



## ANNUAL WASHINGTON CONFERENCE ON MARCH 5<sup>TH</sup> AND 6<sup>TH</sup> WILL FEATURE SENIOR GOVERNMENT POLICY MAKERS AND PRIVATE SECTOR EXPERTS



*Laurence H. Meyer, Member of the Board of Governors of the Federal Reserve System.*



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



*Jochen Sanio, President, Federal Banking Supervisory Office of Germany.*



*Representative John J. LaFalce, Ranking Democratic Member of the House Banking Committee*

The Institute's Annual Washington Conference will be held on Monday, March 5<sup>th</sup> to noon on Tuesday, March 6<sup>th</sup>, 2001 at the Four Seasons Hotel (2800 Pennsylvania Avenue, N.W.). An outstanding group of U.S. and international government and private-sector speakers, including **Laurence H. Meyer**, Member of the Board of Governors of the Federal

Reserve System, **John D. Hawke, Jr.**, Comptroller of the Currency, **Jochen Sanio**, President of the Federal Banking Supervisory Office in Germany, and **Rep. John J. LaFalce**, Ranking Democratic Member of the House Banking Committee, will address major issues of particular importance to our member banks.

### EXAMINATION AND COMPLIANCE SEMINAR DRAWS OVER 250 ATTENDEES

Senior banking regulators and private-sector experts provided a comprehensive review of key examination and supervision issues critical to our member banks at the Institute's annual regulatory examination and compliance seminar on November 13<sup>th</sup> and 14<sup>th</sup> in New York. *Speaker presentations are available on the Institute's web site at [www.IIB.org/member](http://www.IIB.org/member).*

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*From left: Stephen M. Hoffman, Jr. (at podium), Deputy Associate Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System; Lawrence R. Uhlick, Executive Director and General Counsel, Institute of International Bankers; and Nancy Wentzler, Deputy Comptroller, Global Banking and Financial Analysis, Office of the Comptroller of the Currency.*

The 2001 conference will be especially valuable in providing an early indication of financial policy initiatives by the *(Continued on page 2)*

### ROBERT HORMATS, LAWRENCE KUDLOW TO SPEAK AT JANUARY MEMBERSHIP LUNCHEON



*Robert D. Hormats, Vice Chairman, Goldman Sachs (International).*



*Lawrence Kudlow, Chief U.S. Economist, ING Barings, LLC.*

Robert D. Hormats, Vice Chairman of Goldman Sachs (International), and Lawrence Kudlow, Chief U.S. Economist at ING Barings, LLC, will speak at the Institute's membership luncheon on Monday, January 22, 2001 in New York. They will provide their views on the outlook for the U.S. economy in the year ahead and the major economic policy initiatives that should be pursued by the new Administration in Washington. *(Continued on page 2)*

The Institute addresses the 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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**Gonzalo de Las Heras, Chairman Lawrence R. Uhlick, Executive Director**

## ANNUAL WASHINGTON CONFERENCE

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new Administration in Washington and the incoming 107<sup>th</sup> Congress, which will convene in January. As in past years, the conference will also be an excellent opportunity for member bank officers from the U.S. and head offices as well as representatives of banking associations from around the world to exchange views on major banking developments and meet informally with top government officials. Equally important, the conference is the one time of year when we collectively project the Institute and our member banks to the Washington community in connection with the many critical issues that affect the bottom line results of our membership.

Among the senior officials who participated in the March 2000 conference were: **Charlene Barshefsky**, United States Trade Representative; **Roger W. Ferguson, Jr.**, Vice Chairman of the Federal Reserve Board; **Gary Gensler**, Under Secretary of the Treasury for Domestic Finance; **Senator Chuck Hagel**, Member of the Senate Banking Committee; **Rep. James A. Leach**, Chairman of the House Banking Committee; and **John B. Richardson**, Deputy Head, Delegation of the European Commission in Washington.

In addition to addresses by key U.S. and international policy makers, the 2001 Annual Washington Conference will feature industry leaders and other private-sector experts who will discuss the critical business strategy issues that need to be considered by chief executives/general managers in the rapidly changing financial services landscape.

We are eager to have a strong turnout of general managers and other officers of our member banks, so please mark March 5<sup>th</sup> and 6<sup>th</sup> on your calendars and encourage colleagues and business associates (including representatives of domestic and international financial organizations that are not members of the Institute) to attend.

On Monday evening, a reception sponsored by Deloitte & Touche LLP will be held for conference attendees and the Washington community. As in the past, spouses are welcome to attend the business sessions and the Monday evening reception at no additional cost.

Detailed information about the program and accommodations will be provided in a future communication to the Institute's membership.

## WILLIAM RUTLEDGE AND COLLEAGUES MEET WITH INSTITUTE'S JAPANESE MEMBER BANKS

William Rutledge, Executive Vice President of the Federal Reserve Bank of New York, and his colleagues Robert O'Sullivan (Senior Vice President) and Dennis Herbst (Examining Officer) met with representatives of the Institute's Japanese Member Banks on November 7<sup>th</sup> in the Institute's Board Room. The meeting, chaired by Takao Umino (The Sakura Bank, Ltd.), Vice Chairman of the Institute, provided an opportunity to review the Institute's activities in connection with issues of particular importance to the Institute's Japanese member banks and to get their further input. *A list of attendees is available on the Institute's web site at [www.IIB.org/member](http://www.IIB.org/member).*



*From left: Robert O'Sullivan, William Rutledge and Dennis Herbst of the Federal Reserve Bank of New York, seated across from Institute Vice Chairman Takao Umino (Regional Manager for the Americas & General Manager, The Sakura Bank, Ltd.) and Lawrence R. Ublick, Executive Director and General Counsel of the Institute.*

## INSTITUTE MEMBERSHIP LUNCHEON

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Prior to joining Goldman Sachs in 1982, Mr. Hormats served under President Reagan as Assistant Secretary of State for Economic and Business Affairs from 1981 to 1982. He earlier served as Senior Economic Advisor to Dr. Henry Kissinger, General Brent Scowcroft and Dr. Zbigniew Brzezinski.

Mr. Kudlow served in the Reagan Administration as Associate Director for Economics and Planning in the Office of Management and Budget. Before joining ING Barings, Mr. Kudlow was for many years the chief economist at Bear, Stearns & Co. More recently, he was the chief economist at Schroder & Co. Inc. and American Skandia Life Assurance, Inc.

The luncheon will be held at the Waldorf-Astoria Hotel, beginning with a reception at 12:00 noon in the Palm Room on the 18<sup>th</sup> floor, followed by lunch beginning promptly at 12:30 p.m. in the Starlight Roof. All interested officers of Institute member banks are encouraged to attend.

## INSTITUTE TAX TRAINING SESSION WILL BE HELD ON JANUARY 31<sup>ST</sup>

The Institute will conduct a training session on the basic U.S. tax issues affecting international banks and how to cope with these issues in an ever-changing U.S. tax environment. It will be held at the University Club (1 West 54<sup>th</sup> Street) from 9:00 a.m to 5:00 p.m. on Wednesday, January 31, 2001.

The training session will be conducted by leading tax experts from major firms and will be chaired by Andrew Barkin (The Tokai Bank, Limited), Chairman of the Institute's Tax Committee. Additional information, including a detailed program, will be distributed in the near future.

This type of training session was first held in April 2000 and received a very positive response from our member banks. It is being offered separate from the Institute's Annual Tax Seminar, which will be held on June 18-19, 2001. As compared to the training session, the June seminar will focus on tax issues in greater detail and at a more advanced level.

## COMPLIANCE SEMINAR

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Topics covered during the day-and-a-half program included credit risk management, supervisory and examination issues regarding derivatives, securities and new financial products, and "umbrella" supervision under the Gramm-Leach-Bliley Act and its implications for international banks.

The program began with an overview of supervisory policy initiatives and new developments in the examination of



*From left: Robert O'Sullivan (at podium), Senior Vice President, Federal Reserve Bank of New York; Walter J. Mix III, Managing Director, The Secura Group; Patrick J. Cleary, National Bank Examiner, Office of the Comptroller of the Currency (Northeastern District); Michael J. Lesser, Deputy Superintendent, New York State Banking Department; Howard F. Pitkin, Director, Bank Examination Division, Connecticut Department of Banking; and Arthur J. Appl, Jr., Director, Division of International Banking Supervision, Illinois Office of Banks & Real Estate.*

## NEW INSTITUTE TRUSTEE

Bailin Zheng, Director and General Manager, U.S.A. of the Bank of China, was recently elected to the Institute's Board of Trustees.



*Bailin Zheng, Director & General Manager – USA, Bank of China.*

Mr. Zheng started his banking career at the Bank of China Shanghai Branch where he worked from 1971 to 1993 and had held the position of General Manager since December 1989. From 1993 to 1997, Mr. Zheng was transferred to Hong Kong and simultaneously took up the positions of Deputy Chief Executive of the Bank of China Hong Kong and Macau Regional Office and General Manager of the Kwangtung Provincial Bank, Hong Kong Branch. During his tenure, the bank achieved record growth, both with regards to profit and size.

From October 1997 to July 2000, Mr. Zheng became the General Manager of Bank of China London Branch and was appointed Director of Bank of China in May 1998. On July 18, 2000, Mr. Zheng assumed his present position.

international banks, provided by senior officials from the Federal Reserve and the Office of the Comptroller of the Currency. Stephen M. Hoffman, Jr., Deputy Associate Director of the Federal Reserve's Division of Banking Supervision and Regulation, led off the discussion, followed by Nancy Wentzler, Deputy Comptroller of the Currency for Global Banking and Financial Analysis.

The morning program continued with a panel discussion concerning supervisory and industry trends and

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*From left: Michael Wiseman (at podium), Partner, Sullivan & Cromwell; Kenneth J. Carroll, Assistant General Manager & Controller, Arab Banking Corporation; Eric T. Young, Senior Vice President and Head of Compliance, Canadian Imperial Bank of Commerce; John D. Stapleton, Senior Vice President and Compliance Officer, The Mitsubishi Trust and Banking Corporation; John V. Hudson, Senior Vice President, Compliance, HSBC Bank USA; and Douglas M. Freedman, Director, Bank Compliance, UBS Warburg.*

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**COMPLIANCE SEMINAR**

*(Continued from page 3)*

developments regarding the management of credit risk, including counterparty credit risk. Participating on the panel were: Carol M. Beaumier; Partner, Arthur Andersen LLP; Stephen J. Conners, Senior Manager, KPMG LLP; and William G. Glass, Chief Credit Officer – Americas, UBS Warburg.

Speaking at the Monday luncheon was James W. DeLoach, Jr., a Partner at Arthur Andersen, who discussed the principles and practical aspects of enterprise risk management. We are grateful to Arthur Andersen for sponsoring the luncheon program. The afternoon program continued with a panel discussion of “umbrella” supervision, featuring William L. Rutledge, Executive Vice President of the Federal Reserve Bank of New York. Other panelists included Paul Glotzer, Partner, Cleary, Gottlieb, Steen & Hamilton; David R. Sahr, Partner, ShawPittman; and Donald T. Vangel, Partner, Ernst & Young LLP. The Monday program concluded with a discussion of supervisory and examination issues regarding derivatives, securities and new financial products. Participating on the panel were: Robert R. Bench, Managing Partner, PricewaterhouseCoopers LLP; Geoffrey B. Goldman, Associate, Cleary, Gottlieb, Steen & Hamilton; and Winthrop N. Brown, Partner, ShawPittman.

The Tuesday program was devoted to panel discussions of examination issues from the perspectives of the banks and bank examiners. Participants on the panel of senior regulatory officials were: Robert O’ Sullivan, Senior Vice President, Federal Reserve Bank of New York; Patrick J. Cleary, National Bank Examiner, Office of the Comptroller of the Currency (Northeastern District); Michael J. Lesser, Deputy Superintendent, New York State Banking Department; Howard F. Pitkin, Director of the Bank Examination Division, Connecticut Department of Banking; and Arthur J. Appl, Jr., Director of the Division of International Banking Supervision, Illinois Office of Banks and Real Estate. The panel was moderated by Walter J. Mix, Managing Director, The Secura Group.

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**INSTITUTE HOLDS SEMINARS ON  
BROKER-DEALER, PRIVACY ISSUES**

The Institute held separate seminars in October on broker-dealer registration and compliance issues (October 10<sup>th</sup>) and on privacy issues under the Gramm-Leach-Bliley Act (October 31<sup>st</sup>). The half-day programs were part of the Institute’s ongoing series of seminars and workshops on issues and topics of importance to our membership. Speaker presentations are posted in the member area of the Institute’s web site ([www.IIB.org/member](http://www.IIB.org/member)).

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**INSTITUTE TO HOLD SEMINAR ON  
ANTI-MONEY LAUNDERING INITIATIVES**

The Institute will hold a seminar on recent anti-money laundering initiatives on Thursday, January 18, 2001, from 9:00 a.m. to 12:00 p.m. at the James B.M. McNally Amphitheater at Fordham University School of Law (140 West 62nd Street).

The Institute’s anti-money laundering program in June 2000 received a very positive response, and we have found that there are important benefits to having periodic programs for our member banks devoted specifically to these vital compliance matters. Moreover, attendance at these programs helps demonstrate to examiners a bank’s efforts to stay abreast of developments in this important area. The January seminar will address the following topics:

- Guidance on “enhanced due diligence” and “know your customer” practices.
- Dealing with transactions involving countries that have been identified by the Financial Action Task Force as noncooperative in the fight against money laundering.
- Guidance on the Wolfsberg Principles developed by 12 major international banks to enhance the fight against money laundering.
- Potential changes in U.S. law that could result from pending legislative initiatives.
- Filing procedures for suspicious activity reports.

Speakers will include Richard Small from the Federal Reserve’s Division of Banking Supervision and Regulation, lawyers from ShawPittman, and other anti-money laundering compliance experts.

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**NEW MEMBER FIRMS OF  
PROFESSIONAL LIAISON COMMITTEE**

Fox Horan & Camerini LLP and STB Systems Inc. have become members of the Institute’s Professional Liaison Committee.

Christopher H. Seymour, a Partner at Fox Horan, is the law firm’s Designated Representative on the Professional Liaison Committee. He joined the firm in 1997 after twelve years at American Express, where he served as Managing Director and General Counsel of American Express Bank Ltd.

Roger Thomas, General Manager of STB Systems Inc., is the Designated Representative for the banking software firm. Mr. Thomas, who specializes in regulatory, management and compliance reporting, was appointed General Manager of STB at its founding in September 1999. Prior to that, he had 26 years of experience in the banking software industry.

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## SCHEDULE OF EVENTS THROUGH JUNE 2001

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All interested officers of Institute member banks/affiliates are urged to put these dates on their calendars. In particular, we encourage you to make plans to attend the Institute's Annual Washington Conference (March 4-6, 2001) at the Four Seasons Hotel.

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Thursday, January 18, 2001  
9:00 a.m. to 12:00 p.m.

Institute Seminar on Anti-Money Laundering Initiatives, at the James B.M. McNally Amphitheater at Fordham University School of Law.

Monday, January 22, 2001  
12:00 noon

Institute Membership Luncheon, at the Waldorf-Astoria Hotel. The speakers will be Robert D. Hormats, Vice Chairman of Goldman Sachs (International), and Lawrence Kudlow, Chief U.S. Economist at ING Barings, LLC.

Wednesday, January 31, 2001  
9:00 a.m. to 5:00 p.m.

Institute Tax Training Session, at the University Club (1 West 54th Street).

Sunday evening, March 4 through  
noon on Tuesday, March 6, 2001

Institute's Annual Washington Conference, at the Four Seasons Hotel, beginning with a reception on Sunday evening, March 4th.

Monday, June 4, 2001  
12:00 noon

Institute's Annual General Meeting and membership luncheon, at the Waldorf-Astoria Hotel.

Monday, June 18-  
Tuesday, June 19, 2001

Institute's Annual Seminar on the U.S. Taxation of International Banks, at the Grand Hyatt New York.

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

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