

MEMO# 24639

October 21, 2010

Banks' Exposure to Capital Market - Issue of Irrevocable Payment Commitments

[24639]

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TO: INTERNATIONAL COMMITTEE No. 13-10

INTERNATIONAL INVESTING SUBCOMMITTEE No. 7-10 RE: BANKS' EXPOSURE TO CAPITAL
MARKET - ISSUE OF IRREVOCABLE PAYMENT COMMITMENTS

ICI has submitted a letter to the Reserve Bank of India ("RBI") requesting RBI to delay for at least six months the effective date of Circular No. DBOD.Dir.BC.46 / 13.03.00/2010-11 ("Circular"), which requires compliance with its provisions by November 1, 2010. [\[1\]](#) The Circular specifies conditions with which custodian banks must comply when extending Irrevocable Payment Commitments to securities exchanges on behalf of Foreign Institutional Investors.

We explained that the original deadline does not provide US registered investment companies with sufficient time to consider the potential issues under US law and to evaluate and implement any required changes to custody agreements.

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[Attachment \(in .pdf format\)](#)

endnotes

[\[1\]](#) See Reserve Bank of India Circular No. DBOD.Dir.BC.46 /13.03.00/2010-11, issued September 30, 2010, available at <http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6020&Mode=0>.