

THE ASSOCIATION OF GLOBAL CUSTODIANS

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23 September 2010

**By Electronic Delivery**

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**RE: FII Submissions re PCC, MCV or SPC Structure; Request for a Brief Delay in Enforcement of the Filing Deadline**

Dear Sir:

We write on behalf of the members of the Association of Global Custodians (the "Association") and members' Foreign Institutional Investor ("FII") clients with regard to Circular Announcement CIR/IMD/FIIC/1/2010 (15 April 2010) of the Securities and Exchange Board of India ("SEBI"). That announcement requires FIIs and FII sub-accounts to provide SEBI with specific "declarations and undertakings" concerning their form of entity structure.<sup>1</sup> To supplement that announcement, SEBI recently confirmed that any FIIs/FII Sub-accounts that do not file those statements by 30 September 2010 will not be able to purchase equity securities or effect trades in equity derivatives, including for purposes of hedging existing equity positions, in India.

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<sup>1</sup> Members of the Association are listed on the letterhead above. As you know, members act as custodians for cross-border institutional investors world wide, providing custody services and asset-servicing functions through a global network of agents and subcustodians. Members provide these services to institutional investors that make active and substantial investments in securities listed and traded in Indian markets.

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Association members understand from FII client and local market subcustodian reports that FIIs recognize the importance of the entity-structure information SEBI seeks. Association members are also appreciative of SEBI's frequent communications and efforts to ensure that FIIs have the necessary clarifications to fulfill the filing requirements. We understand that FII clients are striving to complete and file the statements in a timely manner with the assistance of their local market subcustodian(s).

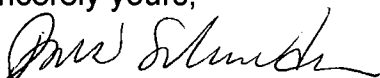
Nonetheless, members believe that, as SEBI's internal data may suggest, roughly 30% to 40% of affected FIIs – *a very sizeable and material segment of the FII universe* -- may not have their statements submitted by 30 September, the stated deadline date for filing. The reasons for slow progress vary from client to client and include the time required by FIIs to analyze and define their structure within SEBI's entity-type categories and the complexities associated with obtaining the needed internal authorizations to complete and submit the required documentation.

In view of the foregoing, the Association requests on behalf of affected FIIs that SEBI consider delaying for 30 to 45 days its enforcement of a filing deadline. That delay should enable most FIIs to meet SEBI's filing requirement in the immediate term. Members believe that granting this additional flexibility to the filing deadline will benefit the Indian market by minimizing potential instability resulting from widespread prohibitions on trading and hedging by those FIIs that will be unable to complete the filing requirements by the currently-stated deadline date.

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Members appreciate the opportunity to provide you with the foregoing report and request, and they would be pleased to discuss the foregoing points and request at your convenience if that would be useful. If you have questions or would like additional information, please contact the undersigned at 1.312.861.2620 as an initial matter.

Sincerely yours,



Dan W. Schneider  
Baker & McKenzie LLP  
Counsel to the Association