

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

November 23, 1998
Clearing Memo #211

TO: Memorandum to Institutions Maintaining Direct Wire
Facilities with the Federal Reserve System for
Securities Transfers

RE: Book-Entry Services Provided for the Inter-American
Development Bank (IADB)

The Inter-American Development Bank (IADB) will begin issuing discount notes in book-entry form in the near future. In this connection, the Federal Reserve Banks have been named fiscal agent with respect to these securities.

IADB's transactions will be handled by the Federal Reserve's National Book-Entry System (NBES). Transfers of these obligations will be governed by the same procedures and fees applicable to transfers of other book-entry securities. These obligations are transferable nationwide upon issuance.

A. CUSIP Number/Security Description

Each security will be assigned a unique nine character CUSIP number. The security description field (line 8 of the securities message) will include the alpha mnemonic IADN and the maturity date. An example of this is "IADN 6/01/99".

B. Denominations

The minimum and multiple denominations for these securities will be announced with each new issue.

C. Original Issues

On the original issue settlement date, IADB will transmit the securities through the securities transfer system to

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depository institutions (DIs). The original issue will be effected by sending a Type Code 2500 message (Reversal Code 2502) which will transfer the securities against payment to the purchaser's account from the IADB issuer account.

D. Secondary Market Transactions

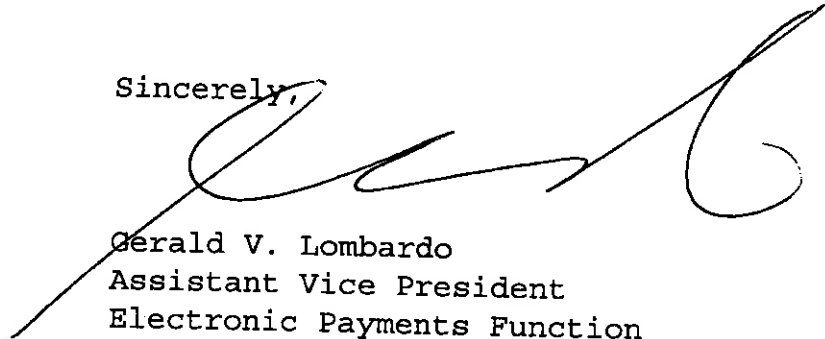
Transfer will be at par amount and effected using the standard Type Code 2000 message, and will be governed by the same procedures and fees applicable to transfers of other IADB book-entry securities.

E. Principal and Interest Payments

The principal payments for these securities will be automated. On the payment date, NBES will wire the proceeds, via Type Code 8906, to book-entry account holders. The procedures for processing these payments will be the same as those currently in place for effecting payments for other book-entry securities.

Questions regarding this announcement should be directed to Gail Armendinger, Staff Director, Electronic Payments Department on (212) 720-7980.

Sincerely,



Gerald V. Lombardo
Assistant Vice President
Electronic Payments Function