms, it is not clear whether the U.S. approach will be broadly followed in other countries.
- Deposit insurance schemes were introduced or strengthened in various parts of the world, including Hong Kong, Israel, Japan, Romania and Singapore.



- A number of countries implemented or were in the process of undertaking reforms of their domestic regulatory systems to meet the challenges posed by the formation of complex financial groups that engage in a diverse array of activities in their home markets and abroad. Bahrain, for example, completed its plans to create a single financial regulator, becoming the first country to do so in the Gulf region.

In addition to a new table on the approach countries are taking to implementation of Basel II, the *Global Survey* includes updated tables summarizing for each of the countries covered by the *Survey* (i) the approach countries take to consolidated supervision of the operations of domestic and non-domestic financial groups; (ii) the applicability of host country endowment/dotational capital requirements for branches of non-domestic banking organizations; (iii) the applicability of asset pledge requirements to branches of non-domestic banking organizations operating in a host country; (iv) the availability of central bank "daylight overdraft" credit; (v) the permissibility of merchant banking activities; (vi) host country supervision of non-domestic banks' branches; (vii) market risk capital requirements; and (viii) permissible securities, insurance and real estate activities for banking organizations in each country.

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## **SCHEDULE OF EVENTS THROUGH MARCH 2004**

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 Membership Luncheon  
on October 7th at the Waldorf-Astoria Hotel.

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Tuesday, October 7, 2003  
12:00 noon

Institute's Membership Luncheon, at the Waldorf-Astoria Hotel. The guest speaker is Wayne A. Abernathy, Assistant Secretary of the Treasury for Financial Institutions

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.

Thursday, January 15, 2004  
12:00 noon

Institute Membership Luncheon, at the Waldorf-Astoria Hotel.

Sunday evening - Tuesday afternoon  
February 29 - March 2, 2004

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

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

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