



INSTITUTE'S ANNUAL TAX SEMINAR ON JUNE 18TH AND 19TH IN NEW YORK WILL COVER MERGER ISSUES, QI'S, GLOBAL DEALING AND OTHER KEY TOPICS

Arrangements have been completed for the Institute's annual seminar on the U.S. taxation of international banks on Monday, June 18th and Tuesday, June 19th at the Grand Hyatt New York (Park Avenue at Grand Central Station).

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 banks 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 banking/financial institutions operating in the United States. Topics to be covered include the following:

- **Mergers & Acquisitions** As a new feature for this year's program, the first morning of the seminar will be devoted to tax issues related to mergers and acquisitions in the financial services sector. Topics to be addressed include the application of federal, state and local taxes to M&A transactions as well as the tax implications of human resources issues that arise in analyzing such transactions.
- **Withholding/Qualified Intermediary (QI) Issues** The new withholding regulations that went into effect on January 1, 2001 have had a dramatic impact on tax compliance and record-gathering procedures of international banks. IRS and private-sector experts will discuss the issues confronting financial institutions and will also address external audits of QIs under the new withholding regulations.
- **Global Dealing and Interest Expense Issues** Senior Treasury and IRS officials and tax practitioners will discuss the pending global dealing regulations and

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SUPERINTENDENT McCAUL TO SPEAK AT JUNE 4TH MEMBERSHIP LUNCHEON PRECEDING ANNUAL GENERAL MEETING AT THE WALDORF-ASTORIA HOTEL

Elizabeth McCaul, Superintendent of the New York State Banking Department, will speak at a membership luncheon preceding the Institute's Annual General Meeting in New York on Monday, June 4th. Superintendent McCaul has been asked to speak on trends and new initiatives regarding state regulation and supervision of international banks.



*Elizabeth McCaul,
Superintendent, New
York State Banking
Department.*

Superintendent McCaul has held her present position since June, 2000 and previously served as Acting Superintendent since April 1997. She joined the department in 1995 from Goldman, Sachs & Co., where she worked for ten years as an investment banker.

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14TH ANNUAL "BREAKFAST DIALOGUE WITH GOVERNMENT OFFICIALS" TO BE HELD ON OCTOBER 1ST DURING THE IMF/WORLD BANK MEETINGS IN WASHINGTON

The Institute will hold its 14th annual "Breakfast Dialogue with Government Officials" on Monday, October 1st during the IMF/World Bank annual meetings in Washington D.C. Speakers are expected to include senior officials from the Federal Reserve and the Congressional Banking Committees.

As in past years, the Breakfast Dialogue will provide an excellent opportunity to meet with key government officials and participate in an exchange of views on major financial and regulatory issues under consideration in the United States and internationally. All representatives of our member institutions from head offices, the U.S. and other locations who will be in Washington during the IMF/World Bank meetings are encouraged to attend this important Institute event. Additional information,

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The Institute's mission is to solve 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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Gonzalo de Las Heras, Chairman Lawrence R. Uhlick, Executive Director

TAX SEMINAR

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how the rules will affect international banks and their derivatives and securities subsidiaries. Developments regarding the computation of deductible interest expense will also be discussed.

- **Tax Treaties/OECD Discussion Draft on the Taxation of Bank Branches and Other Permanent Establishments** Patricia Brown of the Treasury Department, the senior U.S. representative on the OECD Steering Committee, will participate in a discussion of the OECD draft document that could have a major impact on the manner in which a multinational bank is taxed in each country in which it conducts business. **As previously announced, the Institute's submission to the OECD on its discussion draft will be finalized at a meeting to be held at the Institute on Wednesday, June 20th at 10:00 a.m.**

Other topics to be covered at the seminar will include financial products, state and federal audits, state and local tax issues, and the IRS' new Financial Services Industry section of the Large and Mid-Size Business Division. The Monday luncheon speaker will be Larry Langdon, Commissioner of the Large and Mid-Size Business Division. On Tuesday, the luncheon speaker will be John Staples, Associate Chief Counsel (International) at the IRS.

This year's seminar is being co-chaired by Institute Tax Committee members John Rozsa (The Dai-Ichi Kangyo 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 (The Tokai Bank, Limited), and Yaron Reich (Cleary, Gottlieb, Steen & Hamilton), the Institute's tax counsel.

While the seminar is designed for tax specialists, all interested professionals from both the U.S. operations and head offices of our member institutions are encouraged to register. Attendees will receive certificates qualifying them for continuing education credits (an application has also been submitted for continuing legal education credits) as well as seminar books containing speaker presentations and related materials.

If you have not already done so, please return your reservation form and payment at your earliest convenience, but no later than Friday, June 8th. The cost to attend the two-day seminar is \$895 per registration (\$1,095 for non-members).

MEMBERSHIP LUNCHEON

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The luncheon will be held at the Waldorf-Astoria Hotel, with a reception at 12:00 noon in the Palm Room on the 18th floor, followed by lunch beginning promptly at 12:30 p.m. in the Starlight Roof. The luncheon will end no later than 2:00 p.m.

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

DEPUTY SUPERINTENDENT MICHAEL LESSER MEETS WITH INSTITUTE'S BOARD ON MAY 22ND

Michael Lesser, Deputy Superintendent in charge of the Foreign Financial Services Division at the New York State Banking Department, and members of the Institute's Board of Trustees discussed state supervisory and examination issues at a luncheon meeting at the Institute on Tuesday, May 22nd.

Mr. Lesser has been with the Banking Department for almost 30 years and assumed his present position in November 2000, following the retirement of former Deputy Superintendent Bob McCormick. His division is responsible for the examination and supervision of most foreign branches, agencies and subsidiary banks in New York.



From left: Alexander Voller, Executive Vice President, Regional & Branch Manager, Banca di Roma; Bailin Zheng, Director & General Manager – USA, Bank of China and Institute Trustee; Michael Lesser, Deputy Superintendent, New York State Banking Department; Lawrence R. Ublick, Executive Director and General Counsel, Institute of International Bankers; Carmelo Mazza, Senior Vice President & Manager, UniCredito Italiano SpA and Institute Trustee; and Yoon Soo Kim, Executive Vice President and Managing Director, Korea Exchange Bank.

SLATE OF CANDIDATES FOR JUNE 4th ELECTION

	<u>Term</u>	<u>Country of Origin</u>		<u>Term</u>	<u>Country of Origin</u>
Officers and Trustees¹					
Chairman					
• John A. Ross Deutsche Bank AG	2001-02	Germany	• Saburo Sano The Bank of Tokyo-Mitsubishi, Ltd.	2001-02	Japan
Vice Chairmen					
• Andreas Kleffel Commerzbank AG	2001-02	Germany	Trustees		
• Barry R.F. Luter The Bank of Nova Scotia	2001-02	Canada	• Jacques Bouhet ² Societe Generale	1999-02	France
• Michio Ueno The Fuji Bank, Limited	2001-02	Japan	• Neil Coulbeck The Royal Bank of Scotland	2001-04	United Kingdom
Past Chairman					
• Gonzalo de Las Heras Banco Santander Central Hispano	2001-02	Spain	• Alessandro Di Giovanni Banca Nazionale del Lavoro SpA	2000-03	Italy
Secretary					
• Geoffrey Milton Arab Banking Corporation	2001-02	Bahrain	• Chester B. Feldberg Barclays Bank PLC	1999-02	United Kingdom
Treasurer					
• Robert Mills UBS Warburg	2001-02	Switzerland	• Anthony Franco Banca Popolare di Milano	2001-04	Italy
Chairman of the Legislative and Regulatory Policy Committee					
• James M. Stewart Danske Bank A/S	2001-02	Denmark	• Hartmut G. Grossman Dresdner Kleinwort Wasserstein	2001-04	Germany
Chairman of the Strategic Planning Committee					
• Robert C. O'Brien Credit Suisse First Boston	2001-02	Switzerland	• Jeffrey D. Haroldson HSBC USA Inc.	1999-02	United Kingdom
Chairman of the Membership Committee					
• Hernan Donoso Banco de Chile	2001-02	Chile	• Berit L. Henriksen Den norske Bank ASA	2000-03	Norway
Members of the Executive Committee					
• Waldo M. Abbot Royal Bank of Canada	2001-02	Canada	• Tom Hunersen National Australia Bank	2000-03	Australia
• Hector E. Arzeno Banco de Galicia y Buenos Aires	2001-02	Argentina	• Jaap M. Manse ING Barings LLC	2001-04	Netherlands
• Giuseppe Cuccurese SANPAOLO IMI Bank	2001-02	Italy	• Roy J. Marsden Australia & New Zealand Banking Group	2001-04	Australia
			• Brendan McCullagh ³ Banco Nacional de Mexico (BANAMEX)	1999-02	Mexico
			• Masanobu Nakamura The Sanwa Bank, Ltd.	2001-04	Japan
			• Andre Nel ABN AMRO Bank	2001-04	Netherlands
			• Peter J. Phillips Lloyds TSB Bank Plc	2000-03	United Kingdom

¹ All Officers and those designated as Members constitute the Institute's Executive Committee and also serve as Trustees. In addition, Mr. Lawrence R. Uhlick, Executive Director and General Counsel, serves as ex officio member of the Executive Committee and the Board of Trustees.

² Completing the last two years of Mr. Jean Huet's term.

³ Completing the last year of Mr. Victor M. Murillo's term.

SLATE OF CANDIDATES

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	<u>Term</u>	<u>Country of Origin</u>
Trustees		
• Jacob Rozen Bank Hapoalim	2001-04	Israel
• Marcelo Sanchez Banco Itau S.A.	2000-03	Brazil
• Everett Schenk BNP Paribas	2001-04	France
• Einar Thodal-Ness Skandinaviska Enskilda Banken	2001-04	Sweden
• Charles M. Vollmer Bank Polska Kasa Opieki S.A.	2001-04	Poland
• Bailin Zheng Bank of China	2001-04	China

BREAKFAST DIALOGUE

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including the names of confirmed speakers, will be distributed shortly, but in the meantime, please mark October 1st on your calendars.

The Breakfast Dialogue will be held at the Four Seasons Hotel, 2800 Pennsylvania Avenue, N.W., beginning with a continental breakfast at 7:30 a.m., followed by the formal program 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.

Immediately following the Breakfast Dialogue, there will be an International Roundtable Discussion for senior head office representatives of our member institutions as well as representatives of banking associations from around the world. The roundtable discussion will focus on strategic issues of importance to internationally headquartered banking/financial institutions operating in the U.S. General Managers in the U.S. who will be in Washington for the IMF/World Bank meetings are also invited to participate in this forum, which expands on the International Council meetings of past years.

**SCHEDULE OF EVENTS
THROUGH OCTOBER 2001**

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 and Membership Luncheon at the Waldorf-Astoria Hotel on June 4th.

Monday, June 4, 2001
12:00 noon

Institute's Annual General Meeting and Membership Luncheon, at the Waldorf-Astoria Hotel. The luncheon speaker will be Elizabeth McCaul, Superintendent of the New York State Banking Department.

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.

Thursday, September 20, 2001
12:00 noon

Institute Membership Luncheon, at the Waldorf-Astoria Hotel.

Monday, October 1, 2001
7:30 a.m.

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

Wednesday, October 31 to noon
on Thursday, November 1, 2001

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