

THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK
BROWN BROTHERS HARRIMAN
CITIBANK, N.A.
DEUTSCHE BANK TRUST COMPANY AMERICAS
INVESTORS BANK & TRUST COMPANY
JPMORGAN CHASE BANK
MELLON FINANCIAL
THE NORTHERN TRUST COMPANY
RBC GLOBAL SERVICES
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

January 28, 2003

VIA COURIER

Mr. Zheng Yang
Deputy Director
Capital Management Department
State Administration of Foreign Exchange
Room 841, Huarong Office Building
No.18 Fucheng Road, Haidian District
Beijing 100037
People's Republic of China

Re: Qualified Foreign Institutional Investor Program

Dear Deputy Director Zheng:

The Association of Global Custodians and its member banks have been closely following the promulgation by the China Securities Regulatory Commission ("CSRC") and the People's Bank of China of the Provisional Measures on Administration of Domestic Securities Investments of Qualified Foreign Institutional Investors in China ("Provisional Measures"). We have also reviewed the Provisional Foreign Exchange Control Regulations relating to Domestic Securities Investments of Qualified Foreign Institutional Investors ("Provisional Regulations") recently issued by the State Administration of Foreign Exchange ("SAFE"). We are writing to communicate our appreciation of the steps you are taking to encourage foreign investment in the Chinese equity and debt markets and to express our support for these developments. We also want to introduce our Association to you and offer our consultative assistance to you should you consider it helpful in the future.

The Association is an informal group of 10 banks based in North America that are major providers of securities custody and trade settlement services to institutional

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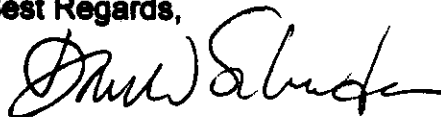
investors globally. In existence since 1995, the Association primarily seeks to address regulatory and market structure issues that are of common interest to global custody banks and their institutional clients.

We are very conscious that opening the Chinese markets more fully to foreign investors is a demanding undertaking that involves balancing controls needed for market stability against the relaxation of restrictions so as to encourage suitable foreign investment activity. As global custodians to major institutional investors, we are sensitive to the various market and regulatory considerations that our clients must assess before committing to investment activity and that we must also evaluate to support our clients' commitments. Through our experience with these evaluations, we have learned about the types of factors – such as eligibility criteria, investment quotas, and provisions relating to repatriation of profits – that can facilitate institutional clients' investment activity or dissuade it.

With this experience and these types of client considerations in mind, we would be pleased to confer with you or relevant working groups you organize, at the discretion and invitation of CSRC and SAFE, as you continue to develop principles and approaches to opening the Chinese markets, including via the Qualified Foreign Institutional Investor ("QFII") scheme. As you know well, the standards and thresholds under the QFII scheme are set at understandably high levels at this early stage, and some of these present challenges for various foreign investors interested in participating in the Chinese markets.

Accordingly, if at any time you wish to discuss matters relating to the QFII scheme and market infrastructure with us, we would be pleased to confer with you. You can contact us through the undersigned, at (312)861-2620 or via e-mail at dan.w.schneider@bakernet.com.

Best Regards,



The Association of Global Custodians

By: Dan W. Schneider

THE ASSOCIATION OF GLOBAL CUSTODIANS

全球托管人协会

协会成员:

THE BANK OF NEW YORK
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协会法律顾问:

BAKER & MCKENZIE
815 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

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

2003年1月28日

通过速递呈交

国家外汇管理局

资本项目司

副司长郑杨

中华人民共和国

北京市海淀区阜成街18号

华融大厦841室

邮编: 100037

全球托管人协会

副司长郑杨

2003年1月28日

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关于：合格境外机构投资者方案

尊敬的郑副司长：

全球托管人协会及其会员银行一直密切关注中国证券监督管理委员会和中国人民银行发布《合格境外机构投资者境内证券投资管理暂行办法》（“暂行办法”）的举措。我们还阅读了国家外汇管理局（“外管局”）最近发布的《合格境外机构投资者境内证券投资外汇管理暂行规定》（“暂行规定”）。我们特此致函，对你们为鼓励外商在中国股市和债市投资所采取的措施表示赞赏，并对这些进展表示支持。我们还想向贵方介绍本会的情况，并希望将来向贵方提供你们认为有益的咨询协助。

本会是由北美的 10 家银行所组成的非正式团体。这些银行都是向世界各地的机构投资者提供证券托管和交易结算服务的主要提供者。自 1995 年创立以来，本会的主要工作是寻求解决全球托管银行及其机构客户普遍感兴趣的监管和市场结构问题。

我们深刻地意识到，进一步向外国投资者开放中国市场是一项很艰巨的工作，需要在市场稳定所需的控制与放宽限制之间找到平衡点，以便达到鼓励适当的外商投资活动的目的。作为大型机构投资者的全球托管人，我们对我们的客户在承诺进行投资活动之前所须评估的以及我们为支持客户的承诺所须评估的市场和监管方面的各种考虑因素比较敏感。通过在这些评价中所积累的经验，我们了解了能够促进或者阻止机构客户投资的种种因素，如资格标准、投资额度以及与汇回利润有关的规定等。

全球托管人协会

副司长郑楠

2003年1月28日

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凭借此种经验和对上述客户考虑因素的了解，在你们继续制订开放中国市场（包括通过合格境外机构投资者（“QFII”）方案）的原则和方法的进程中，我们很高兴能有机会接到中国证监会和外管局的邀请，与你们或者你们所组建的有关工作小组交换意见。正如您所熟知的那样，在目前这个早期阶段，QFII方案中的标准和起点定得较高，虽然这是可以理解的，但其中一些标准和起点给有兴趣进入中国市场的众多外国投资者带来了棘手的难题。

因此，如果您希望与我们讨论有关QFII方案和市场基础设施的问题，请随时与我们联系。我们将乐于与贵方切磋和交流。您可以通过以下签字人与我们联系，电话号码为（312）861-2620，电子邮件地址为 dan.w.schneider@bakernet.com。

此致

敬礼！



全球托管人协会

签署：Dan W. Schneider

2003年1月28日