



# INSTITUTE NEWS

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## CHAIRMAN FRANK TO SPEAK AT MAJOR INSTITUTE CONFERENCE ON REGULATORY RESPONSES TO MARKET TURMOIL, RESTRUCTURING PROPOSALS

Arrangements are being completed for a major Institute conference in New York on Monday, November 17th, on proposals to restructure the U.S. regulatory system that are being developed in response to the current turmoil in the global credit markets and concerns with the competitiveness of U.S. financial markets. The conference will also address international initiatives for enhancing the cross-border regulatory framework to remedy common problems across national boundaries.



The Honorable Barney Frank, Chairman, House Financial Services Committee.

The Honorable Barney Frank, Chairman of the House Financial Services Committee, will deliver the keynote luncheon address. We have also con-

Continued on page 2

## BREAKFAST REGULATORY DIALOGUE SET FOR OCTOBER 13<sup>TH</sup> IN WASHINGTON DURING IMF/WORLD BANK MEETINGS

The Institute will hold its annual Breakfast Regulatory Dialogue with Government Officials on Monday, October 13<sup>th</sup> during the IMF/World Bank meetings in Washington. Confirmed speakers include **Kevin M. Warsh**, Member of the Board of Governors of the Federal Reserve System, and **Jochen Sanio**, President of Germany's Federal Financial Supervisory Authority (BaFin). We have also invited other senior U.S. and international



Kevin M. Warsh, Member, Board of Governors of the Federal Reserve System.



Jochen Sanio, President of Germany's Federal Financial Supervisory Authority (BaFin).

Continued on page 3

## MAYOR BLOOMBERG TO SPEAK AT IIB MEMBERSHIP LUNCHEON ON OCTOBER 30<sup>TH</sup> IN NEW YORK

The Honorable Michael R. Bloomberg, Mayor of the City of New York, will speak at the Institute's fall membership luncheon on Thursday, October 30<sup>th</sup>. In his luncheon remarks, Mayor Bloomberg is expected to discuss efforts by his Administration to enhance the international competitiveness of New York as a global financial center. Mayor Bloomberg and Senator Schumer commissioned a McKinsey study on this critical issue that was released in January 2007. As part of these efforts,



The Honorable Michael R. Bloomberg, Mayor of the City of New York.

Continued on page 2

## JERRY CORRIGAN SPEAKS AT JUNE 12<sup>TH</sup> MEMBERSHIP LUNCHEON

E. Gerald Corrigan, Managing Director, Goldman Sachs & Co., and former President of the Federal Reserve Bank of New York, spoke at the membership luncheon preceding the Institute's Annual General Meeting and Elections at the Waldorf-Astoria on June 12<sup>th</sup>. In his remarks, Mr. Corrigan shared his perspective on current market conditions and the regulatory implications and touched upon the upcoming report of the Counterparty Risk Management Policy Group, of which he serves as Chair.



Waldo Abbot (left), CEO of Fortis Americas and Institute Chairman, and E. Gerald Corrigan, Managing Director, Goldman Sachs & Co. and former President of the Federal Reserve Bank of New York

Continued on page 3

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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Waldo Abbot, Chairman Lawrence R. Uhlick, Chief Executive Officer

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## NOVEMBER 17th CONFERENCE

(Continued from Page 1)

firmed the participation of **The Honorable Kathleen Casey**, Commissioner, Securities and Exchange Commission, as well as a number of other leading governmental and private-sector speakers. We have also extended speaking invitations to a senior Treasury Department official and a Federal Reserve Board Governor and look forward to their participation. In addition, we are delighted to announce the participation of the following organizations as co-sponsors of this important event: the **American Association of Bank Directors**; the **Financial Services Roundtable**; and the **Organization for International Investment**. Additional co-sponsors will be announced in the near future.

Chairman Frank is holding a series of Committee hearings this summer and fall on financial market regulatory restructuring and the Institute conference will provide a very timely and valuable opportunity to hear his assessment of these critical issues and the outlook for broad action next year by the new Administration and Congress. Treasury Secretary Paulson and Federal Reserve Chairman Bernanke testified at Chairman Frank's first hearing on July 10<sup>th</sup> and SEC Chairman Cox and New York Fed President Geithner testified at the second hearing on July 24<sup>th</sup>. Pending enactment of regulatory restructuring legislation, the Federal Reserve and Securities and Exchange Commission signed a memorandum of understanding on July 7<sup>th</sup> formalizing an information sharing arrangement in connection with the supervision of investment banks.

Confirmed private-sector speakers at the November 17<sup>th</sup> conference include leading economist and financial industry consultant **Henry Kaufman**, President of Henry Kaufman & Company, **Ned Kelly**, President of Citi Alternative Investments, and **Charles Roxburgh**, Head of McKinsey & Co.'s Global Corporate and Investment Banking Practice. The conference will also feature panels comprised of senior Congressional staff and top U.S. and international regulatory staff members.

The program is designed for senior bankers/financial executives, risk managers, lawyers and other professionals from both internationally-headquartered and U.S.-based banking/securities firms.

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## OCTOBER 30th MEMBERSHIP LUNCHEON

(Continued from Page 1)

the Institute published its "Economic Benefits" study in February 2008, which documents the positive contributions to the U.S. economy by the U.S. operations of internationally headquartered banks through the direct employment of almost 250,000 people, including 62,500 in New York, and annual expenditures of \$60 billion. (The Institute's Economic Benefits study is available on our web site at [www.iib.org](http://www.iib.org).)

The October membership luncheon will be held at the Waldorf-Astoria Hotel, beginning with a reception at 12:00 noon in the Empire Room (1<sup>st</sup> floor) followed by lunch beginning promptly at 12:30 p.m. The luncheon will end no later than 2:00 p.m. We encourage all interested representatives of member institutions and Professional Liaison Committee firms 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. An online registration form with credit-card payment option is available at [www.iib.org](http://www.iib.org).

The full-day conference will be held at the City University of New York Graduate Center (365 Fifth Avenue) and is being organized in conjunction with Greg Wilson, President of Gregory P. Wilson Consulting, and Jim Sivon, a partner in the Washington, D.C. law firm of Barnett Sivon & Natter P.C. Messrs. Wilson and Sivon served as Co-Project Study Directors of The Financial Services Roundtable's "Blueprint for U.S. Financial Competitiveness". Mr. Wilson was previously a partner with McKinsey & Co., where he worked on a number of financial center studies around the world.

A preliminary program showing confirmed and invited speakers and an online registration form with credit-card payment option are available at [www.iib.org](http://www.iib.org).

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## BREAKFAST REGULATORY DIALOGUE

(continued from page 1)

policymakers to participate. As in past years, the Breakfast Regulatory Dialogue will provide an excellent opportunity to visit with key government officials and bankers as well as to exchange views on the major financial and regulatory issues under consideration in the United States and internationally, including in particular those arising from the ongoing market turmoil.

All representatives of our member institutions from head offices, U.S. and other operations who will be in Washington during the IMF/World Bank meetings are encouraged to attend this important Institute event (an online registration form is available on the Institute's web site at [www.iib.org](http://www.iib.org); there is no fee to register).

The 2008 Breakfast Regulatory Dialogue will be held at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W. A continental breakfast will begin at 7:30 a.m. and the formal program will take place from 8:00 a.m. to 9:30 a.m. The program will include questions and comments from the floor after the speakers' formal remarks.

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## JUNE 12th MEMBERSHIP LUNCHEON

(continued from page 1)

Following the luncheon, the Institute held its Annual General Meeting and Election of Officers and Trustees. Waldo Abbot, CEO of Fortis Americas, was elected to a second term as Chairman of the Institute, along with the election of the rest of the slate of candidates.

Prior to the elections, Mr. Abbot described the unique role played by the Institute in achieving industry-wide solutions to problems specifically affecting internationally headquartered financial institutions operating in the United States. Lawrence R. Uhlick, the Institute's Chief Executive Officer, then provided an update on the Institute's efforts regarding key legislative, regulatory, compliance and tax issues. Per Dyrvik, Chief Financial Officer of UBS Investment Bank and Institute Treasurer, then gave the Treasurer's report.

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## ANNUAL RISK MANAGEMENT AND REGULATORY EXAMINATION/ COMPLIANCE SEMINAR SET FOR OCT. 21-22

The Institute will hold its annual seminar on risk management and regulatory examination/compliance issues affecting international banks on Tuesday, October 21<sup>st</sup> and Wednesday, October 22<sup>nd</sup> in the Proshansky Auditorium at the City University of New York Graduate Center (365 Fifth Avenue, between 34<sup>th</sup> and 35<sup>th</sup> streets). This year's seminar will focus extensively on the many critical risk management and related supervisory issues arising from the ongoing turmoil in the credit markets, including in particular issues relating to liquidity risk, credit risk and trading/market risk.

We are delighted that **Eugene Ludwig**, Chief Executive Officer of Promontory Financial Group and former Comptroller of the Currency, has agreed to give the keynote luncheon address on the first day of the seminar.

The morning portion of the first-day program will include a panel of top regulatory officials who will discuss supervisory responses to the market turmoil and the implications for internationally headquartered banking organizations. Participating on this panel will be: **Roger T. Cole**, Director, Division of Banking Supervision and Regulation, Federal Reserve Board; **Kurt Wilhelm**, Director, Financial Markets Group, Office of the Comptroller of the Currency; and **Matthew J. Eichner**, Assistant Director, Division of Trading and Markets, Securities and Exchange Commission. We are also inviting senior regulators from the Federal Reserve Bank of New York, the New York State Banking Department, the Treasury Department's Financial Crimes Enforcement Network (FinCEN) and Office of Foreign Assets Control (OFAC), and the Financial Institutions Regulatory Authority. The seminar will also feature leading private-sector experts, including representatives from Institute member banks and member firms of our Professional Liaison Committee. A preliminary program will be distributed shortly.

This once-a-year program is recognized by the regulatory community as facilitating the risk management and compliance efforts of our member banks by providing them with definitive and timely information

(continued on page 4)

## RISK MANAGEMENT SEMINAR

(continued from page 3)

on key examination and supervision issues as well as best practices. No bank can afford to fall behind in this important area.

In addition to the first-day panel discussion of supervisory responses to the market turmoil, topics to be covered at this year's seminar include:

- managing credit risk in turbulent markets;
- meeting the challenge of managing market risk;
- liquidity risk management: supervisory developments and market responses;
- the role of compliance in enhancing risk management;
- emerging trends and key developments in the regulation and supervision of branches and agencies of international banks and in the regulation of international banks themselves as bank holding companies and financial holding companies;
- the perspectives of prudential supervisors and financial institutions on examination issues;
- credit derivatives: risk management challenges and opportunities; and
- supervisory developments regarding BSA/AML and OFAC compliance.

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 offers new officers a solid introduction to the U.S. regulatory system and compliance requirements.

Interested individuals should note that the Institute will file 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 experienced attorneys 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).

An online registration form with credit-card payment option is available at [www.iib.org](http://www.iib.org).

## INSTITUTE'S ANNUAL TAX SEMINAR HELD ON JUNE 24-25 IN NEW YORK

The Institute held its annual seminar on U.S. taxation of international banks on June 24 - 25 at the City University of New York Graduate Center. This year's seminar was co-chaired by Melissa Heise (Royal Bank of Scotland) and Todd Tuckner (UBS) and was organized in conjunction with the Institute's professional staff, Tax Committee Chairman Andrew Barkin (The Bank of Tokyo-Mitsubishi UFJ, Ltd) and Yaron Reich (Cleary Gottlieb Steen & Hamilton LLP), the Institute's Tax Counsel. (Speaker presentations are available on the Institute's web site at [www.iib.org](http://www.iib.org).)

## IIB, CSBS HOLD U.S. REGULATORY/ COMPLIANCE ORIENTATION PROGRAM

The Institute and the Conference of State Bank Supervisors (CSBS) co-hosted our annual U.S. regulatory/compliance orientation program for head office and recently arrived officers of international banks on July 16<sup>th</sup> - 17<sup>th</sup> in New York. **Richard Neiman**, New York State Superintendent of Banks, gave the opening keynote address, followed by **Roger A. Blissett**, Branch Manager (NY Branch) & Managing Director, U.S. Strategy, Royal Bank of Canada. **Jonathan Polk**, Vice President, Federal Reserve Bank of New York, gave the luncheon address.

The orientation program also featured other representatives from the Federal Reserve and New York State Banking Department as well as senior bankers, leading banking lawyers, industry consultants and other private sector experts. (Speaker presentations are available on the Institute's web site at [www.iib.org](http://www.iib.org).)

The orientation program provides a broad, explanatory overview of the regulatory and compliance requirements applicable to the U.S. operations of internationally headquartered banks, together with practical insights regarding preparing for and dealing with the examination process. In addition to officers from the head office and those who have recently arrived in the U.S., the program is especially helpful to all personnel of our member banks who would benefit from a more thorough understanding of the U.S. regulatory/compliance system.

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## IIB LUNCHEON WITH OCC'S DELORA JEE

The Institute hosted an informal luncheon meeting in our Board Room on July 22<sup>nd</sup> with Delora Jee, who was recently appointed as Deputy Comptroller for International Banking Supervision, the new division within the OCC established to focus on international supervisory activities, including the examination of federal branches and agencies. Also attending the luncheon was Carlos Hernandez, Assistant Deputy Comptroller for the Northeastern District.

Prior to assuming her new responsibilities, Ms. Jee was responsible for the line supervision of a group of large banks throughout the U.S., including several U.S. banks owned by large internationally headquartered banks.



*From left: Carolyn Wind, Americas COO Program Office Senior Manager, UBS; Robert L. Tortoriello, Partner, Cleary Gottlieb Steen & Hamilton LLP; Bruce Richards, Managing Director, Head of Americas, National Australia Bank, and Chairman of the Institute's Audit Committee; Delora Jee, Deputy Comptroller for International Banking Supervision, OCC; and Roger Blissett, Branch Manager (NY Branch) & Managing Director, U.S. Strategy, Royal Bank of Canada, and Member of the Institute's Executive Committee.*

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## SCHEDULE OF EVENTS THROUGH MARCH 2009

All interested officers of member institutions are urged to put these dates on their calendars.

Wednesday, October 1, 2008  
9:00 a.m. Shotgun Start

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

Monday, October 13, 2008  
7:30 a.m.

Breakfast Dialogue with Government Officials during the IMF/World Bank meetings at the Four Seasons Hotel in Washington, D.C.

Tuesday, October 21-  
Wednesday, October 22, 2008

Annual Institute Seminar on Risk Management and Regulatory Examination/Compliance Issues Affecting International Banks, at the CUNY Graduate Center.

Thursday, October 30, 2008  
12:00 noon

Institute Membership Luncheon, at the Waldorf-Astoria Hotel, with Guest Speaker Michael Bloomberg, Mayor of the City of New York

Monday, November 17, 2008

Major Institute Conference on Regulatory Responses to the Current Market Turmoil, Proposals to Restructure the U.S. Regulatory System, at the CUNY Graduate Center.

Sunday Evening to Noon on Tuesday  
March 1-3, 2009

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

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