

THE ASSOCIATION OF GLOBAL CUSTODIANS

DEPOSITORY INFORMATION-GATHERING PROJECT:
A REPORT FOR CLIENTS AND PARTICIPATING DEPOSITORIES



MARCH 20, 2001

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March 20, 2001

During the past several months, the Association of Global Custodians has gathered information concerning 121 central securities depositories operating in 81 countries around the world. The Association obtained this information by circulating a questionnaire to 131 depositories. This report describes the objectives and results of the project, as of February 28, 2001.

The Association of Global Custodians

The Association is an informal group of nine U.S. banks that are major providers of custody services to U.S. institutional investors. The Association primarily seeks to address regulatory issues that are of common interest to U.S. global custody banks. The members of the Association are --

The Bank of New York
Brown Brothers Harriman
The Chase Manhattan Bank
Citibank, N.A.
Deutsche Bank AG
Investors Bank & Trust Company
Mellon Trust/Boston Safe Deposit & Trust Company
The Northern Trust Company
State Street Bank and Trust Company

In May 2000, the Association formed a committee, chaired by State Street Bank, to gather information concerning securities depositories. The project described in this report is the result of that committee's work.

The Objectives of the Depository Information-Gathering Project

The genesis of the Association's depository information-gathering project was the adoption by the U.S. Securities and Exchange Commission of Investment

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Company Act Rule 17f-7.^{1/} Rule 17f-7 sets forth the circumstances under which U.S. investment companies may hold securities through the facilities of non-U.S. securities depositories. A principal requirement of Rule 17f-7 is that an investment company must receive from its "Primary Custodian" an analysis of the custody risks associated with maintaining assets with each depository it uses.

Rule 17f-7 does not provide specific guidance concerning the content of these analyses of depository custody risk. However, in the release announcing the adoption of the rule, the SEC stated:

"As a general matter, we expect that an analysis will cover a depository's expertise and market reputation, the quality of its services, its financial strength, any insurance or indemnification arrangements, the extent and quality of regulation and independent examination of the depository, its standing in published ratings, its internal controls and other procedures for safeguarding investments, and any related legal protections." Investment Company Act Release No. 24424 at 10-11 (notes omitted) (April 27, 2000).

The purpose of the Association's depository questionnaire is to gather basic, factual information concerning depositories in order to assist members in preparing the risk analyses required under Rule 17f-7. However, the questionnaire is not intended to limit or fully define the type information that should form the basis for such an analysis, and individual custodians may choose to draw on additional sources of information in the preparation of particular risk analyses. Each Association member bank will decide for itself whether to gather additional information, and how to synthesize the information available to it regarding a particular depository into the required risk analysis.

^{1/} See Investment Company Release No. 24424 (April 27, 2000), 65 FR 25630 (May 3, 2000). Rule 17f-7 is Appendix A to this report.

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A copy of the questionnaire, and of the form of letter by which it was transmitted to depositories, appear in **Appendix B** to this report.

Depositories Included in the Information-Gathering Project

In determining which entities to include in the project, the Association looked to the SEC's definition of the term "securities depository" in Rule 17f-7. Rule 17f-7 describes the depositories to which it applies by referring to another SEC rule, Rule 17f-4. Rule 17f-4 provides that a securities depository is "a system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

In some cases, however, it is not clear whether or not the SEC would regard particular non-U.S. facilities that perform some of the functions of a securities depository as falling within Rules 17f-4 and 17f-7. The Association has not, as a group, made any formal determinations concerning which entities would be regarded as depositories within the meaning of these rules. Instead of making a legal determination, the Association sent the questionnaire to institutions that perform some or all of the types of functions described in Rules 17f-4 and 17f-7. As a practical matter, the Association believes that most of the entities that received the questionnaire would be deemed depositories. In those cases where the application of the definition is less clear, we believe that many institutional investors are likely to wish to receive the type of risk analysis information required by Rule 17f-7 with respect to the facility in question, regardless of whether or not it is technically a securities depository.

Results of the Depository Information-Gathering Project

As of February 28, 2001, the Association had received completed questionnaires from 121 depositories. Of the 131 depositories to which the questionnaire was initially sent, the Association subsequently determined that three were either not yet in operation, were in the process of ceasing operations, or for other reasons, did not in fact fall within the scope of Rule 17f-7 at this time.

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Appendix C is a list of the 131 depositories that were contacted as part of this project. In each case, we indicate whether or not the depository has provided the Association with a completed questionnaire. If the depository did not respond, we have included a brief statement of the reason, if known.

Use of Questionnaire Responses

Each Association member bank will use the questionnaire responses as it sees fit. The questionnaire is intended to be a source from which member banks can draw in preparing Rule 17f-7 analyses. How individual Association member banks use questionnaire responses is a matter committed to their discretion and on which the Association has no position.

Availability of Completed Questionnaires

The Association will not release questionnaire responses directly to the general public or to participating depositories.^{2/} We recognize that, in most cases, the information sought by the questionnaire is publicly available. However, the Association is concerned that, if all depository responses are automatically disseminated to the general public or to other depositories, some depositories may be less likely to respond to future Association requests for updated information. This could, in turn, hamper the ability of Association members to provide clients with the analysis required by Rule 17f-7.

The Association has encouraged depositories to make their own responses public and many depositories have indicated a willingness to do so. Appendix D

^{2/} While the Association will not release questionnaire responses to the public, the members of the Association are not required to treat questionnaires as confidential. The Association does not believe that the raw questionnaires will generally be of use to, or will be sought by, clients.

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to this report is a list of each depository that has, as of February 28, 2001, indicated that it will provide its questionnaire response to any interested person upon request and of the name and address of the person or web site from which the depository's response is available.^{3/}

Frequently Asked Questions Concerning the Depository Questionnaire Project

In response to inquiries from depositories concerning this project, the Association has prepared a paper that generally describes the project and addresses some of the most frequently asked questions. A copy of that paper is **Appendix E** to this report.

* * *

Clients of Association members should contact those persons at the member bank with whom they work to obtain further information. Others may contact the Association's counsel, Daniel L. Goelzer, at Baker & McKenzie, 815 Connecticut Avenue, N.W., Washington, D.C. 20006 (telephone: 202/452-7013; fax: 202/452-7074; e-mail: daniel.l.goelzer@bakernet.com) if they have questions or comments concerning this report.

^{3/} As of February 28, 2001, the Association was still gathering information concerning questionnaire public availability. Therefore, the fact that a particular depository is not included on the public availability list should not necessarily be interpreted as indicating that the depository has determined to decline to make its questionnaire response available to interested persons.

APPENDIX A

Investment Company Act Rule 17f-7

Rule 17f-7 under the Investment Company Act of 1940

(17 C.F.R. 270.17f-7)

Custody of investment company assets with a foreign securities depository.

(a) *Custody Arrangement With an Eligible Securities Depository.* A Fund, including a Registered Canadian Fund, may place and maintain its Foreign Assets with an Eligible Securities Depository, *provided that*:

(1) *Risk-Limiting Safeguards.* The custody arrangement provides reasonable safeguards against the custody risks associated with maintaining assets with the Eligible Securities Depository, including:

(i) *Risk Analysis and Monitoring.*

(A) The fund or its investment adviser has received from the Primary Custodian (or its agent) an analysis of the custody risks associated with maintaining assets with the Eligible Securities Depository; and

(B) The contract between the Fund and the Primary Custodian requires the Primary Custodian (or its agent) to monitor the custody risks associated with maintaining assets with the Eligible Securities Depository on a continuing basis, and promptly notify the Fund or its investment adviser of any material change in these risks.

(ii) *Exercise of Care.* The contract between the Fund and the Primary Custodian states that the Primary Custodian will agree to exercise reasonable care, prudence, and diligence in performing the requirements of paragraphs (a)(1)(i)(A) and (B) of this section, or adhere to a higher standard of care.

(2) *Withdrawal of Assets From Eligible Securities Depository.* If a custody arrangement with an Eligible Securities Depository no longer meets the requirements of this section, the Fund's Foreign Assets must be withdrawn from the depository as soon as reasonably practicable.

(b) *Definitions.* The terms *Foreign Assets*, *Fund*, *Qualified Foreign Bank*, *Registered Canadian Fund*, and *U.S. Bank* have the same meanings as in § 270.17f-5. In addition:

(1) *Eligible Securities Depository* means a system for the central handling of securities as defined in § 270.17f-4 that:

(i) Acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated, or a transnational system for the central handling of securities or equivalent book-entries;

(ii) Is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act (15 U.S.C. 80a-2(a)(50));

(iii) Holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants;

(iv) Maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants;

(v) Provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account; and

(vi) Is subject to periodic examination by regulatory authorities or independent accountants.

(2) *Primary Custodian* means a U.S. Bank or Qualified Foreign Bank that contracts directly with a Fund to provide custodial services related to maintaining the Fund's assets outside the United States.

NOTE to § 270.17f-7: When a Fund's (or its custodian's) custody arrangement with an Eligible Securities Depository involves one or more Eligible Foreign Custodians (as defined in § 270.17f-5) through which assets are maintained with the Eligible Securities Depository, § 270.17f-5 will govern the Fund's (or its custodian's) use of each Eligible Foreign Custodian, while § 270.17f-7 will govern an Eligible Foreign Custodian's use of the Eligible Securities Depository.

APPENDIX B

Depository Questionnaire (with transmittal letter)

THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK
BROWN BROTHERS HARRIMAN
THE CHASE MANHATTAN BANK
CITIBANK, N.A.
DEUTSCHE BANK AG
INVESTORS BANK & TRUST COMPANY
MELLON TRUST/BOSTON SAFE DEPOSIT
& TRUST COMPANY
THE NORTHERN TRUST COMPANY
STATE STREET BANK AND TRUST COMPANY

COUNSEL TO THE ASSOCIATION:
BAKER & MCKENZIE
815 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

TELEPHONE: 202/452-7013
FACSIMILE: 202/452-7074

[Date]

VIA E-MAIL OR AIR COURIER

[Name & Address]

Re: Association of Global Custodians - Depository Information
Gathering Project

Dear [Name]:

As you may know, the U.S. Securities and Exchange Commission ("SEC") recently adopted Rule 17f-7 under the Investment Company Act.¹ This new rule requires investment company global custodians to provide their mutual fund clients with a "risk analysis" concerning the depositories in which fund assets are held. Funds or their investment advisers must, in turn, consider the risks associated with depositories as part of their decision-making regarding offshore investments. Global custodians are also required to monitor the depositories utilized by their fund clients on a continuing basis and to report any material changes in the risk profile of a depository to the funds that hold assets through that facility.

^{1/} Investment Company Release No. 24424 (April 27, 2000), 65 FR 25630 (May 3, 2000). You may review a copy of this release at the SEC's web site (<http://www.sec.gov>).

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[Name]

[Date]

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The Association of Global Custodians ("Association") is an informal group of nine U.S. banks that are major providers of custody services to U.S. institutional investors. Because of the obligations placed on global custodians under new Rule 17f-7, the members of the Association, as a group, are undertaking to gather factual information concerning the major non-U.S. securities depositories that hold assets of their clients. To this end, the Association has compiled the enclosed questionnaire. Rather than each member bank sending out such a questionnaire separately to each depository, the Association believes that, by working together, its members will obtain the necessary information more efficiently and will reduce the number of information requests to which depositories are asked to respond. Association member banks may, of course, individually contact particular depositories for clarification or additional information, in addition to participating in the Association's information-gathering efforts.

The Association requests that you review and complete this questionnaire and return it to the Association's counsel. The information you provide may be used by each Association member in preparing the risk analyses referred to above, and may be furnished by members of the Association to U.S. investment companies pursuant to Rule 17f-7 and used by such funds in connection with decisions concerning investing in securities that trade in the markets served by your institution. In addition, the information may be furnished to other types of institutional investors, or other parties, who have an interest in your country's markets.

Please send the completed questionnaire by [Date], to Daniel L. Goelzer, Baker & McKenzie, 815 Connecticut Avenue, N.W., Washington, D.C. 20006-4078 (telephone: 202/452-7013; fax: 202/452-7074; internet: daniel.l.goelzer@bakernet.com). Mr. Goelzer will distribute your responses to each of the members of the Association. If possible, we would prefer to receive your response in electronic form.

The Association recognizes that the information sought in the questionnaire is detailed. However, because of the requirements of Rule 17f-7, if a depository elects not to respond to some or all questions, Association members may be compelled to bring to the attention of their clients the fact that full information

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[Name]

[Date]

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from that depository is not available. This could have an adverse impact on the fund's determinations regarding investment in that country's markets.

Thank you for your assistance with this important project. If you have questions concerning this letter, please contact Mr. Goelzer or Margaret R. Blake (telephone: 202/452-7020; fax: 202/452-7074; margaret.r.blake@bakernet.com). Please acknowledge receipt of the questionnaire by sending the enclosed form to Mr. Goelzer.

Sincerely,

The Association of Global Custodians

By: Daniel L. Goelzer

Enclosures

MEMORANDUM

ACKNOWLEDGMENT

VIA FACSIMILE TO (202) 452-7074

OR VIA E-MAIL TO THE ADDRESSES BELOW

DATE: _____

TO: Daniel L. Goelzer (daniel.l.goelzer@bakernet.com)
Margaret R. Blake (margaret.r.blake@bakernet.com)
Kenneth E. Piner (kenneth.e.piner@bakernet.com)
Baker & McKenzie, Washington, D.C.

FROM: _____ (name of depository)

COUNTRY: _____

RE: Association of Global Custodians -- Depository Information Gathering Project

We acknowledge receipt of your [Date] letter enclosing the depository questionnaire prepared by the Association of Global Custodians. In connection with your inquiry, we provide the following contact information (please print or type) --

Name of contact person: _____

E-mail address of contact person: _____

Telephone number of contact person: _____

Facsimile number of contact person: _____

Anticipated transmittal date
of questionnaire response: _____

Additional information and comments:

(Signature)

ASSOCIATION OF GLOBAL CUSTODIANS

**DEPOSITORY QUESTIONNAIRE
2000**

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

Scope, Structure, Ownership

1. Does your institution:

- ☐ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?
- ☐ Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
- ☐ Act in another capacity with respect to the handling of securities or equivalent book-entries? Please explain: _____

In particular, are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

- ☐ Yes
- ☐ No. Please explain: _____

2. What type of legal entity is the institution?

- ☐ Public Company
- ☐ Private Company
- ☐ Limited Liability Company
- ☐ Central Bank
- ☐ Stock Exchange
- ☐ Other. Please explain: _____

3. Is the institution operated as a “for profit” or a “not for profit” organization?

- ☐ For profit
- ☐ Not for profit

4. Please provide the names of the owners and their ownership interest percentages.

5. What is the date of establishment of the depository?

6. What is the date that the depository's operations began?

Capital

7. Please provide a copy of the institution's annual report. If annual report and/or financial statements are not provided, please state your share capital, reserves, and retained earnings.

8. Who audits the depository's financial statements and how frequently are such audits conducted? (Please check all that apply.)

- ☐ Internal auditors
 - ☐ Two or more times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____
- ☐ Independent external accountants
 - ☐ Two or more times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____
- ☐ Regulatory authorities
 - ☐ Two or more times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____
- ☐ Other. Please explain: _____
 - ☐ Two or more times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____

Regulation

9. Under what regulation or statute is the depository established and governed?

10. Who regulates the activities of the depository? (Please check all that apply.)

- ☐ A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- ☐ A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- ☐ A membership organization which regulates the participation of its members in securities matters or other financial activities.
- ☐ Other. Please explain: _____

Please provide the name of the regulatory authority(ies): _____

Is the depository subject to periodic examination by:

- ☐ Regulatory authorities?
- ☐ Independent accountants?
- ☐ Other. Please explain: _____

11. Are there regular meetings between the depository and the regulatory authorities?

- ☐ Yes
 - ☐ Four or more times a year.
 - ☐ Two or three times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____
- ☐ No. Please explain: _____

12. What remedies are available to the regulatory authority for breach of applicable statute or regulatory requirements? (Please check all that apply.)

- ☐ Fines.
- ☐ Restrictions on depository activities.
- ☐ Suspension of depository activities.
- ☐ Termination of depository activities.
- ☐ Other. Please explain: _____

13. Has there been any history of use of such enforcement actions in the last three years?

- ☐ Yes
- ☐ No

If yes, please explain: _____

Operational Audit

14. Who conducts operational audits of the depository and how frequently are such audits conducted? (Please check all that apply.)

- ☐ Internal auditors
 - ☐ Two or more times a year.
 - ☐ Annually.
 - ☐ Less than annually. Please explain: _____

- ☐ Independent external accountants
☐ Two or more times a year.
☐ Annually.
☐ Less than annually. Please explain: _____
- ☐ Regulatory authorities
☐ Two or more times a year.
☐ Annually.
☐ Less than annually. Please explain: _____
- ☐ Other. Please explain: _____
☐ Two or more times a year.
☐ Annually.
☐ Less than annually. Please explain: _____

15. If you are unable to provide the most recent copy of your external audit results, please select the statement below that most accurately characterizes the results:

- ☐ Good. No material exceptions found.
☐ Satisfactory. Minor exceptions found.
☐ Poor. Material exceptions found.

PARTICIPANTS AND PARTICIPATION

The purpose of the section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

Participant eligibility requirements

16. What types of entities are eligible to become participants and how many of each type are there currently? (Please check all that apply.)

- ☐ Banks how many? _____
☐ Brokers how many? _____
☐ Individuals how many? _____
☐ Foreign Institutions how many? _____
☐ Other entities. Please explain and indicate how many: _____

17. What are the eligibility requirements for each type of participant?

- ☐ Banks _____
☐ Brokers _____
☐ Individuals _____
☐ Foreign Institutions _____
☐ Other entities _____

18. Are prospective participants subject to a review and approval process regarding compliance with eligibility requirements?

- ☐ Yes
☐ No

Are participants subject to such a review on a continuing basis?

- ☐ Yes
☐ No

19. Are participants required to contribute to depository capital either by a direct purchase of an interest in the depository or otherwise?

- ☐ Yes What amount? _____
☐ No

Conditions of participation

20. What governs the relationship between the depository and the participants? (Please check all that apply.)

- ☐ Relevant law and regulation
☐ Standard participation contract
☐ Established terms and conditions of participation
☐ By-laws of the depository
☐ Rules of the depository
☐ Other. Please explain: _____

21. Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

- ☐ Yes
☐ No. Please explain: _____

22. How does the depository notify participants of material changes to the conditions of participation? (Please check all that apply.)

- ☐ By e-mail
☐ By telephone
☐ By public announcement
☐ By press release
☐ Other. Please explain: _____

Governance of participants

23. Who enforces compliance with the conditions of participation? (Please check all that apply.)

- ☐ The depository
- ☐ The exchange
- ☐ The depository's regulator
- ☐ Other. Please explain: _____

24. What remedies are available to the enforcement authority? (Please check all that apply.)

- ☐ Fines
- ☐ Restrictions on participation
- ☐ Suspension of participation
- ☐ Termination of participation
- ☐ Other. Please explain: _____

25. Have there been any such enforcement actions in the last three years?

- ☐ Yes
- ☐ No

If yes, please explain, including information relative to any suspensions of depository participants: _____

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities which may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

General

26. Are you an exclusive depository in your market with respect to the following security types?

- | | | |
|--------------------------|------------------------------|-----------------------------|
| Government Securities | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Equities | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Bonds | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Money Market Instruments | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Others _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If no, please comment and name other institutions that handle the same securities:

27. Is the use of the depository in your market compulsory as to:

☐ Settlements

☐ By Law

☐ By market practice

Please comment on what percentage of the total market the depository handles with regard to settlements: _____

☐ Safekeeping

☐ By Law

☐ By market practice

Please comment on what percentage of the total market the depository handles with regard to safekeeping: _____

28. Has any participant suffered any losses in the past three years due to the depository's performance?

☐ Yes

☐ No

If yes, please specify number of instances and total loss in USD.

Corporate Action _____ / _____ USD

Settlement Process

Securities _____ / _____ USD

Cash _____ / _____ USD

System Failure _____ / _____ USD

Other _____ / _____ USD

Other Services

29. Who accepts cash deposits and processes cash clearing?

Deposits Cash Clearing

☐

☐

Depository

☐

☐

Central Bank

☐

☐

Banks appointed by depository. Please name: _____

☐

☐

Others _____

30. Are participant claims supported (depository as an intermediary)?

☐ Yes

☐ No

Are participant claims initiated by the depository?

- ☐ Yes
☐ No

If no, please specify who is initiating the claims: _____

31. Please indicate services you provide. (Please check all that apply.)

- ☐ Information in advance on corporate annual or specific meetings in order that owners can vote.
☐ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
☐ In order to avoid fails, an automatic securities lending facility -if requested- is provided for:
☐ Brokers.
☐ Banks.
☐ Other Financial Institutions.
☐ Other. Please explain: _____
☐ Collateral handling. Please specify: _____
☐ Same day multiple turnaround settlements.
☐ Information on distribution of new issues (IPO, Privatization).

32. How are corporate action entitlements treated?

- ☐ Automatically credited to the securities account
☐ On pay date.
☐ On pay date +1.
☐ On pay date +2.
☐ Other. Please explain: _____
☐ Upon actual receipt

33. What is the process for income and dividend collection?

- ☐ Automatically credited to the cash account
☐ On pay date.
☐ On pay date +1.
☐ On pay date +2.
☐ Other. Please explain: _____
☐ Upon actual receipt

34. Do you utilize the services of an agent or third party for any one of the services outlined above or any other core services (e.g., vaulting of physical securities, etc.)?

- ☐ Yes
☐ No

If yes, please specify: _____

Please indicate whether you assume full responsibility for losses that may arise due to the actions of the agent.

- ☐ Yes
☐ No

If no, please explain: _____

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

35. Are participants permitted to maintain more than one account at the depository?

- ☐ Yes
 ☐ An unlimited number of accounts.
 ☐ More than one account but a maximum of _____.
 ☐ Other (e.g., subaccounts). Please explain: _____
☐ No

36. Are accounts structured differently for different market participants?

- Custodians accounts vs. brokers accounts?

- ☐ Yes
☐ No

- Residents' accounts vs. non-residents' accounts?

- ☐ Yes
☐ No

37. Are participants required or permitted to segregate assets held for their own benefit from those they hold for their clients?

- ☐ Yes
- ☐ By separately designated participant accounts.
 - ☐ By sub-accounts within a single participant account.
 - ☐ By separately designated beneficial owner accounts.
 - ☐ Other (e.g., share registration). Please explain: _____
- ☐ No

38. Is nominee convention/concept recognized? How or why not?

- ☐ Yes. Please explain: _____
- ☐ No

39. In the event a participant's single account is blocked for any reason (e.g., insolvency, penalties, violations), would securities held in the account on behalf of the participant's clients be accessible?

- ☐ Yes
- ☐ No

By the depository's creditors?

- ☐ Yes
- ☐ No

Please describe briefly how clients of participants would access their holdings and whether there would be any delay in their ability to do so:

40. In what form does the depository maintain records identifying the assets of each participant? (Please check all that apply.)

- ☐ Computer file
- ☐ Microfiche
- ☐ Hard copy
- ☐ Computer tape
- ☐ Other. Please explain: _____

In which format is the master file maintained? _____

41. Does the depository provide periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

- ☐ Yes
- ☐ No. Please explain: _____

If yes, please indicate the scheduled frequency:

- ☐ Daily.
- ☐ Weekly.
- ☐ Monthly.
- ☐ Quarterly.
- ☐ Annually.
- ☐ Upon Request.
- ☐ Other. Please explain: _____

42. What is your document retention policy?

- ☐ 6 months or less.
- ☐ 1 year.
- ☐ 3 years.
- ☐ 5 years.
- ☐ 7 years.
- ☐ Other. Please explain: _____

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed; the relationship between cash and securities and the basis on which participants' meet their obligations.

43. How is settlement effected? (Please check all that apply.)

- ☐ Securities on a gross basis.
- ☐ Securities on a net basis.
- ☐ It is irrevocable.
- ☐ It is not irrevocable, and is subject to subsequent factors (confirmation of sufficient securities, etc.).
- ☐ Cash and Securities movements are linked.
- ☐ Cash and Securities movements are not linked.
- ☐ Cash on a gross basis.
- ☐ Cash on a net basis.
- ☐ Cash moves through the depository.
- ☐ Cash moves through a separate clearing bank.

44. Are the cash and security movements simultaneous?

- ☐ Yes
- ☐ No. Please indicate the duration of the timing gap:
 - ☐ 1 hour or less.
 - ☐ 2 hours.
 - ☐ 3 hours.

- ☐ 4 hours.
- ☐ 5 hours.
- ☐ Overnight.
- ☐ 2 days.
- ☐ Other. Please explain: _____

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository. This section also considers the process by which the ownership of securities is transferred in the depository and the existence of any liens or claims on depository securities (such as a clearing lien) that would affect the ownership of depository securities.

45. Are securities:

- ☐ Certificated
- ☐ Dematerialized

[Note: If different classes of securities are variously certificated or dematerialized, please list these by class and answer questions 46 or 47 with respect to each class.]

46. If securities are certificated:

(a) Are the security certificates centrally immobilized at the depository?

- ☐ Yes
- ☐ No

(b) If security certificates are required to be centrally immobilized at the depository:

(i) Are these certificates:

- ☐ Bearer
- ☐ Registered

(ii) Where and with whom are the certificates safekept?

Please describe: _____

(iii) If registered, how are the securities registered?

- ☐ In the name of the depository.
- ☐ In the name of a separate nominee of the depository.
- ☐ In the name of the depositing participant or its nominee.
- ☐ Other. Please describe: _____

(c) May security certificates be held outside of the depository?

- ☐ Yes
- ☐ No

(d) If security certificates may be held either in or out of the depository:

(i) Are these certificates:

- ☐ Bearer
- ☐ Registered

(ii) What are the control features for receipt of certificates to the depository (e.g., authentication procedures, re-registration)?

Please describe: _____

47. If securities are dematerialized:

(a) Are the securities held through book-entry at the depository only?

- ☐ Yes
- ☐ No

(b) Are the securities held through book-entry at a registrar or issuer?

- ☐ Yes
- ☐ No

(c) If the securities are held by book entry at the registrar:

- ☐ Are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market?
- ☐ May the securities be held at the registrar to the account of others, including the beneficial owner, as well as the depository?

(d) How are securities held at the registrar for the account of the depository?

- ☐ In the name of the depository.
- ☐ In the name of a separate nominee of the depository.
- ☐ In the name of the depositing participant or its nominee.

(e) What are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)?

Please describe: _____

(f) May dematerialized security positions be re-certificated and held outside of the depository?

- ☐ Yes
- ☐ No

48. Does the depository maintain records that identify the assets of each participant and segregate the system's own assets and liabilities from the assets of participants?

- ☐ Yes
- ☐ No

49. Does the law or custom of the market otherwise protect participant assets from claims and liabilities of the depository (for example, do the laws of your country prohibit the depository from dealing for its own account in securities of the same type and issue as those held at the depository)?

- ☐ Yes
- ☐ No

50. Do the laws of your country recognize the separation of client assets held in the depository from assets held for administrative purposes?

- ☐ Yes
- ☐ No

51. Are there any formalities required to assure this recognition?

- ☐ Yes
- ☐ No

Please describe: _____

52. Can the depository assess a lien on participant accounts?

- ☐ Yes
☐ No

(a) If so, for what reasons are liens or similar claims imposed. (Please check all that apply.)

- ☐ Fees and expenses
☐ Collateralization of overdrafts
☐ To secure payment for purchased securities
☐ Other. Please describe: _____

(b) Please indicate the limits of this lien as indicated below:

- ☐ The lien is limited to securities in the participant's principal account.
☐ The lien is limited to securities in the course of purchase and sale transactions, but does not extend to settled positions.
☐ The lien may extend to settled client positions. Please explain:

53. Transfer of Ownership.

(a) When does title or entitlement to depository securities pass as between participants:

- ☐ At the end of the business day on which the transfer occurs.
☐ When the book-entry is made on the depository books.
☐ When countervailing money or other consideration is transferred.
☐ When the transaction is processed on the depository's books on an intra-day basis.
☐ Other. Please describe: _____

(b) Once securities are credited to a participant account, is there any provision for reversal in the event of non-payment or other reasons?

Please describe: _____

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are in the process of being removed from a depository or being lodged into a depository.

54. How are eligible securities lodged in the depository system?

- ☐ A registered certificate in the name of the depository is delivered to the depository.
- ☐ A participant delivers the security with a valid transfer deed or stock power or other transfer document to the depository.
- ☐ A registrar re-registers the security in the name of the depository.
- ☐ Other. Please describe: _____

55. How are assets held by the depository?

- ☐ Assets in the depository are in immobilized form, registered in the name of the depository.
 - ☐ In jumbo certificate form.
 - ☐ In individual certificate form.
- ☐ Assets in the depository are immobilized bearer instruments.
 - ☐ In jumbo certificate form.
 - ☐ In individual certificate form.
- ☐ Assets in the depository are in dematerialized form registered in the name of the depository.
- ☐ Other. Please explain: _____

56. When are securities lodged into the depository reflected in a participant's depository account?

- ☐ Securities are reflected in the participant's depository account immediately upon delivery to the depository.
- ☐ Securities are re-registered prior to being reflected in the participant's depository account.
- ☐ Other. Please explain: _____

57. How long does it take to lodge securities with the depository?

- ☐ 1 to 2 days.
- ☐ 3 days to 1 week.
- ☐ 2 to 4 weeks.
- ☐ More than 4 weeks. Please specify: _____

58. While the securities are being lodged back at the depository, can they be:

- ☐ Traded?
 - ☐ Yes
 - ☐ No

- ☐ Settled?
- ☐ Yes
- ☐ No
- ☐ Have ownership transferred?
- ☐ Yes
- ☐ No

59. Are securities immediately available for delivery upon transfer to the depository?

- ☐ Yes
- ☐ No. Securities are unavailable for:
- ☐ 1 to 2 days.
- ☐ 3 days to 1 week.
- ☐ 2 to 4 weeks.
- ☐ More than 4 weeks. Please specify: _____

60. Once eligible securities are lodged with the depository, can they subsequently be removed?

- ☐ Yes
- ☐ No

61. Can eligible securities be held outside of the depository?

- ☐ All eligible securities must be held in the depository.
- ☐ Securities may move freely into and out of the depository.
- ☐ Certain designated securities may be held outside the depository. Please specify: _____
- ☐ Once entered into the depository, securities must remain in the depository.

62. Do eligible securities held outside the depository have the same ownership rights (including entitlements to income, corporate actions and/or vote proxies) as securities held through the depository?

- ☐ Yes
- ☐ No. Please explain: _____
- ☐ Not applicable

63. Can securities held outside the depository be traded, settled or have ownership transferred without being lodged at the depository?

- ☐ Yes
- ☐ No. Please explain: _____
- ☐ Not applicable

64. How are eligible securities removed from the depository?

- ☐ Securities are re-registered into the name of the beneficial owner or a nominee.
- ☐ Securities are re-certificated and re-registered into the name of the beneficial owner or a nominee.
- ☐ Securities are transferred as is any physical delivery in the market.
- ☐ Other. Please specify: _____
- ☐ Not applicable.

65. How long does it take to remove securities from the depository?

- ☐ 1 to 2 days.
- ☐ 3 days to 1 week.
- ☐ 2 to 4 weeks.
- ☐ More than 4 weeks. Please specify: _____
- ☐ Not applicable.

66. While the securities are being removed from the depository, can they be traded, settled or have ownership transferred?

- ☐ Yes
- ☐ No. Please explain: _____
- ☐ Not applicable

67. Where are securities that are outside the depository held in safekeeping?

- ☐ Securities are dematerialized, ownership of securities is identified through the records of the company registrar.
- ☐ Securities are held physically, registered on behalf of the beneficial owner or a nominee and physically safekept by subcustodian banks. Securities are held physically in bearer form in subcustodian banks.
- ☐ Securities may be held physically by brokers, the registrar, or beneficial owner.
- ☐ Other. Please specify: _____

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of default protections exist for participants in the event of a participant failure/default.

Depository Liability

68. Does the depository assume liability for:

(a) Reconciliation errors with the registrar and/or issuer?

☐ Yes. Please explain how this is addressed:

☐ No

(b) Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository?

☐ Yes. Please explain how this is accomplished:

☐ No

(c) Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

☐ Yes. Please explain how this is covered:

☐ No

(d) Any loss caused by the depository due to errors, omissions or fraud that cause direct damages or losses to participants?

☐ Yes. Please explain how this is covered:

☐ No

(e) Settlement of all trades, as the central counterparty?

☐ Yes. Please explain how this is accomplished: _____

☐ No

Does the depository guaranty settlement?

☐ Yes. Please explain how this is accomplished. For example, what are the procedures and safeguards that permit the depository to guaranty settlement? _____

☐ No

(f) Force majeure events, acts of God, or political events, etc.?

☐ If yes, please explain how this is accomplished: _____

☐ No

69. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

(a) Indemnification

☐ Yes. Please explain: _____

☐ No

(b) Insurance

☐ Yes. Please explain: _____

☐ No

(c) Acknowledgement of liability for losses caused by depository's own actions

☐ Yes. Please explain: _____

☐ No

(d) Other. Please explain: _____

Please provide details of the relevant sections of the contracts, rules or practices where this information is found. _____

70. Is the depository immune from legal action in its own jurisdiction?

☐ Yes

☐ No

Security Control

71. How do participants receive information and see the status of their accounts? (Please check all that apply.)

- ☐ By direct electronic link
- ☐ By receipt of physical account holding statements
- ☐ Other. Please explain: _____

72. Do participants have access to affect their holdings, including confirming and affirming trades, viewing actual settlement of trades, movement of securities on their accounts, etc.?

- ☐ Yes. How is access given to participants?
 - ☐ By direct electronic link
 - ☐ By receipt of physical account holding statements
 - ☐ Other. Please explain: _____
- ☐ No

73. Regarding data security:

(a) Are passwords used by participants to access their accounts?

- ☐ Yes
- ☐ No

(b) Does each user have a unique User ID?

- ☐ Yes
- ☐ No

(c) Are passwords regularly changed?

- ☐ Yes. How often? _____
- ☐ No

(d) Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

- ☐ Yes. How many? _____
- ☐ No

74. How may participants communicate with the depository? (Please check all that apply.)

- ☐ Dial-up modem.
- ☐ Secured, leased, dedicated telephone line.
- ☐ Internet.
- ☐ Fax.
- ☐ Paper/other.

75. How does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc.? (Please check all that apply.)

- ☐ Dial-up modem.
- ☐ Secured, leased, dedicated telephone line.
- ☐ Internet.
- ☐ Fax.
- ☐ Paper/other.

76. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

- ☐ Yes. Please explain: _____
- ☐ No

77. How is access to the physical building controlled? (Please check all that apply.)

- ☐ By guards.
- ☐ By electronic keys / personal ID card.
- ☐ Other. Please explain: _____

(a) What are the vault security procedures for the safekeeping of physical paper?

(b) Are guards posted at the vault?

- ☐ Yes
- ☐ No

(c) Are the guards armed?

- ☐ Yes
- ☐ No

(d) Does the depository have an alarm system?

- ☐ Yes
- ☐ No

(e) Is the alarm system connected to the police department?

- ☐ Yes
- ☐ No

(f) Is the entrance to the vault controlled by two individuals (dual control) or more?

- ☐ Yes
☐ No

(g) Are the names of visitors to the vault logged?

- ☐ Yes
☐ No

(h) What is the minimum thickness of the walls, ceiling and floor of the vault?

- ☐ Less than 12 inches or 30.5 centimeters
☐ More than 12 inches or 30.5 centimeters

(i) What is the minimum thickness of the vault door?

- ☐ Less than 12 inches or 30.5 centimeters
☐ More than 12 inches or 30.5 centimeters

Participant Default Protections resulting from a Participant failure

78. If a participant defaults, how is the loss covered? (Please check all that apply.)

- ☐ Depository insurance covers the loss. Please explain the process: _____
- ☐ The depository guaranty funds covers the loss
- ☐ Loss is shared among participants. Please explain the process: _____
- ☐ Equally, among participants
- ☐ Pro-rata based on participant's volume
- ☐ Limited to participants with transactions with failing counterparty
- ☐ Other. Please explain: _____

79. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

- ☐ Yes. How was the situation resolved? _____
- ☐ No

80. Does the depository have a guarantee fund?

- ☐ Yes
☐ No

(a) What is the size of the fund? _____

(b) How is the size of the fund determined?

- ☐ By participant volume?
- ☐ By asset value?
- ☐ A fixed amount?
- ☐ Other. Please explain: _____

(c) How is the fund financed?

- ☐ Contributions from owners? If so, what is the amount or percentage per owner? _____
- ☐ Contributions from participants? If so, what is the amount or percentage per owner? _____
- ☐ Funding from retained earnings?
- ☐ Other. Please explain: _____

(d) Who is covered by the fund?

- ☐ Direct depository participants only?
- ☐ The beneficial owner also?
- ☐ Other. Please explain: _____

(e) When is the guaranty fund used?

- ☐ When a broker defaults.
- ☐ When a direct participant defaults.
- ☐ Other. Please explain: _____

81. Does the depository have forms of Risk Management for assessing and monitoring of (Please check all that apply.)

- ☐ Participant volumes?
- ☐ Participant financial strength?
- ☐ Other loss or default protections the depository maintains. Please explain: _____
- ☐ Collateral requirements for participants? Please explain the requirements.
- ☐ Debit caps for participants? Please explain briefly how these work: _____
- ☐ Settlement controls, such as blocking of securities, controlling DVP settlement or simultaneous DVP that minimize or eliminate the risk of default by a participant? Please explain briefly how these work: _____
- ☐ Blocking of securities movement before receipt of payment?
- ☐ Blocking payment until securities are moved?
- ☐ Other forms of risk management used for assessing and monitoring participant exposures? Please explain briefly how these work: _____

82. Does the stock exchange have default protections that extend to the depository, such as (Please check all that apply.)

- ☐ Margin requirements for stock exchange members?
- ☐ Guaranty fund for stock exchange members?
- ☐ Financial requirements for stock exchange membership?
- ☐ Other. Please explain: _____

BUSINESS RECOVERY

This section is intended to identify key aspects of the depository's Business Recovery Plan ("BRP"), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

83. Do you have a back-up off-site location?

- ☐ Yes
- ☐ No

84. Do you have a formal Business Recovery Plan?

- ☐ Yes
- ☐ No

(a) Does your Business Recovery Plan include: (Please check all that apply.)

- ☐ All computer files backed-up.
- ☐ Data stored off-site.
- ☐ Back-up files stored and locked.
- ☐ Off-site facility.

(b) Please complete the below matrix stating whether testing is completed for each listed party and how often such testing is done.

3 rd Party	Testing Done (Yes/No)	Frequency of Testing	Results Published in English (Yes/No)
Depository Participants/ Members	_____ _____ _____	_____ _____ _____	_____ _____ _____
Stock Exchange	_____ _____ _____	_____ _____ _____	_____ _____ _____
Central Bank	_____ _____ _____	_____ _____ _____	_____ _____ _____
Local Brokers	_____ _____ _____	_____ _____ _____	_____ _____ _____
Others (Please describe)	_____ _____ _____	_____ _____ _____	_____ _____ _____

85. (a) How quickly can the main system be reactivated in the event of a failure?

- ☐ 1 – 4 hours.
☐ 4 – 8 hours.
☐ 8 – 24 hours.
☐ Longer than 24 hours.

(b) How quickly can the back-up system be activated in the event of the main system failing?

- ☐ 1 – 4 hours.
☐ 4 – 8 hours.
☐ 8 – 24 hours.
☐ Longer than 24 hours.

86. Will the depository publicly announce any system interruption?

- ☐ Yes
☐ No. Please explain: _____

(a) To whom will the depository disclose any system interruptions? (Please check all that apply.)

- ☐ To the depository regulators.
- ☐ To all direct participants.
- ☐ To direct and indirect participants.
- ☐ To the public via the internet. If so, please list webpage address
- ☐ In the press, if so, please list publications
- ☐ Other. Please explain: _____

(b) How will the depository disclose any system interruptions? (Please check all that apply.)

- ☐ By e-mail
- ☐ By telephone
- ☐ Public announcement
- ☐ Press release
- ☐ Other. Please explain: _____

87. In the past three years, has the recovery plan needed to be activated in a live situation?

- ☐ Yes
- ☐ No

If yes:

(a) How much time was needed to implement the recovery plan?

- ☐ Less than 1 hour.
- ☐ 1 – 2 hours.
- ☐ 2 – 4 hours.
- ☐ Longer than 4 hours.

(b) How much time was needed to recover and restore business to normal operations?

- ☐ 1 – 4 hours.
- ☐ 4 – 8 hours.
- ☐ 8 – 24 hours.
- ☐ Longer than 24 hours.

(c) What was the impact to the market? (Please check all that apply.)

- ☐ All securities settlements took place as scheduled on the same day with good value.
- ☐ All cash settlements took place as scheduled on the same day with good value.
- ☐ All securities settlements took place one business day late with good value.
- ☐ All cash settlements took place one business day late with good value.
- ☐ All securities settlements took place one business day late with value one day late.
- ☐ All cash settlements took place one business day late with value one day late.
- ☐ All securities settlements took place more than one business day late.
- ☐ All cash settlements took place more than one business day late.
- ☐ As a result of the system failure, all fines and penalties for late settlements were waived.
- ☐ Even though there was a system failure, all fines and penalties for late settlements were still assessed.

PERFORMANCE, INSURANCE AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

88. Has there been any material loss by the depository during the past three years?

- ☐ Yes
- ☐ No

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence: _____

89. Has the depository been subject to any litigation involving a participant during the past three years?

- ☐ Yes. Please explain: _____
- ☐ No

If yes, was the Depository found to be guilty or responsible in a court of law?

- ☐ Yes. Please explain: _____
- ☐ No

90. Has the depository realized a profit or surplus during the past three years?

- ☐ Yes for all three years.
- ☐ Yes for two of the last three years.
- ☐ Yes for one of the last three years.
- ☐ None of the last three years.

91. Does the depository maintain a reserve for operating losses?

- ☐ Yes. Please describe: _____
- ☐ No

92. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

- ☐ Yes. Please describe: _____
- ☐ No

93. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

- ☐ Yes. Please describe: _____
- ☐ No. Why not: _____

94. Does the depository have insurance for the following? (Please check all that apply.)

- ☐ Default
- ☐ Fidelity
- ☐ Operational Errors
- ☐ Errors and Omissions
- ☐ Computer Fraud
- ☐ Premises
- ☐ Other. Please explain: _____

95. What is the amount of the insurance coverage and deductible?

96. Who is the insurance carrier?

97. How long is the coverage in force?

98. Whom does it cover – direct depository participants only or also the final investor?

Depository NewQuest6.doc(6 9 00)

APPENDIX C

List of Depositories Contacted and of Depositories Responding

THE ASSOCIATION OF GLOBAL CUSTODIANS

DEPOSITORIES CONTACTED AND OF DEPOSITORIES RESPONDING AS OF FEBRUARY 28, 2001

COUNTRY	DEPOSITORIES CONTACTED	DATE OF DEPOSITORY RESPONSE
1. ARGENTINA	Caja de Valores S.A.	7/17
2. ARGENTINA	Central de Registracion y Liquidacion de Instrumentos de Endeudamiento Publico	10/17
3. AUSTRALIA	Austraclear	7/18
4. AUSTRALIA	Austraclear – New Zealand	Recently contacted, has not yet acknowledged.
5. AUSTRALIA	Clearing House Electronic Subregister System	8/14
6. AUSTRALIA	Reserve Bank of Australia/RITS	8/18
7. AUSTRIA	Oesterreichische Kontrollbank AG	11/7
8. BANGLADESH	National Securities Depository Limited	Not yet in operation
9. BARBADOS	Securities Exchange of Barbados/Barbados Central Securities Depository	Response expected but not yet received.
10. BELGIUM	Caisse Interprofessionnelle de Depots et de Virements Titres	7/13
11. BELGIUM	National Bank of Belgium	8/18
12. BRAZIL	Camara de Liquidação e Custódia SA	See CBLC Below
13. BRAZIL	CETIP	11/6
14. BRAZIL	Companhia Brasileira de Liquidação e Custodia	10/16
15. BRAZIL	SELIC	Response expected but not yet received.
16. BULGARIA	Bulgarian National Bank	8/18
17. BULGARIA	Central Security Depository AD	7/24
18. CANADA	Bank of Canada	No longer providing depository services.
19. CANADA	Canadian Depository for Securities Limited	8/14
20. CHILE	Deposito Central de Valores SA	8/14
21. CHINA	Shanghai Securities Central Clearing and Registration	7/21
22. CHINA	Shenzhen Securities Central Clearing Co. Ltd	8/22
23. COLOMBIA	Deposito Central de Valores	7/13
24. COLOMBIA	Deposito Centralizado de Valores de Colombia	8/22
25. COSTA RICA	Central de Valores de la Bolsa Nacional de Valores	8/14
26. CROATIA	Central Depository Agency Inc. (Stredisnja Depozitarna Agencija)	7/17
27. CROATIA	Croatian National Bank	8/10
28. CROATIA	Ministry of Finance of Republic of Croatia	10/23
29. CZECH REPUBLIC	Czech National Bank	7/28
30. CZECH REPUBLIC	Stredisko Cenných Papírů	9/20
31. DENMARK	Danish Securities Centre	7/5
32. ECUADOR	Depósito Centralizado de Valores SA	10/06
33. EGYPT	Misr for Clearing & Settlement Depository	8/31
34. ESTONIA	Estonian Central Depository for Securities Ltd. (Eesti Vaartpaberite Keskdepositoorium)	7/20
35. FINLAND	Finnish Central Security Depository Ltd.	7/14

COUNTRY	DEPOSITORIES CONTACTED	DATE OF DEPOSITORY RESPONSE
36. FRANCE	Societe Interprofessionnelle pour la Compensation de Valeurs Mobillieres	10/25
37. GERMANY	Clearstream Banking AG	REFER TO CLEARSTREAM TRANSNATIONAL
38. GREECE	Apothetion Titlon A.E.	9/6
39. GREECE	Bank of Greece	9/21
40. HONG KONG	Central Money Market Unit	7/28
41. HONG KONG	Hong Kong Securities Clearing Company Limited	7/17
42. HUNGARY	Central Depository and Clearing House (Kozponti Elszamolohaz es Ertektar (Budapest) Rt.)	8/4
43. ICELAND	Icelandic Securities Depository Limited	8/18
44. INDIA	National Securities Depository Limited	7/20
45. INDIA	Central Depository Services (India) Limited	7/17
46. INDIA	Reserve Bank of India	8/9
47. INDONESIA	Bank Indonesia	8/15
48. INDONESIA	PT Kustodian Sentral Efek Indonesia	7/26
49. IRELAND	CRESTCo Limited	See discussion comments under Crestco U.K.
50. IRELAND	Gilts Settlement Office	See Transnational Euroclear
51. ISRAEL	Tel Aviv Stock Exchange Clearinghouse	10/23
52. ITALY	Banca D'Italia	No longer provides depository services.
53. ITALY	MonteTitoli S.P.A.	8/9
54. IVORY COAST	Depositaire Central/Banque de Reglement	8/24
55. JAMAICA	Jamaica Central Securities Depository	9/5
56. JAPAN	Bank of Japan	Did not participate.
57. JAPAN	Japan Securities Depository Center	8/24
58. JORDAN	Jordan Securities Depository Center	7/16
59. KAZAKHSTAN	Kazakhstan Central Securities Depository	7/28
60. KENYA	Kenya Central Depository System	Not yet in operation.
61. KENYA	Central Bank of Kenya	7/26
62. LATVIA	Bank of Latvia	7/28
63. LATVIA	Latvian Central Depository	7/17
64. LEBANON	Custodian and Clearing Centre of Financial Instruments for Lebanon and the Middle East	7/21
65. LEBANON	Banque du Liban (the Central Bank of Lebanon)	8/7
66. LITHUANIA	Central Securities Depository of Lithuania	7/21
67. LUXEMBOURG	CLEARSTREAM INTERNATIONAL	SEE TRANSNATIONAL CLEARSTREAM ENTRY
68. MALAYSIA	Bank Negara Malaysia	8/1
69. MALAYSIA	Malaysian Central Depository Sdn. Bhd.	8/23
70. MALTA	Malta Stock Exchange/Central Securities Depository	7/13
71. MAURITIUS	Bank of Mauritius	2/20
72. MAURITIUS	Central Depository & Settlement Company Ltd.	7/14
73. MEXICO	S.D. Indeval, SA de CV	10/26
74. MOROCCO	Maroclear	8/4

COUNTRY	DEPOSITORIES CONTACTED	DATE OF DEPOSITORY RESPONSE
75. NETHERLANDS	Nederlands Centraal Instituut voor Giraal Effecten	8/29
76. NETHERLANDS	NIEC - Nederlands Interprofessioneel Effectencentrum BV	2/19
77. NEW ZEALAND	New Zealand Central Securities Depository Reserve Bank	7/18
78. NIGERIA	Central Securities Clearing System Limited	8/28
79. NORWAY	Verdipapirsentralen The Norwegian Central Securities Depository	7/4
80. OMAN	Muscat Depository & Securities Registration Company, SAOC	10/17
81. PAKISTAN	Central Depository Company of Pakistan Limited	8/2
82. PAKISTAN	State Bank of Pakistan	8/11
83. PALESTINE	Central Depository System of the Palestine Securities Exchange, Ltd.	8/22
84. PANAMA	Central Latinoamericana de Valores, S.A.	9/20
85. PERU	Caja de Valores de Lima CSD	8/15
86. PHILIPPINES	Philippine Central Depository, Inc.	7/24
87. PHILIPPINES	Register of Scripless Securities	9/6
88. POLAND	Central Register for Treasury Bills	7/26
89. POLAND	National Depository for Securities	9/20
90. PORTUGAL	Central de Valores Mobiliarios e Sistema de Liquidacao e Compensacao - Interbolsa	9/18
91. QATAR	Doha Securities Market	8/4
92. ROMANIA	Bucharest Stock Exchange	7/17
93. ROMANIA	National Bank of Romania	7/21
94. ROMANIA	National Company for Clearing, Settlement and Depository for Securities	8/10
95. RUSSIA	Bank for Foreign Trade of the Russian Federation	7/18
96. RUSSIA	Depository Clearing Company	7/14
97. RUSSIA	National Depository Center	7/20
98. SINGAPORE	Central Depository Pte. Ltd.	9/6
99. SINGAPORE	Monetary Authority of Singapore	8/14
100. SLOVAKIA	National Bank of Slovakia	7/19
101. SLOVAKIA	Securities Register Center (Stredisko cennych papierov)	9/13
102. SLOVENIA	Centralna Klirinsko Depotna Druzba d.d.	9/22
103. SOUTH AFRICA	Central Depository, Limited	7/17
104. SOUTH AFRICA	Share Transaction Totally Electronic	7/14
105. SOUTH KOREA	Korea Securities Depository	8/2
106. SPAIN	Banco de España CADE	9/22
107. SPAIN	Servicio de Compensación y Liquidación de Valores	9/22
108. SRI LANKA	Central Depository Systems Private Limited	8/28
109. SWEDEN	Swedish Central Securities Depository & Clearing Organization	9/22
110. SWITZERLAND	SIS SegalInterSettle AG	7/17
111. TAIWAN	Taiwan Securities Central Depository Co Ltd.	7/17
112. THAILAND	Bank of Thailand	Recently contacted. Has not yet acknowledged.
113. THAILAND	Thailand Securities Depository Co Ltd.	8/23
114. TRANSNATIONAL	Clearstream Banking AGI	9/7 for Clearstream Luxembourg and Clearstream Frankfurt
115. TRANSNATIONAL	Euroclear System	9/6

COUNTRY	DEPOSITORIES CONTACTED	DATE OF DEPOSITORY RESPONSE
116. TRINIDAD AND TOBAGO	Central Bank of Trinidad and Tobago	Response expected but not yet received.
117. TRINIDAD AND TOBAGO	Trinidad and Tobago Central Securities Depository	8/15
118. TUNISIA	Societe Tunisienne Interprofessionnelle de Compensatio et de Depot des Valeurs Mobileres	8/1
119. TURKEY	Central Bank of Turkey	11/22 Partial
120. TURKEY	Takasbank ISE Settlement & Custody Bank Inc.	9/8
121. UKRAINE	MFS Depository	8/16
122. UKRAINE	National Bank of Ukraine	11/6
123. UNITED KINGDOM	Bank One	1/31
124. UNITED KINGDOM	Central Moneymarkets Office	1/2
125. UNITED KINGDOM	CRESTCo Limited	9/29
126. URUGUAY	Banco Central del Uruguay	Response expected but not yet received.
127. VENEZUELA	Caja Venezolana de Valores CA	8/8
128. VENEZUELA	Central Bank of Venezuela	7/18
129. VIETNAM	Ho Chi Minh City Securities Trading Center	11/15
130. ZAMBIA	Bank of Zambia	8/16
131. ZAMBIA	Lusaka Stock Exchange Central Shares Depository Ltd.	8/2
Total		121

APPENDIX D

List of Publicly Available Depository Questionnaire Responses

Note: Attached is a list of each depository that has, as of February 28, 2001, informed the Association that it will provide its questionnaire response to any interested person upon request. In each case, the name and address of the person or web site from which the depository's response is available is also included. The Association is still receiving responses to its inquiries concerning public availability. Therefore the fact that a particular depository is not included on this list should not necessarily be interpreted as indicating that the depository has determined to decline to make its questionnaire response available to interested persons.

ASSOCIATION OF GLOBAL CUSTODIANS
DEPOSITORY INFORMATION-GATHERING PROJECT
PUBLICLY AVAILABLE DEPOSITORY QUESTIONNAIRE RESPONSES

AS OF FEBRUARY 28, 2001

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
ARGENTINA	Caja de Valores S.A.	YES 1/18	www.bcba.sba.com.ar	Haroldo L. Merodio				
ARGENTINA	Central de Registracion y Liquidacion de Instrumentos de Endeudamiento Publico	YES 1/31	N/A	Eladio González Blanco	Banco Central de la Republica Argentina Reconquista 266 Edificio Central Of. 402 1003 Ciudad Autónoma de Buenos Aires REPUBLICA ARGENTINA	bkoffice@bcra.gov.ar	54-11-4348-3728	54-11-4348-3682
AUSTRALIA	Reserve Bank of Australia/RITS	YES 1/24	Will be available soon on web site, but not yet.	Nola McMillan		McMillanN@rba.gov.au		
BELGIUM	Caisse Interprofessionnelle de Depots et de Virements Titres	12/11 YES	By request.	Eric Clapdorp or to Marc Baert.	Palais de la Bourse Place de la Bourse B-1000 Brussels Belgium	Ecla@bxs.be	Tel: 32-2-509-12-66	Fax: 32-2-502-97-20
BULGARIA	Bulgarian National Bank	YES 11/28	www.bnb.bg (available starting Jan 3, 2001)	Nikolina Micheva Head of Fiscal Services Dept.	BNB 1. Alexander Battenberg Sq. 1000 Sofia Bulgaria	Micheva.N@bnbbank.org	+359-2-9145-1530	+359-2-980-2425

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
BULGARIA	Central Security Depository AD	YES 11/22	www.cdad.bg	None	None	None	None	None
CHILE	Deposito Central de Valores SA, Deposito de Valores, Chile	Yes 11/24	www.dcv.cl	Jaime Castillo	Huérfanos 770, Floor 17 Santiago, Chile	jaime.castillo@dvc.cl	562-393- 9000	562-393- 9015
COLOMBIA	Deposito Central de Valores	YES 1/18	N/A Request Only	Orlando Marquez or Dionisio Valdivieso	CARRERA 7 # 14 -78 BOGOTA COLOMBIA	wdcv@banrep.gov.co	(57)1 3341666	(57)1 2867856
						omarqumu@banrep.gov.co	(57)1 3430164	(57)1 2819990
						dvaldibu@banrep.gov.co	571 2816725	
						arestroco@banrep.gov.co		
CROATIA	Central Depository Agency Inc. (Stredisnja Depozitarna Agencija)	YES 1/25	www.sda.hr http://www.sda.hr/english/en_download_main.htm	Saša Stankovic, B. Math Systems Analyst / Data System Planner	Central Depository Agency Inc. Ksaver 200 10000 Zagreb CROATIA	sasa.stankovic@sda.hr	+385 1 4607-318	+ 385 1 4607-334
CZECH REPUBLIC	Stredisko Cenných Papírů	YES 1/11	www.scp.cz	Mr. Jaroslav Houstecky	Rybná 14, 110 05 Praha 1, P.O.Box 50, Czech Republic	scp_is@scp.cz	+ 420 2 24 22 58 37	+ 420 2 24 21 26 88
FINLAND	Finnish Central Security Depository Ltd.	12/5 YES	www.hex.fi www.apk.fi	Seppo Rantanen		seppo.rantanen@hex.fi		
FRANCE	Societe Interprofessionnelle pour la Compensation de Valeurs Mobilières	YES 1/30	www.euroclear.com					

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
GREECE	Apotheron Titlon A.E. Central Securities Depository, S.A.	Yes 11/23	www.hcsd.gr	Mrs. Vivian Mitropoulou	1 Pesmpsoulou Street 105 59 Athens Greece	Hcsd@cscd.se.gz	301-336- 0116	301-322- 1333
GREECE	Bank of Greece	YES 11/22	None	Mr. Michael P. Michalopoulos	Bank of Greece 21 Panepistimiou Street 10250 Athens Greece	Bogdee@otenet.gr	+301 3203225, 3203227	+301 3242689
HUNGARY	Central Depository and Clearing House (Kozponti Elszamolohaz es Ertektar (Budapest) Rt.)	12/4 YES	www.keler.hu	Madlena Tamás		Madlena.tamas@keler.hu		
ICELAND	Icelandic Securities Depository Limited	1/18 YES	www.vbsi.is	Sigurdur Olafsson		so@vbsi.is		
INDIA	Central Depository Services (India) Limited	2/6 YES	www.centraldepository.com	Hitendra Patil Vice President – Operations	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 28 th Floor Dalal Street Mumbai – 400 023	Hitendrap@cdslindia.com	+091-22- 267-3629	+267- 3199
INDIA	National Securities Depository Limited	12/7 YES	www.nsdl.co.in	Mr. V. R. Narasimhan Senior Vice President	Trade World Kamala Mills Compound Lower Parel Mumbai 400013 India	vrn@nsdl.co.in or info@nsdl.co.in	+91-22- 4976345	+91-22- 4976351
INDONESIA	PT Kustodian Sentral Efek Indonesia	2/6 YES	Web site under construction. It will be placed on site once complete, in the meantime a request is necessary.	Etty S. Sarbinil/Indriasti ka Iskandar	PT Kustodian Sentral Efek Indonesia Plaza Bapindo, Bank Mandiri Tower 21 st Floor Jl. Jend. Sudirman Kav. 54-55 Jakarta 12190 Indonesia	Etty@ksei.co.id lin@ksei.co.id Kp@ksei.co.id	+(62-21) 5266011, 5266055	+(62-21) 5266044

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
ISRAEL	Tel Aviv Stock Exchange Clearinghouse	2/22 YES	www.tase.co.il/html/2/about/overview/clearing.htm	Dror Shalit		shalit@tas.co.il		
ITALY	Monte Titoli S.P.A.	Yes 11/24	www.montetitoli.it	Claudio Anfossi	Monte Titoli S.p.A. Via Mantegna 6 Milan 20154 Italy	Set@interbusiness.it	+39 02 3363 5289	+39 02 3310 1973
JORDAN	Jordan Securities Depository Center	YES 1/30	www.sdc.com.jo	Samir Jaradat	P.O. Box 212465 Amman 11121	Geo@sdc.com.jo	+962-6- 567-2250	+962-567- 2590
KAZAKHSTAN	Kazakhstan Central Securities Depository	Yes 11/23	Under Construction	Aida Sultanova	67, Aiteke Bi Almaty 480091 Kazakhstan	depozit@nursat.kz	(3272) 637763, 636876, 636917	(3272) 630937
LATVIA	Bank of Latvia	YES 12/7	www.bank.lv	Juris Veveris	K. Valdemara Street 2A Riga, LV-1050 Latvia	Veveris@bank.lv	+371-702- 2484	+371-702- 2179
LATVIA	Latvian Central Depository	YES 11/30	N/A	Ms. Aleksandra Bambale	1 Doma laukums Riga, LV-1192 Latvia	alex@lcv.lv or lcv1@lcv.lv	+371- 7229821	+371- 7212487
LEBANON	Custodian and Clearing Centre of Financial Instruments for Lebanon and the Middle East	YES 11/28	N/A	Joseph hoderchah	Aresco Center, 15 th Floor Sanayeh P.O. Box 11-7971 Beirut Lebanon	middleclear@dm.net.lb	+961-1- 347910, +961-1- 743471/2	+961-1- 347956
MALAYSIA	Bank Negara Malaysia	Yes 11/29	None	Mr. Che Sab Ahmad or Mr. Christopher Fernandez	Payment Systems Department Block B, Level 5 Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur Malaysia	chesab@bnm.gov.my or chrisf@bnm.gov.my	+603-26- 98-41-64 or +603- 26-91-61- 05	+603-26- 98-37-99
MALTA	Malta Stock Exchange/Central Securities Depository	Yes 1/18	N/A Request Only	Mr. Anthony Cardona	Malta Stock Exchange 27, Pietro Floriani Street Floriana, Malta Vlt 14	Acardona@borzamlta.com.mt	+356-244- 051/4	+356- 235738

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
MAURITIUS	Central Depository & Settlement Company Ltd.	12/4 YES	None	Vipin Mahabirsingh	2nd Floor, Les Cascades Building Edith Cavell Street Port-Louis, Mauritius	cds@intnet.mu	+230-2113507	+230-2116880
NEW ZEALAND	New Zealand Central Securities Depository Reserve Bank	YES 11/28	www.rbnz.govt.nz	Peter Katz		Katzp@rbnz.govt.nz	0064-4-471-3711	0064-4-471-3860
NIGERIA	Central Securities Clearing System Limited	YES 1/25		Mr. E. O. Osarumwense	P.O. Box 2457 Marina - Lagos			
NORWAY	Verdipapirsentralen The Norwegian Central Securities Depository	YES 12/27	www.vps.no					
PALESTINE	Central Depository System of the Palestine Securities Exchange, Ltd.	YES 12/7	N/A submit request	Mohammed Yamin CDS Manager	Al Qasr Building 3 rd Floor P.O. Box 128 Nablus – Palestine	Psexchnq@Palnet.com	+970-9-2375946	+970-9-2375945
PERU	Caja de Valores de Lima CSD	2/6 YES	N/A submit request	Américo Vidalón	Psaje Acuña N. 191 Lima 01 Peru	Avidalon@cavali.com.pe	+(511) 428-0202	+(511) 426-7604
PHILIPPINES	Philippine Central Depository, Inc.	YES 1/18		Jonathan P. Llamzon – Manager Business Planning/Development	G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City, Philippines 1200	jon_llamzon@pcd.com.ph	(632) 8403312 loc. 1203	(632) 8403310
PHILIPPINES	Register of Scripless Securities	YES 1/25	N/A	Eduardo S. Mendiola, Deputy Treasurer	Bureau of the Treasury Operations Sub-Sector 2 nd Floor Palacio del Gobernador Bldg. Intramuros Manila	Esmendiola@treasury.gov.ph	527-3152	527-3183

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
PORTUGAL	Central de Valores Mobiliarios e Sistema de Liquidacao e Compensacao	12/4 YES	http://www.interbolsa.pt	Jyrki Leppanen		jyrki.leppanen@interbolsa.pt		
ROMANIA	Bucharest Stock Exchange	YES 1/22	www.bvb.ro	Adriana Tanasoiu	8 Doamnei Street, 70421, Bucharest, Romania	Adriana.Tanasoiu@bvb.ro	+ 401 31 2 1746	+ 401 315 8149
ROMANIA	National Company for Clearing, Settlement and Depository for Securities	YES 12/14	None Request necessary.	Anna Duran	28th Floor PJ Towers Bd. Expozitiei 2 World Trade Center F2.23 Sector 1 Bucharest Romania	Annaduranrom@netscape.net	+40-1-224-4360	+40-1-224-4353
RUSSIA	Bank for Foreign Trade of the Russian Federation	12/4 YES	N/A	Elena Gusalova Manager of Vneshtorgbank Custody Department	103031, 16, Kuznetsky Most Moscow Russia	dm17@vtb.ru	+07095-101-1364	+07095-956-6811
RUSSIA	Depository Clearing Company	YES 11/28	www.dcc.ru	Alexander Gorlov	14/2 St. Basmannaya Street Moscow 103064 Russia	Gorlov@dcc.ru	+7095 956 0999	+7095 232 6804
RUSSIA	National Depository Center	YES 11/23	www.ndc.ru	Mikhail Matin	Sredni kislovski per 1/13 103009, NDC Moscow Russia	Matin@micex.com	7-095-234-4281	
SLOVENIA	Centralna Kirirsko Depotna Druzba d.d.	YES 1/23	Not on web site request necessary.	Ms. Mojca Perko	KDD Central Securities Clearing Corp TRG Republike 3 1000 Ljubljana Slovenie	Mperko@kdd.si	+386-1-477-5590	+386-1-477-5506

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
SOUTH AFRICA	Central Depository, Limited	Yes 11/29	Not on web site. "Information will be provided to the enquirer provided there is a justified reason for the disclosure."	Brian Woods	P.O. Box 61367 Marshalltown 2107 South Africa	Woodsb@inmarkets.co.za	+27-11-408-6479	+27-11-408-6544
SOUTH AFRICA	Share Transaction Totally Electronic	1/18 YES	www.strate.co.za	Mrs. A. A. Claassen	P.O. Box 78608 Sandton 2146 South Africa	Almac@ise.co.za	+27-11-520-7208	+27-11-520-8600
SRI LANKA	Central Depository Systems Private Limited	YES 2/2		Jagath G R Ponnampuruma Senior Manager - Clearing & Settlement		sanjeewap@cse.lk		
SWITZERLAND	SIS SegalInterSettle AG	YES 12/4	www.sisclear.com -> on SIS -> Who we are	Peter Eigenmann		Peter.eigenmann@sisclear.com	+41-1-288-4760	+41-1-288-4743
THAILAND	Thailand Securities Depository Co Ltd.	YES 1/25		Mrs.Kongkeaw Piamduaytham Vice President : Planning and Products Development Department	62 , 7th Floor The Stock Exchange of Thailand Building, Ratchadapisek Road , Klongtoey Bangkok 10110	kongkeaw@set.or.th research@set.or.th	(662) 359 1200-01 # 4000	(662) 359 1258
TRANS-NATIONAL	Clearstream Banking AGI	YES 12/12	www.clearstream.com	Francoise Verbist		Fverbist@clearstream.com	+352-44-99-2-6173	
TURKEY	Takasbank ISE Settlement & Custody Bank Inc.	YES 12/12	www.takasbank.com.tr	Osman Günsel Topbas Head Of International Dept. (ISE Settlement and Custody Bank Inc.)	TAKASBANK Abidei Hurriyet Cd. Mecidiyeköy Sk. No:286 Sisli 80260 ISTANBUL / TURKEY	international@takasbank.com.tr	+90 212 315 21 87	+90 212 315 25 26

COUNTRY	DEPOSITORY NAME	Public Yes/No	Web Site	Contact Name	Mailing Address	e-mail	Telephone	Fax
UKRAINE	MFS Depository	2/13 YES	Request Necessary	Uri Shapoval	7b, Vetrova Str Kiev 01032 Ukraine	shapoval@mfs.kiev.ua	+380-44- 238-6192	+380-44- 238-6193
UNITED KINGDOM	CRESTCo Limited	YES 1/22	www.crestco.co.uk	Toby Davies	CRESTCo Limited 33 Cannon Street London EC4M 5SB	toby.davies@crestco.co.uk	+44-0-207- 7849-0051	+44-0- 207-849- 0132
TOTAL		52						

APPENDIX E

Some Frequently Asked Questions Concerning the Depository Questionnaire Project (January 2001)

THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK
BROWN BROTHERS HARRIMAN
THE CHASE MANHATTAN BANK
CITIBANK, N.A.
DEUTSCHE BANK AG
INVESTORS BANK & TRUST COMPANY
MELLON TRUST/BOSTON SAFE DEPOSIT
& TRUST COMPANY
THE NORTHERN TRUST COMPANY
STATE STREET BANK AND TRUST COMPANY

COUNSEL TO THE ASSOCIATION:
BAKER & MCKENZIE
815 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

TELEPHONE: 202/452-7013
FACSIMILE: 202/452-7074

Some Frequently Asked Questions Concerning the Depository Questionnaire Project

January, 2001

1. What is the Association of Global Custodians?

The Association is an informal group of nine U.S. banks that are major providers of custody services to U.S. institutional investors. The members of the Association are listed on the letterhead above. The Association primarily seeks to address regulatory issues that are of common interest to U.S. global custody banks. The member banks are competitors, and the Association does not involve itself in member commercial activities or take positions on how members should conduct their custody businesses.

2. What is SEC Rule 17f-7 and What Does It Require?

The genesis of the depository questionnaire is the recent adoption by the U.S. Securities and Exchange Commission ("SEC") of Rule 17f-7.^{1/} Rule 17f-7 sets forth the circumstances under which U.S. investment companies may hold securities through the facilities of non-U.S. securities depositories. The key requirement of Rule 17f-7 is that an investment company must receive from its "Primary

^{1/} The SEC explained the background and purpose of Rule 17f-7 in Investment Company Release No. 24424 (April 27, 2000), 65 FR 25630 (May 3, 2000). You may review a copy of this release on the Commission's web site (<http://www.sec.gov>).

THE ASSOCIATION OF GLOBAL CUSTODIANS

Some Frequently Asked Questions

January, 2001

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Custodian" an analysis of the custody risks associated with maintaining assets with each depository it uses.

Rule 17f-7 does not provide specific guidance concerning the content of these analyses of depository custody risk. However, in the release announcing the adoption of the rule, the SEC stated:

"As a general matter, we expect that an analysis will cover a depository's expertise and market reputation, the quality of its services, its financial strength, any insurance or indemnification arrangements, the extent and quality of regulation and independent examination of the depository, its standing in published ratings, its internal controls and other procedures for safeguarding investments, and any related legal protections."^{2/}

3. What is the Purpose of the Association's Depository Questionnaire?

The purpose of the questionnaire is to gather basic, factual information concerning depositories and similar facilities. The Association believes that the information sought by the questionnaire will be needed to prepare the analyses required under Rule 17f-7. However, some custodians may draw on additional sources of information in the preparation of an analysis. Each Association member bank will decide for itself whether to gather additional information and how to synthesize the information available to it regarding a particular depository into the required risk analysis.

4. How Does the Association Define the Term "Depository" For Purposes of the Questionnaire?

The Association looks to the SEC's definition of the term "securities depository." Rule 17f-7 describes the depositories to which it applies by referring to

^{2/} Investment Company Act Release No. 24424 at 10-11 (notes omitted) (April 27, 2000).

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Some Frequently Asked Questions

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another SEC rule, Rule 17f-4. Rule 17f-4 provides that a securities depository is "a system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

The SEC has provided only limited guidance concerning how this definition applies to nontraditional depositories. Therefore, in some cases, it is not clear whether or not the SEC would regard a particular facility that performs some of the functions of a securities depository as falling within the definition in Rule 17f-4.

5. Has the Association Determined That All of the Institutions That Received the Questionnaire Are Securities Depositories Under the SEC's Definition?

No. The Association has not, as a group, made any formal determinations concerning which entities would be regarded as depositories within the meaning of Rules 17f-4 and 17f-7. Because of the limited SEC guidance available and the ambiguity in some of the SEC's statements on this issue, we do not believe that it is appropriate for the Association to attempt to make such determinations. Individual Association members, in consultation with their clients, are, of course, free to decide whether they believe that a particular facility is or is not a "securities depository" under the SEC definition.

Instead of making a legal determination, the Association sent the questionnaire to institutions that perform some or all of the types of functions described in Rules 17f-4 and 17f-7. As a practical matter, the Association believes that most of the entities that received the questionnaire would be deemed depositories. In those cases where the application of the definition is less clear, we believe that many institutional investors are likely to wish to receive the type of risk analysis information required by Rule 17f-7 with respect to the institution in question, regardless of whether or not it is technically a securities depository.

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6. By Responding to the Questionnaire, Has an Institution Conceded That It Is a Securities Depository?

No. For the reasons stated in response to the prior question, the Association does not view an entity's willingness to respond to the questionnaire as indicating that the entity is necessarily a securities depository under the SEC definition.

7. Will the Association Treat Depository Questionnaire Responses as Confidential?

No. As explained in the letter by which the questionnaire was transmitted, the information provided in response to the questionnaire will be used in compiling Rule 17f-7 risk analyses, which will be furnished to clients and other interested parties. The Association does not intend to release completed questionnaires directly to the general public and does not believe that most clients will request access to particular depository responses. However, the members of the Association cannot ensure that responses themselves will be confidential.

8. Will the Association Provide Participating Depositories, or the General Public, With Copies of Questionnaire Responses?

The Association does not intend to make responses available to other participating institutions or to release them to the general public. We recognize that, in most cases, the information sought by the questionnaire is publicly available. However, the Association is concerned that, if all responses are automatically disseminated to other depositories or to the general public, some institutions may be less likely to respond to the questionnaire, or to any subsequent Association requests for updated information. This could, in turn, hamper the ability of Association members to provide clients with the analysis required by Rule 17f-7.

At the completion of the project, the Association will ask each participant whether it will release its questionnaire response upon request, and, if so, to inform us how interested persons can obtain the depository's response. The Association

Some Frequently Asked Questions

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will then prepare a list identifying all institutions to which the Association sent its questionnaire, indicating whether, in each case, the institution has responded and, if so, whether it will make its response available upon request. If an institution is willing to make its response public, we will include on our list the name and address of the person or web site from which the response is available.

9. May Respondents Make Their Own Questionnaire Public?

The Association encourages participants to make their own responses public. We understand that some depositories are considering posting their responses on their web sites. The Association has no objection to such posting, or to any other use that a depository wishes to make of its own response.

10. Will the Association "Unlock" the Questionnaire So That A Depository Can Add Commentary or Other Information to the Version of Its Response Released to the Public?

No. The Association will not release the code that protects the questionnaire from changes. The Association has no objection to a depository's accompanying its questionnaire with commentary on the questions, with additional explanations of particular answers, or with any other material the depository thinks appropriate. Such commentary and explanations should be in a separate document, not in the questionnaire itself. We ask that a copy of any such supplemental material also be sent to the Association.

The questionnaire form sent to the various depositories is protected by a code that prevents the text from being altered. In order to permit a depository to insert commentary into the body of its response, it would be necessary for the Association to furnish the depository with that code. The reason for locking the questionnaire was to insure that all depositories would respond to an identical set of questions. The Association is concerned that this objective could be undermined if the code became freely available. Further, in the Association's view, it is important that there be only a single version of a depository's questionnaire response, since confusion would be created if the response made available to the public differed from that received by the Association and provided to institutional investors.

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11. What Types of Judgments Does the Association Plan to Make Concerning Depositories?

The Association does not intend to issue ratings or make any other types of judgments concerning depositories. As explained above, the Association's objective is to gather basic, factual information. Each Association member will then decide for itself how to use that information in preparing a risk analysis under Rule 17f-7 or for other purposes. The Association will not take any position on this issue.

There is, however, one area in which the Association members will work together in evaluating questionnaire responses. Rule 17f-7 contains six eligibility standards. These standards provide that a securities depository is "eligible" as a securities depository" if it --

- (i) Acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated, or [as] a transnational system for the central handling of securities or equivalent book-entries;
- (ii) Is regulated by a foreign financial regulatory authority as defined under section 2(a)(50);^{3/}

^{3/} Section 2(a)(50) of the Investment Company Act of 1940 provides:

"Foreign financial regulatory authority" means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.

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- (iii) Holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants;
- (iv) Maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants;
- (v) Provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account; and
- (vi) Is subject to periodic examination by regulatory authorities or independent accountants.

The members of the Association intend to jointly review questionnaire responses in order to determine whether the information provided permits a determination concerning eligibility under these six criteria. In those cases where a questionnaire response is incomplete or unclear concerning eligibility, Baker & McKenzie, on behalf of the Association, may contact the respondent for clarification or additional information.

12. If Individual Association Members or Their Clients Wish to Obtain Additional Information, How Will Follow-Up Occur?

Once the responses have been disseminated to Association members, and eligibility issues have been resolved, the member banks will use their own judgment concerning whether particular responses require amplification or explanation and, if so, what sources should be used in obtaining further information. That process could include follow-up inquiries to particular depositories. In addition, the sources to which Association members may look could include published information concerning depositories, the views of local institutions that are depository participants, and commercial rating services, among others.

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13. How Will the Results of the Questionnaire Be Presented To Clients?

Each member bank will use the questionnaire responses as it sees fit. The questionnaire was not formulated with a view to routinely presenting the responses to clients. Instead, the questionnaire is intended to be a source from which member banks can draw in preparing Rule 17f-7 analyses. As noted above, the Association does not propose to amplify or analyze questionnaire responses, except in the area of Rule 17f-7 eligibility information. How individual Association member banks use questionnaire responses is a matter committed to their discretion and on which the Association has no position.

14. What is Baker & McKenzie's Role in the Questionnaire Project?

Baker & McKenzie's role is essentially ministerial. We have been charged with distributing the questionnaire, responding to inquiries from depositories, collating responses, and following up with depositories that do not respond. While we may seek clarification from depositories where responses are patently incomplete or inaccurate, we have not been asked to perform any type of substantive review or evaluation of depository responses. At the conclusion of the questionnaire process, we will provide each Association member bank with a set of the responses. The member banks will then proceed independently in gathering any further information they deem necessary and in preparing analyses for their clients.

* * *

If you have further questions or comments concerning the questionnaire, please contact the undersigned at Baker & McKenzie, 815 Connecticut Avenue, N.W., Washington, D.C. 20006 (telephone: 202/452-7013; fax: 202/452-7074; e-mail: daniel.l.goelzer@bakernet.com).

Document #: 7091102 ver 1

