

The Depository Trust Company

IMPORTANT

B#: 2955

DATE: January 17, 2002

TO: All participants

CATEGORY: Dividends

FROM: Lucy DiPaolo, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: Procedures for certain tax refunds- Country:Spain
Europe 2001 + HOLDRS CUSIP: 29875G105
Paid on Repsol YPF S.A., a component of the HOLDR
Record Date: 01/10/02 Pay Date: 01/24/02

Repsol YPF S.A., a constituent of Europe 2001 HOLDRS, has announced a cash dividend. This dividend will be subject to a Spanish Income Tax of 18% of the gross dividend. Under the terms of the Convention between the United States and Spain for the Avoidance of Double Taxation, eligible Europe 2001+ holders may reduce the income tax to 15%.

Europe 2001+ HOLDRS has offered to apply the 15% Treaty rate to those eligible holders who provide the necessary certificates to **The Bank of New York on or before January 25, 2002**. This will eliminate the need to file directly with the Spanish Tax Authorities. **Any request received after January 25, 2002 will be returned to the Europe 2001+ holder, and the holder will then need to claim directly from the Spanish Tax Authorities a refund of the 3% (difference between the 18% general rate and the 15% Treaty rate).**

Beneficial owners of Europe 2001+ HOLDRS should obtain a Form 6166 from the Internal Revenue Service (IRS) certifying their United States residence. This **Form 6166 should bear a date subsequent to January 10, 2001** and contain in the space provided the statement "the United States Tax Authorities certify that to the best of their knowledge, the tax payer is a resident of the United States within the meaning of the United States-Spain Income Tax Convention." Once obtained, the beneficial holder should send the original Form 6166 to their respective bank or broker with a cover letter on company stationery giving all shareholder information. The letter must include the following: shareholder name, address, tax

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identification number and HOLDERS held on record date. These documents must be sent to The Bank of New York at the following address:

**THE BANK OF NEW YORK
620 AVENUE OF THE AMERICAS 6th FLOOR
NEW YORK, NEW YORK 10011
ATTN: LOURDES CARNEY/ADR DEPT
Tel.: 646-885-3267
Fax: 646-885-3852**

Owners of the Europe 2001+ HOLDERS may request the IRS certificate by contacting the IRS Tax Treaty Certification Unit at the following address and request Form 6166 designed for such purposes:

**Internal Revenue Services
Tax Treaty Division
AC/I-FIRPTA, DP 543
P O Box 16347
Philadelphia, PA 19114-0447
(215) 516-3615**

If you already have a **Form 6166, it cannot be dated prior to January 10, 2001.**

The dividend adjustment (3%) paid in US dollars will be made by The Bank of New York upon receipt of funds from Repsol YPF (a constituent of the Europe 2001+ HOLDERS). The Bank of New York will make payment ten (10) business days after receipt of such funds.

NOTE: THE SPANISH TAX AUTHORITIES HAVE ADVISED THAT EFFECTIVE JANUARY 1, 2000 THE FORM 6166 WILL HAVE A VALIDITY OF ONE YEAR FROM THE DATE OF ISSUANCE.

Questions regarding this Important Notice should be directed to Mr Frederick Ceraso or myself of DTC's Dividend Department at (212) 855-4784 or 4531 respectively.

REQUEST FOR FOREIGN CERTIFICATION

IRS-Philadelphia Service Center
Foreign Certification Request
P.O. Box 16347
Philadelphia, PA 19114-7447

Dear Sir or Madam:

The undersigned individual or organization hereby requests a "Certification for Reduced Tax Rate" for Spain, pursuant to Internal Revenue Service Publication 686 (Rev. December, 1998) to be sent to the address provided below.

I hereby declare the following:

- 1. The names of the undersigned taxpayer is.....
2. The undersigned is a U.S. resident individual/corporation.
3. (For corporations only) the state of incorporation of the undersigned is:
.....
4. The Social Security Number (individuals) or Employer Identification Number (corporations) of the undersigned is:
5. The tax return form number and the tax period for which certification is requested are:
.....

Please send the "Certification for Reduced Tax Rate" (Form 6166) for Spain to:

.....
(Holder's Name)

.....
(Address)

.....
(City/State)

Under penalties of perjury, I declare that the above information is true, correct and complete.

Thank you.

.....
(Signature)

.....
(Title) (for corporate officer)

.....
(Date)