

# The Depository Trust Company

# **IMPORTANT**

**B#:** 1789

**DATE:** June 28, 2007

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** International Services

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

**SUBJECT:** TaxRelief - Country: KOREA  
WIRELESS HOLDRS CUSIP: 97653L208  
Paid on SK Telecom LTD (SKM) component of the HOLDR  
R/D: 06/29/07 P/D: TBA EDS CUT-OFF: 07/09/07

DTC has been notified by The Bank of New York, the depository bank for the WIRELESS HOLDRS, that a dividend has been declared for SK Telecom LTD (CUSIP: 78440P108), a component of the WIRELESS HOLDRS.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult the PTS function TAXI (TAXINFO) before certifying their elections over EDS.

**NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS JULY 09, 2007. Original certifications must arrive in the Bank of New York's office by July 10, 2007.**

**PLEASE REFER TO DTC'S IMPORTANT NOTICE B#1748-07 FOR ADDITIONAL INFORMATION REGARDING THE UNDERLYING ISSUE, SK TELECOM CUSIP 78440P108**

**B#: 1789-07**

**IF PARTICIPANTS DO NOT CERTIFY THROUGH EDS FOR THE FAVORABLE RATE, THEY WILL RECEIVE THE DIVIDEND WITH 27.5 % WITHHELD.**

**Important: Prior to certifying over EDS, participants are reminded to read, understand and comply with the information in the Legal Conditions category of TAXINFO-Korea under the PTS function TAXI .**

Questions regarding this Important Notice should be directed to Larry Bottiglieri or Sean Bollers of DTC's International Services Department at (212) 855-4386/4706, respectively.

***Important Legal Information:*** *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

*To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

THE  
BANK OF  
NEW  
YORK

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**DEPOSITARY RECEIPTS DIVISION**

101 Barclay Street, 15<sup>th</sup> Floor-East  
New York, NY 10286

June 28, 2007

**TO:** DTC Participants  
**FROM:** The Bank of New York - ADR Division  
**SUBJECT:** Wireless HOLDRS  
*CUSIP #: 97653L208*  
*Record Date: 06/29/07*  
*Payable Date: To be determined*

SK Telecom, a constituent of Wireless HOLDRS, has declared a taxable dividend subject to the Republic of Korea's multiple tax rates. The SK Telecom dividend will be distributed to participants of Wireless HOLDRS. In order for beneficiaries to qualify for their respective rate of withholding tax pursuant to the applicable tax treaty, non-residents must provide to the Depositary, evidence of tax residence as the Korean tax authorities require in order to establish entitlement to the benefits of the applicable tax treaty. In the absence of sufficient proof that the non-resident beneficiary 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 entitle a non-resident beneficiary to recover withheld tax directly from the Government even if the non-resident beneficiary subsequently produces evidence that it was entitled to have tax withheld at a lower rate.**

Participants can use the following tax chart to determine their (beneficiaries) applicable withholding tax rate(s). To certify as to their country(ies) of residence and to apply for a reduced rate(s) of withholding tax, please input your election via the "EDS" system at DTC and complete and return the attached form to The Bank of New York at the address provided below. **If participants do not certify through DTC as to their beneficiaries entitlement(s) to a reduced withholding tax rate(s), they will receive the dividend less the standard withholding tax rate of 27.5%.**

**NOTE: THE DEADLINE FOR CERTIFYING TO DTC is July 09, 2007. Original certifications must arrive in The Bank of New York's office by July 10, 2007.**

Questions may be directed to Andy Roche/Chantal Alexandre at The Bank of New York Tel: (212) 815-2734/8254. Certifications should be faxed to Andy Roche /Chantal Alexandre Fax: (212) 815-3500 and original certifications mailed to:

The Bank of New York  
101 Barclay Street, 15<sup>th</sup> Floor-East  
New York, NY 10286  
Attn: Andy Roche/Chantal Alexandre

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TO: The Bank of New York

ADR Division  
 101 Barclay Street  
 15th Floor - East  
 New York, NY 10286

Attn: Andy Roche/ Chantal Alexandre  
 Tel#: (212) 815-2734/8254  
 Fax#: (212) 815-3500

**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*), DTC participant number ..... and custodian/owner of ..... DRs of Wireless **HOLDRS** request that the upcoming cash dividend payable to holders of record June 29, 2007 be paid at the preferential rate(s) as indicated below or as provided on the attached shareholder listing.

<b>Name of Beneficial Owner</b>	<b>Country</b>	<b>DRs Held</b>	<b>Tax Rate</b>

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 #: .....

## Withholding Tax on Dividends for Korea

1. Please refer to the following chart to determine the withholding tax on Korean dividend payments:

Country	Tax Rate (%)	
Republic of Korea	Institutions	0.00
	Individuals	15.4
Mongolia	5	
Bulgaria, Chile, China, Croatia, Czech, Hungary, Jordan, Kuwait, Lao, Morocco, Myanmar, Oman, Poland, Rumania, Russia, Slovakia, Vietnam, U.A.E.	10	
Pakistan	12.5	
Australia, Austria, Bangladesh, Belarus, Belgium, Brazil, Canada, Denmark, Egypt, Fiji, Finland, France, Germany, Greece, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Luxembourg, Malaysia (Others), Malta, Mexico, Netherlands, Nepal, New Zealand, Norway, Papua New Guinea, Portugal, Singapore, Slovenia, Spain, Sri Lanka, Sweden, Switzerland, Tunisia, Ukraine, United Kingdom, Uzbekistan	15	
South Africa, USA	16.5	
India, Turkey	20	
Thailand, Philippines, Malaysia (Labuan)	27.5	
Other Countries, Non-Certified holders	27.5	

**Please note: Tax rates are subject to change**

### **Amended NTS Ruling (KukSeChung Jae 85-18) and Tax Treaty Requirements for Belgium and Netherlands residents.**

2. If a foreign investor has a residency of Belgium or the Netherlands, he/she must submit to the Korean National Tax Service (“NTS”), two original copies of Residential Withholding Certifications issued by his/her (Belgian or Dutch) own government.
  
3. Foreign investors (including the foreign government and related organizations), who want to be exempted from the dividend tax, should provide documents such as; ‘Residence Certificate issued by the Competent Authority of Beneficiary’s Resident Country’ and ‘Copy of Documents supporting Tax-Exempt Status (e.g. Agreement or Contract)’. Failure to supply the required certificates and documents will cause the dividend to be paid at the maximum withholding rate.