

THE DEPOSITORY TRUST COMPANY

IMPORTANT

MMI

B#: 4447

DATE: July 2, 1998

TO: All Participants

FROM: Product Management

ATTENTION: Managing Partner/Officer, Cashier, Operations Manager, Bank Trust/Dealer/Portfolio/Clearing/Collateral Loan Officer, Settling Bank Officer, SDFS Coordinator

SUBJECT: Introduction of DTC Money Market Program for Bankers Acceptances

DTC will begin a Pilot of its Bankers' Acceptances (BA) program on Thursday, July 9, 1998 with the BA programs of two bank issuers. A third bank issuer (IBJ Limited) will join the pilot on July 23, 1998. Following procedures similar to those followed in DTC's \$1 trillion commercial paper program, the issuing / paying agents (IPAs) for these three banks will be able to issue BAs daily in book-entry-only (BEO) form. The BAs will be issued for deposit into the IPAs' Same Day Funds Settlement (SDFS) accounts and immediate book-entry delivery versus payment to the SDFS accounts of investors' custodian banks and dealers. Attachment 1 lists the three bank issuers and the Participants which act as their IPAs.

Background

The BA program is the last in a series of new, expanded and improved DTC Money Market Instrument (MMI) programs that have been installed over the last four years in accordance with the *Final Plan for DTC Money Market Programs* dated October 25, 1993, as amended. The *Final Plan for BAs* as amended, was re-distributed to all Participants on May 8, 1998.

Participant Preparations for DTC's BA Program

All Participants should review now the Introduction, General Plans and Specific Plans for BAs, pages 53 to 61 of DTC's October 25, 1993 *Final Plan for DTC Money Market Programs* as amended.

The Annex of the Specific Plans for BAs (page 60) describes security identification procedures for DTC-eligible BAs in detail. The attachment to this notice shows acronyms assigned by DTC to the initial three bank issuers, and the six position CUSIP base issuer numbers assigned by the CUSIP Service Bureau to their BA programs. Note that since BAs are normally issued at a discount, the nine-position CUSIPs assigned to them at issuance will therefore be predictable. For interest at maturity BAs, Participants should be prepared to match incoming Deliver Orders (DOs) against their receive-instructions based on the issuer's security descriptor and terms of the trade, rather than on the nine-position CUSIP (see page 60 of the *Final Plan*).* You may wish to program these matches in your computer system. Also, the DO PTS ticket will include a message on all BAs issued under the discount scheme that reads: "CHANGEABLE UNDERLYING DRAFTS." This message will appear on the fifth line of the free comments field of the DO ticket. Participants can access BA accepted draft information via the PTS inquiry function MMBI; it is not carried onto DOs.

All IPAs participating in DTC's MMI programs must have at least one DTC account that is used exclusively for MMI issuing / paying agency activity. The attachment shows the Participant Numbers assigned to the accounts that the initial IPAs will use for BAs.

A Specific Plan for BA maturities (page 58 of the *Final Plan*) is for DTC to not accept into its program at the point of their issuance, BAs *with maturities of five years or less* that are targeted to mature on a day on which DTC is scheduled to be closed for MMI settlement services (an "MMI settlement holiday"). DTC's system at all times contains a six year calendar of both anticipated MMI settlement holidays and anticipated London holidays which Participants' systems should be aware of. Attachment 2 is the current DTC calendar of such holidays.

Participants wishing to see certain issuers' programs added to DTC's program should contact the issuers' IPAs. All Participants will be notified of additions once the IPA for that program has submitted the necessary eligibility documents to DTC in good form.

On September 24, 1998, subject to regulatory approval, DTC will expand the BA program to virtually all BA issuers. Pilot operation of the final new BA program had to await New York State's adoption of the revised Article 8 of the Uniform Commercial Code which provides that financial instruments, like BAs, may be validly transferred by entries on DTC's books. As of June 26, 1998, 48 States, including New York have adopted the revised commercial law. New York adopted the revised commercial law in August 1997.

* DTC's system will gain knowledge of and store the nine-position CUSIP once it receives the IPA's issuance instructions. Participants can look up the CUSIP in DTC's system via the MMUW Participant terminal System (PTS) function.

Participants may obtain an additional copy of the *Final Plan* from their Participant Services representative or from Ken Hoffman of DTC's Product Management Department at (212) 855-5299. Questions regarding this notice may be directed to Costanza Pinilla, Product Manager, at (212) 855-3929 or Ken Hoffman, Product Manager Analyst, at the number above. We suggest you keep a copy of this notice in your MMI Participant Manual.

Robert Dunn
Vice President

ELIGIBLE BANKERS' ACCEPTANCES PROGRAMS

Issuer Name (Acronym)	Issuer Program[®]	CUSIP Base Issuer Number (s) Discount BA Years 1 & 2	CUSIP Base Issuer Number (s) Discount BA Years 3 & 4	CUSIP Base Issuer Number for Interest-Bearing BAs	Issuing / Paying Agent (Participant Number)
Dai Ichi Kangyo (DKB*)	3 (a) 2	23380C	23380D	23380H	Dai Ichi Kangyo (1508)
Societe Generale (SGC2)	3 (a) 2	8336MO	8336M1	8336M2	Societe Generale (1546)
IBJ Limited (IBJ*)	3 (a) 2	4560E1	4560E0	4560E4	IBJ Limited (1577)

[®] Refers to Section of the Securities Act of 1933 under which Program is exempt from SEC registration.

Anticipated Money Market Instrument (MMI) Settlement Holiday Schedule and London¹ Holiday Schedule For Years 1998 Through 2003**REVISED**

Holiday Name	1998	1999	2000	2001	2002	2003
New Year's Day (MMI)	Jan 1 ³	Jan 1 ³	Jan 1 ⁷	Jan 1 ³	Jan 1 ³	Jan 1 ³
New Year's Day (London)	Jan 1	Jan 1	Jan 3	Jan 1 ³	Jan 1 ³	Jan 1
Martin Luther King, Jr. Day (MMI)	Jan 19 ³	Jan 18 ³	Jan 17 ³	Jan 15 ³	Jan 21 ³	Jan 20 ³
Presidents Day (MMI)	Feb 16 ³	Feb 15 ³	Feb 21 ³	Feb 19 ³	Feb 18 ³	Feb 17 ³
Good Friday (London) ²	Apr 10	Apr 2	April 21	April 13	Mar 29	Mar 28
Easter Monday (London)	Apr 13	Apr 5	April 24	April 16	April 1	Mar 31
May Bank Holiday (London)	May 4	May 3	May 1	May 7	May 6	May 5
Memorial Day (MMI)	May 25 ³	May 31 ³	May 29 ³	May 28 ³	May 27 ³	May 26 ³
Spring Bank Holiday (London)	May 25	May 31	May 29	May 28	May 27	May 26
Independence Day (MMI)	July 4 ⁴	July 5 ³	July 4 ³	July 4 ³	July 4 ³	July 4 ³
Summer Bank Holiday (London)	Aug 31	Aug 30	Aug 28	Aug 27	Aug 26	Aug 25
Labor Day (MMI)	Sept 7 ³	Sept 6 ³	Sept 4 ³	Sept 3 ³	Sept 2 ³	Sept 1 ³
Columbus Day (MMI)	Oct 12	Oct 11	Oct 9	Oct 8	Oct 14	Oct 13
Veterans Day (MMI)	Nov 11	Nov 11	Nov 11 ⁸	Nov 12	Nov 11	Nov 11
Thanksgiving Day (MMI)	Nov 26 ³	Nov 25 ³	Nov 23 ³	Nov 22 ³	Nov 28 ³	Nov 27 ³
Christmas Day (MMI)	Dec 25 ³	Dec 25 ⁶	Dec 25 ³	Dec 25 ³	Dec 25 ³	Dec 25 ³
Christmas Day (London)	Dec 25	Dec 27	Dec 25	Dec 25	Dec 25	Dec 25
Boxing Day (London)	Dec 28	Dec 28	Dec 26	Dec 26	Dec 26	Dec 26
Euro Conversion (London)	Dec 31 ⁵	-	-	-	-	-

¹ London holidays can affect MMI income, principal and maturity payment dates only; DTC provides MMI settlement services on London holidays except where they happen to be MMI settlement holidays as well.

² Note that DTC provides MMI settlement services on Good Fridays and other non-bank holidays.

³ DTC is scheduled to be closed for other services as well as for MMI services.

⁴ Holiday falls on Saturday. Note that DTC will provide MMI settlement services on Friday, July 3, 1998

⁵ December 31, 1998 is a London Holiday - DTC will not provide MMI settlement for those issues indexed to LIBOR.

⁶ Holiday falls on Saturday. Note that DTC will provide MMI settlement services on Friday, December 24, 1999.

⁷ Holiday falls on Saturday. Note that DTC will provide MMI settlement services on Friday, December 31, 1999.

⁸ Holiday falls on Saturday. Note that DTC will provide MMI settlement services on Friday, November 10, 2000.