

# The Depository Trust Company

# **IMPORTANT**

**B#:** 2157

**DATE:** June 15, 2001

**TO:** All participants

**CATEGORY:** Dividends

**FROM:** Mario Zaccardi, Supervisor, Dividend Department

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

**SUBJECT:** Procedures for certain tax refunds- Country: Mexico  
Tubos de Acero de Mexico, S.A. (TAMSA)  
CUSIP: 898592506  
Record Date: 05/31/01 Payable Date: 06/07/01

The Depository Trust Company has received from Morgan ADR/ Globe Tax Services, Inc. (GTS) the attached information in regards for certain tax refunds on the above captioned dividend.

As directed in the notice, participants who have qualified beneficial holders who expected to benefit from Morgan ADR/ Globe Tax Services, Inc. (GTS) procedure should secure the required documentation.

The deadline date for submission of the documentation is July 05, 2001. Any questions regarding the procedure should be directed to Mr. Clay Christensen at 800-929-5484.

**TUBOS DE ACERO DE MÉXICO, S.A. (TAMSA) – COMMON STOCK - ANNOUNCES  
A DIVIDEND TAX REFUND PROCEDURE FOR ELIGIBLE OWNERS IN RELATION TO THE  
DIVIDEND PAID ON JUNE 7, 2001**

Mexico, June 14, 2001 – Tubos de Acero de México, S.A. (TAMSA) – Common Stock (**American Stock Exchange: TAM, Cusip: 898592506**), has announced a plan to assist its eligible ADR holders reduce their tax liability in Mexico. The Conventions for the Avoidance of Double Taxation (“Treaties”) effectively *reduce the tax liability on dividends of residents of The United Kingdom and Northern Ireland, Finland, and Singapore as defined in the Treaties, from 7.6925% to 0%*.

**The only U.S. beneficial owners entitled to make a claim are U.S. Charities, Foundations, Endowments, and Universities (“U.S. Charities”).** The Conventions for the Avoidance of Double Taxation (“Treaties”) effectively *reduce the tax liability on dividends for U.S. Charities as defined in the Mexico – United States Treaty (Article 22), from 7.6925% to 0%*. To confirm you are an eligible organization, please refer to Publication 78 issued by the Internal Revenue Service for a listing of United States tax-exempt organizations.

The following beneficial owners are also eligible subject to the parameters outlined:

- **Denmark** (a 25% direct stake in the company is required)
- **France** (if a French company, more than 50% of the stockholders are French residents)
- **Korea** (a 10% direct stake in the company is required)
- **The Netherlands** (a 10% direct stake in the company is required)
- **Norway** (a 25% direct stake in the company is required)

Please note the following:

**Mexican Corporations should be eligible for the 0% rate.  
United States beneficial owners, other than U.S. charities, are not eligible  
to make a claim.**

Eligible Tubos de Acero de México, S.A. – Common Stock ADR holders, by submitting the required documents within the specified time frame, will enable Morgan ADR / Globe Tax Services to refund the difference between the tax due under the Treaties and the tax withheld.

Eligible ADR holders, as defined by the Treaties, who wish to avail themselves of the benefit afforded by the Treaties, must:

- a) Be beneficial owners on the record date **May 30, 2001** and
- b) Submit to the Depository bank, Morgan Guaranty Trust Company of New York (“Morgan”) the following documentation with respect to *each* dividend payment:

**1. CERTIFICATION OF RESIDENCY**

An original **CERTIFICATION OF RESIDENCY** issued by the tax authorities, which states the name and the address of the ADR beneficial owner over the record date. It does not need to be legalized or translated. Residency can also be proved with the certification of the last income tax return filed, issued by the tax authorities.

**Please note: for U.S. Charities, an original IRS Form 6166, dated the year of dividend payment, may serve as the Certification of Residency. To request an IRS 6166, please refer to Exhibit II.**

## 2. COVER LETTER

Beneficial owners who hold their ADRs in *street name* (through a bank or broker) within the Depository Trust Company ("DTC") must submit their **CERTIFICATION OF RESIDENCY** documents through their nominee or DTC Participant, who must forward them to Morgan along with a **COVER LETTER** which states the name, country of residence, number of foreign ordinary shares as well as the number of ADRs held by each eligible owner on the *record date May 30, 2001*. The formats for the **CERTIFICATION OF RESIDENCY** for the United Kingdom (**Exhibit I**) as well as the **COVER LETTER** can be found on the following pages of this notice.

In sum, documentation requirements is as follows:

1. **For Non-U.S. beneficial owners**, please submit the Cover Letter and the claim form with the Certification of Residency (Exhibit I).
2. **For U.S. Charities**, please submit the Cover Letter, the claim form (Exhibit I), and an original IRS form 6166 dated the year of dividend payment. To request an IRS form 6166 please refer to Exhibit II.

For reasons of cost effectiveness, only those ADR holders with **more than 850 ADRs** may file for a tax reclaim. All reduced withholding tax applications are subject to a service charge imposed by the ADR Depository, from which a schedule of applicable charges is available upon request.

**SPECIAL PROCEDURE FILING DEADLINE:** Beneficial owners who hold Tubos de Acero de México, S.A. – Common Stock ADRs on record date must submit the required documentation to: Morgan Guaranty Trust Company of New York, c/o Globe Tax Services, Inc., 90 Broad Street, 8th Floor, New York, NY, 10004-2205, Attention: Clay Christensen or as described above in the second documentation requirement, to their nominee or DTC participant so that the documentation is received by Morgan c/o Globe Tax Services, Inc. no later than the initial deadline of July 5, 2001.

**MISSED DEADLINE:** Those beneficial owners who do not submit the required documentation by the date specified above have **five years** after the ADR record date in which to submit their reclaims *through Morgan c/o Globe Tax Services Inc.*, at the address mentioned above. It is anticipated that additional documentation requirements will exist for those claims not submitted by **June 30, 2001**.

For claimants requesting the appropriate Certificate of Residency from countries other than the United Kingdom, please call Morgan ADR at 800-929-5484.

<b>ADR Record Date</b>	<b>May 30, 2001</b>
<b>ADR Pay Date</b>	<b>June 7, 2001</b>
<b>Ordinary Pay Date</b>	<b>May 31, 2001</b>
<b>Initial deadline to claim:</b>	<b>July 5, 2001</b>
<b>Foreign Ord Rate</b>	<b>0.4374 USD per Ordinary share</b>
<b>ADR Rate</b>	<b>0.4374 USD per ADR</b>
<b>Minimum ADRs required to claim:</b>	<b>850 ADRs</b>

**PLEASE NOTE:** Filings may be subject to additional custodial filing fees.

**SAMPLE**  
**FORMAT FOR COVER LETTER TO MORGAN GUARANTY TRUST COMPANY**

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**DATE**

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Morgan Guaranty Trust Co. of New York c/o Globe Tax Services, Inc.  
 90 Broad Street, 8th Floor  
 New York, NY 10004-2205  
 Attn: Clay Christensen / Tubos de Acero de Mexico, S.A. (TAMSA) – Common Stock

Enclosed please find tax reclamation documents which we have submitted on behalf of our clients who have had tax withheld on Mexican ADRs, in terms of the Mexican Income Law and who wish to take the benefits established in the Conventions for the Avoidance of Double Taxation. We, NAME OF DTC PARTICIPANT, also identified as DTC participant number DTC PARTICIPANT NUMBER, hereby state that each beneficial owner cited below held the respective amount of shares on the record date of **May 30, 2001**, for the security **Tubos de Acero de Mexico, S.A. – Common Stock (Cusip 898592506)**.

Below is the list of beneficial owners and their holdings, which total TOTAL # OF ADRs CITED BELOW ADRs. As required, original certification of residency documents, which have been issued within one year of the foreign ordinary dividend pay date (for each beneficial owner), are attached. *Please note the ratio of Ordinary Shares to ADRs is 1:1.* The information is as follows:

<u>NAME and ADDRESS of beneficial owner</u>	<u>Country</u>	<u># Ordinary Shares held</u>	<u># of ADRs held</u>
1)			
2)			
3) etc.			

We ask that Morgan Guaranty Trust Company of New York, as Depository, present these excess withholding tax refund requests on the above beneficial owners' behalf. Please contact the undersigned at SIGNATORY'S TELEPHONE NUMBER should you have any questions.

Sincerely,

SIGNATURE OF AUTHORIZED SIGNATORY FOR DTC PARTICIPANT

NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT

PAYMENT ADDRESS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

**Indemnification**

In consideration of the services provided by Morgan Guaranty Trust Company of New York ("Morgan") contemplated hereby and the assistance provided by the issuer of the shares underlying the ADRs (the "Issuer"), we agree to indemnify, defend, hold and save Morgan, the Issuer and their respective affiliates, and the respective directors, officers, agents and employees of Morgan, the Issuer and each of their affiliates from and against any and all costs, damages or liabilities (including, without limitation, tax payments, interest charges, penalties or other costs assessed by relevant tax and administrative authorities, and the reasonable fees and disbursements of counsel) as a result of any deficiency or inaccuracy in the information provided in or in connection with this document.

EXHIBIT I  
MEXICO – UNITED KINGDOM TAX RECLAIM REQUEST FORMAT

**DTC PARTICIPANT: Please Place on Your Company Letter Head**  
(One letter per eligible beneficial owner)

\_\_\_\_\_  
(Date)

Morgan ADR / Globe Tax Services, Inc.  
90 Broad Street (8<sup>th</sup> Floor)  
New York, NY 10004  
Attn: Clay Christensen

Ratio: 1:1 (ADR : ORD)  
Rate: 0.4374 USD per Ordinary Share

Issue: **Tubos de Acero de Mexico, S.A. – Common Stock**

CUSIP: **898592506**

Ordinary Payable Date: **May 31, 2001**

Total ORD Shares on Record Date: \_\_\_\_\_

Ordinary Share Rate: \_\_\_\_\_

Gross Dividend Paid (USD): \_\_\_\_\_

W/H Tax Amount (USD): \_\_\_\_\_

7.6925% Amount Claimed (USD): \_\_\_\_\_

**DTC Participant Number:** \_\_\_\_\_

**DTC Participant Contact:** \_\_\_\_\_

**ITEM A-1**

**Beneficial Owner Name:** \_\_\_\_\_

**Beneficial Owner Address &  
Country of Residence on May 30, 2001:** \_\_\_\_\_

*Certification of Residency to be completed by the Tax Authorities of the country in which the beneficial owner resides.*

**CERTIFICATE OF THE COMPETENT UNITED KINGDOM INSPECTOR OF TAXES**

I, certify that, to the best of my knowledge and belief, the information given in Item A-1 above is correct.



Official Stamp

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

EXHIBIT II  
**SAMPLE IRS FORM 6166 REQUEST**  
**USE THIS AS A GUIDE WHEN CREATING YOUR OWN REQUEST LETTER**

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[ DATE ]

INTERNAL REVENUE SERVICE  
P.O. BOX 16347 FIRPTA UNIT DP # 543  
PHILADELPHIA, PA. 19114

I, [ SHAREHOLDER'S LEGAL NAME AS FILED ON TAX RETURN ] having taxpayer identification number [SHAREHOLDER'S SOCIAL SECURITY NUMBER OR TAXPAYER IDENTIFICATION NUMBER] am in the process of applying for **tax treaty benefits in Mexico**.

To facilitate this, I am requesting certification from the Internal Revenue Service (Form 6166) of the following representations which I hereby state under the penalties of perjury:

I represent that I, [ SHAREHOLDER'S LEGAL NAME AS FILED ON TAX RETURN ]:

- am a resident of the United States at:

[ SHAREHOLDER'S LEGAL ADDRESS ]

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- have no permanent establishment in **Mexico**, and
- last filed IRS Form [TYPE OF IRS TAX FORM FILED-E.G.: 1040, 1040A, etc.]  
for the tax year ending [FOR EXAMPLE: YEAR ENDED 12/31/2000].

Please mail one (1) copy of the Form 6166 certification to the following address on my behalf:

[DTC PARTICIPANT ADDRESS]

[ SHAREHOLDER'S SIGNATURE ]

INTERNAL REVENUE SERVICE  
 P.O. BOX 16347 FIRPTA UNIT DP # 543  
 PHILADELPHIA, PA. 19114

I, \_\_\_\_\_ having taxpayer identification number  
 \_\_\_\_\_ am in the process of applying for **tax treaty benefits in Mexico**.

To facilitate this, I am requesting certification from the Internal Revenue Service (Form 6166) of the following representations which I hereby state under the penalties of perjury:

I represent that I, \_\_\_\_\_ :

° am a resident of the United States at:

° have no permanent establishment in **Mexico**, and \_\_\_\_\_

° last filed IRS Form \_\_\_\_\_

for the tax year ending \_\_\_\_\_

Please return a copy of this request and the Form 6166 certification to the following address on my behalf:

*Shareholder's Signature*