

# The Depository Trust Company

# IMPORTANT

**B#:** 1193

**DATE:** January 02, 2001

**TO:** All participants

**CATEGORY:** Dividends

**FROM:** Susan Mayham, Supervisor, Dividend Department

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

**SUBJECT:** TaxRelief - Country: Korea  
Wireless HOLDRs CUSIP: 97653L208  
Paid on SK Telecom, a constituent of the HOLDRs  
Record Date: 12/29/00 Payable Date:T/B/A CUT-OFF:01/18/01

DTC has been notified by **The Bank of New York**, the depository bank for the Wireless HOLDRs issue, CUSIP 97653L208 that SK Telecom, a constituent of the Wireless HOLDRs has declared a taxable dividend subject to the Republic of Korea's multiple tax rates. The dividend will be distributed to participants of Wireless HOLDRs. In order for beneficiaries to qualify for their respective rate of withholding tax pursuant to an applicable tax treaty, non-residents must provide to **The Bank of New York** evidence of tax residence of the beneficial owner as required by the Korean tax authorities. In the absence of sufficient proof that the non-resident holder qualifies for the benefits of a tax treaty, withholding tax will be at a rate of **27.5%**.

**Please note that Korean law does not permit a non-resident holder to recover withheld tax directly from the Korean Government even if the non-resident holder subsequently produces evidence that it was entitled to have tax withheld at a lower rate.**

Participants can use the attached tax chart to determine their (beneficiary's) applicable withholding tax rate(s).

**Participants are advised that the tax rates are not final and subject to change.**

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Participants should use DTC's Elective Dividend System (**EDS**) under the **Foreign Securities** selection on the main menu, over the Participant Terminal System (**PTS**) to certify all or a portion of their position for **Wireless HOLDRs** entitled to the applicable reduced withholding tax rate(s).

In addition, please complete and return the attached certification to **The Bank of New York** following the directions listed below. A failure to certify through **EDS** and to return the attached certification (**with an original signature**) on a timely basis will cause the dividend to be paid at the maximum withholding rate.

*If completed certifications are not provided to The Bank of New York on or prior to January 25, 2001, to support an "EDS" election, the dividend on your holdings will be paid less the maximum withholding rate.*

**Note: The Deadline for Certifying Over EDS is JANUARY 18, 2001.**  
**Original certifications must arrive in the Bank of New York office by January 25, 2001.**

The certification form should be faxed to **The Bank of New York at 1-212-571-3050**, and the original delivered no later than **January 25, 2001** to the following address:

**The Bank of New York  
101 Barclay Street  
ADR Division - 22 West  
New York, NY 10286  
Attn: Ms. Latoya Diene/Ms. Lourdes Carney**

**THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY AND PAYMENT INFORMATION.**

**Participants with any questions regarding eligibility or documentation requirements for Wireless HOLDRs CUSIP: 97653L208 should address them to Ms. Latoya Diene or Ms. Lourdes Carney of the Bank of New York at (212) 815-3723 or 2171 respectively.**

Questions about the EDS procedure should be directed to Mr. Steve McDonough or myself of DTC's Dividend Department at (212) 855-4524 or 4540 respectively.

**As a reminder please note that Korean law does not entitle a non-resident holder to recover withheld tax directly from the Korean Government even if the non-resident holder subsequently produces evidence that it was entitled to have tax withheld at a lower rate.**

B# 1193

TO: The Bank of New York  
ADR Division  
101 Barclay Street  
22nd Floor - West  
New York, NY 10286

Attn: Latoya Diene/Lourdes Carney  
Tel#: (212) 815-3723/2171  
Fax#: (212) 571-3050

**CERTIFICATION**

*Certification of country of residence to be completed by or on behalf of the registered owners  
of Wireless HOLDRS  
CUSIP #: 97653L208*

I/We, the undersigned ..... (*name of individual*) authorized representative of ..... (*name of firm and address*), custodian/owner of ..... DRs of Wireless HOLDRS request that the upcoming cash dividend payable to holders of record December 29, 2000 be paid at the preferential rate(s) as indicated below or as provided on the attached shareholder listing.

Name of Owner	Address	DRs Held	Tax Rate

I/We certify that to the best of my knowledge the individual holders are eligible for the preferential rate(s) as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these holders.

.....  
(*Signature*)

Signed at....., (date).....

Tel #: .....

Fax #: .....

## KOREAN TAX CHART

### Re: Tax Rate Chart

Please be advised that following is the tax rate applicable to Dividends for Non-Residents in Korea:

State	Total Tax Rate(%)	Income Tax Rate(%)	Surtax Rate(%)
The United Kingdom, Germany, France, Spain, Switzerland, Austria, The Netherlands, Denmark, New Zealand, Australia, Malaysia, Finland, Sweden, Singapore, Luxembourg, Sri Lanka, Bangladesh, Indonesia, Tunisia, Belgium, Norway, Brazil, Ireland, Italy, Egypt, Fiji, Mexico, South Africa, Israel, Portugal, Malta, Papua New Guinea, Greece, Uzbekistan, Kazakhstan, Japan	15	13.64	1.36
USA, Canada, The Philippines	16.5	15	1.5
China, Vietnam, Romania, Hungary, Poland, Czech, Bulgaria, Russia, Kuwait*, Morocco*	10	9.09	0.91
Pakistan	12.5	11.36	1.14
Mongolia	5	4.55	0.45
India, Turkey	20	18.18	1.82
Thailand	27.5	25	2.5
All Other Countries or Uncertified holders	27.5	25	2.5

Total tax rate = Income tax rate + Surtax rate

If the beneficial owner of DRs is a Korean resident, the tax rate shall be as follows:

	Total Tax Rate	Income Tax Rate	Surtax Rate
Institutional Investor	0	0	0
Individual Investor*	16.5%	15%	1.5%

\* The rates for these countries have been changed from the prior year.