

THE ASSOCIATION OF GLOBAL CUSTODIANS

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STATE STREET BANK AND TRUST COMPANY

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April 7, 2003

VIA COURIER

Mr. John G. Walsh
Executive Director
The Group of Thirty
1990 M Street, N.W.
Washington, D.C. 20036

Re: **Group of Thirty Recommendations Regarding Global Clearance and Settlement**

Dear John:

The Association of Global Custodians ("Association"), a group of ten North American banks that are major providers of securities custody and settlement services to institutional investors globally, applauds the Group of Thirty's efforts with respect to its report, "Global Clearing and Settlement – A Plan of Action" ("Report"). In particular, the Association would like to express its full support of the Group of Thirty in its efforts to improve global clearance and settlement through the guidance offered by the twenty recommendations set forth in the Report.

The purpose of this letter is to indicate the Association's interest in and commitment to working with other industry groups, regulators and other parties in assisting the Group of Thirty in prioritizing, implementing and monitoring the implementation of the twenty recommendations going forward. As you may know, several Association members were involved in developing the recommendations contained in the Report, and as a result, Association members are aptly positioned to understand and evaluate the realities of implementation from a global custody perspective.

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Executive Director
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The Association believes that implementation of the recommendations and the progress by which implementation is achieved, must necessarily involve various industry groups, clearance and settlement providers and their regulators. These groups, working together, will combine diverse industry backgrounds in an effort to achieve the common goal of enhanced and streamlined global clearing and settlement processes.

To the extent there are particular areas where you believe the Association's input would be particularly valuable, members would be pleased to discuss the appropriate next steps. Several Association members will be attending the Group of Thirty seminar at the Bank of England on May 13, 2003, and will look forward to speaking with organizers about opportunities for potential Association involvement going forward.

If you have any questions or comments, please contact the undersigned at 202/452-7020.

Sincerely,



Margaret R. Blake
Counsel to the Association of
Global Custodians