

## THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK MELLON CORPORATION  
BROWN BROTHERS HARRIMAN  
CITIBANK, N.A.  
HSBC SECURITIES SERVICES  
JPMORGAN CHASE BANK, N.A.  
NORTHERN TRUST  
RBC DEXIA INVESTOR SERVICES  
STATE STREET BANK AND TRUST COMPANY

COUNSEL AND SECRETARIAT TO THE ASSOCIATION:  
BAKER & MCKENZIE LLP  
815 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE: 202/452-7000  
FACSIMILE: 202/452-7074  
WWW.THEAGC.COM

For immediate release:

### **ASSOCIATION OF GLOBAL CUSTODIANS COMPLETES 2007-2008 DEPOSITORY INFORMATION-GATHERING PROJECT**

April 2, 2008

On January 31, 2008, the Association of Global Custodians (“Association”) completed its eighth annual Depository Information-Gathering Project (“DIGP”) with the publication of “2007-2008 Depository Information-Gathering Project: A Report for Clients and Participating Depositories.” As in previous years, the Association has made an electronic copy of this report available to the industry media and other interested persons on its web site: [www.theagc.com](http://www.theagc.com).

The Association received completed DIGP questionnaires from 120 depositories in 88 jurisdictions. “Yearly, DIGP continues its evolution as a streamlined and efficient information-gathering tool, thus making participation more feasible and attractive to contributing depositories,” says Denis Brathwaite of The Bank of New York Mellon and 2007-2008 Chair of the Association’s Depository Information-Gathering Committee.

The Association began DIGP in 2000 in an effort to assist Association members in meeting regulatory compliance requirements under Investment Company Act Rule 17f-7. This Rule details how U.S. mutual funds may hold securities through foreign depositories and requires the ongoing monitoring of depositories. In addition, the Rule requires funds to receive an analysis of the custody risks associated with maintaining assets with a foreign depository. The member banks of the Association agreed to work together to create a joint information-gathering effort believing that this would produce a high response rate from depositories and reduce the number of different requests depositories would receive from individual members. The members of the Association are: The Bank of New York Mellon, Brown Brothers Harriman, Citibank, N.A., HSBC Securities Services, JPMorgan Chase Bank, N.A., Northern Trust, RBC Dexia Investor Services, and State Street Bank and Trust Company.

Keri Smith, Chair of the Association of Global Custodians and Head, Worldwide Network Management, RBC Dexia Investor Services notes, “The Association is pleased with the expanding recognition of the value of DIGP across the industry. The very high depository participation rates signal depositories’ confidence in the way the project operates and the results it produces. Significantly for Association members, the project materially supplements the due diligence work of global custodians.” Ms. Smith further states, “Through the operation of the project, members have developed strong and meaningful relationships with representatives of depositories and depository organizations – all of whom seek effective mechanisms for information disclosure. These growing relationships have allowed the Association to continue to enhance and evolve its DIGP questionnaire based on the solid and candid feedback received from depositories, both individually and collectively.”

In devising DIGP, the Association reviewed and clarified the types of information needed to assist its members in preparing the risk analyses required by Rule 17f-7. This needed information, which is identified and obtained through the project questionnaire, falls into 10 broad areas of inquiry:

- Scope, structure, ownership, capital, regulation, and audit oversight.
- Participant identification and eligibility criteria.
- Functionality and services, including the use of agents.
- Account structures and recordkeeping.
- Settlement processes.
- Ownership of securities held in the depository.
- Standard of care, loss prevention, and asset recovery methods.
- Business recovery mechanisms.
- Cross-depository linkages.

Project questionnaires are distributed electronically to the universe of depositories through a secure extranet site designed by Baker & McKenzie LLP IT professionals and administered and coordinated through the firm. Baker & McKenzie LLP serves as counsel and secretariat to the Association. This year, the questionnaire was sent to 139 depositories around the globe.

“DIGP is a valued part of the Association’s global work and visibility; and members very much appreciate the commitment of the participating depositories. Indeed, the project’s success is attributable in large measure to the active and timely cooperation of the participating depositories as well as the support of the depository associations,” says Ms. Smith.

Details regarding the Association members, as well as the objectives and results of DIGP can be found in the report or online at [www.theagc.com](http://www.theagc.com). For more information, please contact the Association's counsel, Dan W. Schneider at 312/861-2620; fax 312/861-2899; e-mail: [dan.w.schneider@bakernet.com](mailto:dan.w.schneider@bakernet.com).

# # #