# TABLE OF CONTENTS

**Subcustodian Updates**

Change of Mailing Address ................................................................................. 3

**Depository and Settlement Updates**

Depository Developments .................................................................................... 4
Regulatory Updates ......................................................................................... 5
Settlement Cycle Changes .............................................................................. 6

**Global Markets at a Glance**

Exchange Updates ............................................................................................. 7
Disclosure Updates ........................................................................................... 8
Trading Updates ............................................................................................... 8
Cash Payment Updates .................................................................................... 11
Foreign Exchange Updates ............................................................................ 12
Northern Trust Product Updates ..................................................................... 14
Subcustodian Updates

SUBCUSTODIAN CHANGE OF MAILING ADDRESS

United States of America

Effective October 11, 2011, the processing of physical securities for settlement in the United States transferred from the Northern Trust office in Jersey City, NJ to the Northern Trust office in Chicago, IL.

The new mailing address for physical securities settling in the United States is as follows:

Northern Trust Co.
Trade Securities Processing
C1N
801 South Canal Street
Chicago, IL 60607

Clients should ensure they deliver physical securities to Northern Trust's Chicago address for settlement. This includes checks, security related documentation, coupons, savings bond redemption / re-registrations and any other deliveries that relate to the processing of physical securities in the United States.

Physical security packages delivered to the Northern Trust Jersey City, NJ office, will be forwarded to the Chicago, IL office for processing. Consequently, Northern Trust clients should note that the continued use of the Jersey City, NJ mailing address may cause settlement delays.

All other Northern Trust standing settlement instructions for United States security settlements remain unchanged.
DEPOSITORY AND SETTLEMENT UPDATES

**DEPOSITORY DEVELOPMENTS**

**France**

Further to a number of Atlas Bulletins published throughout 2011, effective October 24, 2011, Euroclear France introduced the harmonisation of the denomination of French debt instruments with the Central Securities Depository (CSD) of reference, “Euroclear France”, from unit (UNT) to face amount (FMT).

All clients and investment managers should ensure that their systems have been updated to instruct the face amount (FMT) in relation to the affected assets.

Please contact your Northern Trust representative if you require a full listing of the affected assets.

**India**

Announced on December 6, 2011, the Reserve Bank of India (RBI) clarified that Foreign Institutional Investors (FIIs) and sub-account holders are now permitted to participate in the Open Market Operations (OMOs) of Government Securities conducted by the RBI.

OMOs are the market operations conducted by the RBI by way of a sale/purchase of Government securities to/from the market with the objective of managing the rupee liquidity conditions in the market. In times of excess liquidity, RBI will sell securities; and conversely, when liquidity is short, purchase securities from the market, thereby reducing or introducing liquidity into the market respectively.

FIIs and sub-accounts must have existing limits or would need to apply for fresh limits that will be allocated by SEBI for investing in Government Securities prior to executing through the primary auction process conducted by the RBI.

FIIs and sub-accounts who wish to participate in the OMO should contact their Northern Trust representative to place competitive bids via Northern Trust’s local subcustodian, Citibank India.

**Russia**


The creation of a Central Securities Depository, which has been under discussion for 15 years, and recognition of a foreign nominee are landmark events for the securities market in the Russian Federation, although there is no immediate impact to clients.

The new law and amendments will become effective January 1, 2012, with a one year transition period. However, the laws and amendments continue to cause disputes between different groups of market participants relative to their practical implementation and the issues that may arise.
Russia continued….

Please contact your Northern Trust representative for full details of the draft laws which detail the various applicable provisions and/or requirements.

REGULATORY UPDATES

Oman

At the beginning of October 2011, the Muscat Clearing and Depository (MCD) introduced charges on the conversion of depository receipts into local equity and vice versa. The conversion charges, applicable to all depository receipt conversion transactions, will be applied at 0.10% of the latest market value of the local equity undergoing the conversion, subject to a minimum of OMR 20 and a maximum of OMR 500 per request.

The charges were approved by the Capital Markets Authority (CMA) as part of a wider set of regulations. The CMA circular number 17 of 2011 which approved the regulations provides a high level outline of the regulations.

Northern Trust will receive a breakdown of the charges from our subcustodian, HSBC Bank Middle East, following which the costs will be passed onto our clients in a consolidated format as part of the existing monthly Market Associated Cost process.

Republic of Korea

Announced on December 29, 2011, the Korea Securities Depository (KSD) introduced changes to the settlement process for listed equities and for government bonds listed on the Korea Exchange (KRX).

The revised settlement process for listed equities is effective January 16, 2012, and the new settlement process for government bonds will be effective February 6, 2012.

Under the new scheme, a buy-in will be initiated against the selling broker that fails to deliver the listed equities.

It should be noted that the changes will have no operational impact and all existing operating procedures will remain unchanged.

Please contact your Northern Trust representative for a complete summary of the changes.
United Arab Emirates - DFM

Announced on December 12, 2011, the Dubai Financial Market (DFM) confirmed that the penalty waiver on trades processed in the late confirmation window on T+3 would remain in force until trade date Tuesday, January 31, 2012.

Effective trade date Wednesday, February 1, 2012, late confirmation penalties will be imposed on T+3.

Consequently, the penalty structure will be as follows:

<table>
<thead>
<tr>
<th>Trade Processing Day</th>
<th>Penalty Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late confirmation window on T+2</td>
<td>Nil</td>
</tr>
<tr>
<td>Late confirmation window on T+3</td>
<td>AED 500 or 0.05% of trade value (whichever is the higher)</td>
</tr>
<tr>
<td>Late confirmation window on T+4</td>
<td>AED 2,500 or 0.25% of trade value (whichever is the higher)</td>
</tr>
</tbody>
</table>

SETTLEMENT CYCLE CHANGES

Bangladesh

Announced on October 27, 2011, the implementation of the proposed T+2 settlement cycle was postponed until further notice.

The decision was reached following meetings between the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).

Northern Trust will continue to monitor the situation and provide further updates accordingly.

Israel

On October 10, 2011, the Tel Aviv Stock Exchange (TASE) announced that it’s planned introduction of a T+1 settlement regime for equities in December 2011 would be delayed until March 18, 2012.

Northern Trust will continue to monitor the situation and provide further updates when they become available.
EXCHANGE UPDATES

Japan
On November 22, 2011, the Tokyo Stock Exchange Inc (TSE) and the Osaka Securities Exchange Co (OSE) announced plans to merge in January 2013. The integration of TSE and OSE operations was approved at the board meetings held on November 22, 2011, whereby both exchanges executed a "business combination agreement" in relation to the integration.

Subject to approval from the relevant authorities, the TSE will acquire more than a 50 per cent stake of the OSE’s shares by way of a tender offering, whereby post acquisition, the TSE and the OSE will merge, consequently the OSE will be the surviving company.

The effective date of the merger is scheduled to be on January 1, 2013.

Post merger, four subsidiaries will be created under the new holding company, which will specialise in cash products, derivatives, settlement and clearing, and self-regulation.

Northern Trust will continue to monitor the development and will advise as further information becomes available.

Kenya
Effective October 12, 2011, the Nairobi Stock Exchange changed its name to the Nairobi Securities Exchange; the acronym of “NSE” remains unchanged.

The change of name by the NSE is considered as the first stage of a demutualisation process aimed at promoting the trading of additional financial instruments.

Philippines
Effective January 2, 2012, revised trading hours on the Philippines Stock Exchange (PSE) were introduced and changed to the following:

Morning Session - 9:30 a.m to 12:00 p.m
Afternoon Session - 1:30 p.m to 3:30 p.m

Qatar
On December 29, 2011, the Qatar Stock Exchange introduced the trading of T-bills; operationally, T-bills will follow the same process as equities, the settlement cycle will be T+3.

If you require a listing of the T-bills, please refer to our Atlas Bulletin published on December 29, 2011, or contact your Northern Trust representative.
**Zambia**

Effective October 14, 2011, the Lusaka Stock Exchange (LuSE) extended the daily trading session by one hour. The revised trading hours are:

11.00 a.m to 2.00 p.m (formerly 1.00 p.m), Monday to Friday.

The pre-opening session remains unchanged, from 10.00 a.m to 10.59 a.m, with the single price auction taking place between 10.59 a.m and 11.00 a.m.

The settlement cycle remains T+3.

**DISCLOSURE UPDATES**

**Egypt**

Following a series of Atlas Bulletins published throughout Q3, 2011, which provided details of the stricter disclosure requirements in the Egyptian market, specifically relating to the list of individuals on the prohibited list of names issued by the General Attorney, the Egyptian Financial Services Authority (EFSA) and Egyptian Stock Exchange (EGX) advised that the information maintained on the EGX website will appear in Arabic only.

The EGX confirmed they will provide Citibank, Northern Trust's subcustodian, with an updated list as updates occur and Citibank will subsequently provide a translated version, in English, to Northern Trust.

Under the disclosure requirements, clients should be actively reviewing this list and informing the EGX if any of the individuals on the list enter their ownership structure at any time. Clients are reminded that failure to comply with these requirements may result in the suspension of trading in the Egyptian market.

Please contact your Northern Trust representative for a copy of the most recent list of prohibited individuals.

**TRADING UPDATES**

**Austria**

Effective December 13, 2011, OeKB, the local Central Securities Depository (CSD) now requires all direct participants to include the account number of the OeKB counterparty in the following format in their MT54x instructions:

95P::REAG/SWIFT BIC
97A::SAFE/2xxx00

Northern Trust's subcustodian, UniCredit Bank Austria, currently issues the SWIFT instruction in the requested format, irrespective of whether the client instruction contains this information. However, it has been noted that some counterparties maintain several accounts at the CSD, and in such cases cross-referencing is only possible by using a default number.

Clients may be required to validate the counterparty's safekeeping account number in advance of settlement date, although volumes in this scenario are expected to be minimal.
**Austria continued…**

Northern Trust recommends that clients follow the above formatting and instruct the safekeeping account number of their counterparty together with the BIC in order to avoid any matching problems for the following counterparties:

- ABN Amro Global Custody Services
- CACEIS Bank Deutschland
- Deutsche Bank AG Frankfurt
- HSBC Trinkaus & Burkhardt
- SIX SIS
- Societe Generale Securities Services
- Timber Hill

Clients are requested to ensure their counterparties have validated the appropriate OeKB safekeeping account and that this is included on all settlement instructions issued to Northern Trust.

**Brazil**

Throughout Q3, and Q4, 2011, Northern Trust published a series of Atlas Bulletins relating to the implementation of the IOF Tax applicable to derivative transactions.

Following a series of postponements, the first due date for the new 1% Imposto sobre Operacoes de Credito, Cambio e Seguro, ou relativas a Titulos ou Valores Mobiliarios (IOF) tax on applicable derivative transactions will be January 31, 2012.

Effective January 31, 2012, investors will be required to ensure that their Equities Cash Account is sufficiently funded to cover their IOF tax obligation resulting from their applicable derivative transactions executed from September 16, 2011 through to December 30, 2011. Northern Trust is due to receive from its subcustodian, Citibank NA, the invoices containing the IOF tax obligations for each impacted investor by January 25, 2012.

Please contact your Northern Trust representative for full details on how the implementation of the IOF tax will impact the FX requirements.
**Egypt**

Effective November 13, 2011, the Nile Stock Exchange (Nilex) market began operating on a continuous trading basis, similar to the main stock exchange market.

The Nilex market trading mechanism previously executed daily through an auction, trading from 12:00 until 13:00 pm (Cairo Local Time); however, from November 13, 2011, the trading session changed to 10.30 until 11.30 am (Cairo Local time).

Price limits will be allowed to fluctuate 5 per cent up and down during the trading session.

The closing price, during and at the end of the session, will be calculated according to the volume weighted average price, provided a minimum value trading of EGP 20,000 per day, or its equivalent in any other foreign currency, is concluded.

**United Arab Emirates - NASDAQ Dubai**

Following a series of Atlas Bulletins published throughout Q3, 2011, the NASDAQ Dubai confirmed on December 12, 2011, that the go-live date for the implementation of the DvP model would be delayed until trade date January 15, 2012.

The original go-live date had been previously confirmed as December 18, 2011, however this changed to allow investors additional preparation time from an operational perspective.

In addition to the previously announced penalty holiday of one month from the go-live date, NASDAQ Dubai announced the waiver of late confirmation penalties on T+3 until further notice; penalties on trades processed in the late confirmation window on T+4 remain unchanged.

NASDAQ Dubai further clarified their penalty collection process by confirming that a report containing all penalties will be sent to custodians on a monthly basis for onward collection from clients. Custodians are required to collect and pay the penalties to NASDAQ Dubai within 14 settlement days from the report date.

Please contact your Northern Trust representative for full details of the proposed key changes.
CASH PAYMENT UPDATES

Argentina

Effective November 1, 2011, the Central Bank of Argentina announced that requests to repatriate local balances of Argentine pesos (ARS) less than or equal to the equivalent of USD 5,000 are no longer exempt from the requirements that already apply to repatriation requests for ARS amounts between the equivalent of USD 5,001 and USD 500,000.

As a consequence, the following information must be provided to the local market for all requested ARS repatriation amounts below and equal to the equivalent of USD 500,000:

- Proof of the original entrance of funds into Argentina through the official foreign exchange market or through a credit in a local USD cash account
- Proof that the funds were retained in Argentina for at least 365 calendar days
- Proof of the use and flow of funds since they entered Argentina until the portfolio liquidation or transaction that resulted in repatriation
- Prior central bank approval for entities which are registered in a Tax Haven Country per Decree 1344/98

Per existing local market regulations, foreign investors are permitted to repatriate a maximum of the equivalent of USD 500,000 per month. However, since the cash accounts for Northern Trust clients are opened in Northern Trust’s name, Northern Trust as a whole is limited to repatriating local balances of ARS up to the equivalent of USD 500,000 per month cumulatively for all of its clients.

Local market regulations continue to permit the following exemptions from the above repatriation restrictions:

- Interest collected from Bonds and Guarantee Loans from National Government Bonds issued in local currency
- Interest and principal from National Government Bonds issued in USD
- Capital and interest of bonds issued by local companies, which are payable off shore as per issuance conditions and are deposited in the non-resident local custody accounts
- Certain dividend payments

The existing local regulations applicable to the cash reserve requirements associated with the purchase of ARS are not impacted by this amendment.

If you have any questions regarding the above, please contact your Northern Trust representative.
**Kazakhstan**
Announced on December 28, 2011, the National Bank of the Republic of Kazakhstan confirmed the postponement to the introduction of the Business Identification Number (BIN).

The BIN was set to replace the Tax Registration Number (TRN) as the main identification number in Kazakhstan.

**Turkey**
Announced on December 22, 2011, the Central Bank of Turkey (CBT) confirmed that the mandatory use of the International Bank Account Numbers (IBANs) is to be postponed until January 1, 2013.

The CBT clarified that the delay related only to payments to the accounts of non-resident banks and financial institutions and that the usage for IBANs for the accounts of local residents remains mandatory.

In accordance with market practice, Northern Trust converted to IBAN usage in July 2008.

**United Arab Emirates**
On November 29, 2011, the Central Bank of UAE announced it had extended the grace period for the mandatory use of IBAN’s until April 12, 2012.

The effective live date for the implementation of the IBAN was November 19, 2011, however clients have a grace period up to April 12, 2012. With effect from this date it will become mandatory to quote the IBAN on all domestic and international payments to beneficiaries in the UAE.

Please contact your Northern Trust representative for details of the new IBANs relating to the two domestic markets (ADX and DFM) where Northern Trust operates omnibus AED cash accounts.

**FOREIGN EXCHANGE UPDATES**

**Kenya**
On November 8, 2011, the Central Bank of Kenya issued guidelines on Foreign Exchange and Money Market Instruments. Since receiving clarification of certain aspects to these guidelines, Northern Trust confirms that the main issue affecting non-resident investors is that overdrafts or loans for tenure of less than one year are not permitted.

As a result of the restriction on overdrafts, the following should be noted:

- **Purchases:** Funds must be available in the client's account no later than early morning on settlement date, otherwise the transaction will fail to settle

- **Sales:** The Foreign Exchange (FX) may not be executed until the underlying sale of securities has settled in the market and proceeds have been credited to the client's account. Since settlement is not confirmed until after the FX market has closed, repatriation may only take place on or after the business day following settlement date (S+1)

It should further be noted that the Kenya shilling (KES) remains a fully convertible currency.
Philippines

Announced on November 25, 2011, the Bangko Sentral ng Pilipinas (BSP) published Circular 742 which outlined various relaxations to the existing foreign exchange regulations. The effective date for the changes to the regulations took place on December 10, 2011 (trade date basis).

The salient points of the approved changes are noted as follows:

- Expansion of the list of non-trade related transactions for which Philippines Pesos (PHP) can be freely purchased through foreign exchange

Currently, the list of allowable transactions without prior approval from the BSP include educational expenses, medical expenses, travel expenses and salaries of foreign expatriates excluding transactions relating to foreign/foreign currency loans and investments.

Subsequent to the revision, the following transactions have also been included:

- Payment of underwriting expenses
- Fees
- Commission due to non-residents for initial public offerings (IPO) involving Philippines securities

Foreign direct equity investments which are funded by foreign currency are now eligible for registration with the BSP. Subsequent returns and proceeds from these investments will be eligible for repatriation.

Prior to the change, Foreign Direct Investment (FDI) funded by foreign currency, are not eligible for BSRD registration due to the absence of the conversion into PHP. Consequently, returns or proceeds from such investments could not be repatriated.

In addition, as announced on December 28, 2011 and with an effective date of January 11, 2012, the BSP issued Circular 743 which stated that foreign investors engaging in FDI are required to register such investments with the BSP within a period of five years from the date of the inward remittance or transfer of assets to the Philippines failing which, such investments will no longer be accepted for registration. Registration must be completed within one year from December 15, 2011 for unregistered FDIs that were made through inward remittance or transfer of assets that occurred more than five years from the Circular date of December 15, 2011. Registration of FDI is typically undertaken by the Issuing company and the investor directly.

Should you have any questions regarding the implication of the above regulations, please contact your Northern Trust representative.
NORTHERN TRUST PRODUCT UPDATES

Peru

Effective November 8, 2011, Northern Trust suspended its offering of contractual settlement in Peru; Northern Trust made this decision following a market development which became effective November 1, 2011.

On November 1, 2011, CAVALI S.A. ICLV (CAVALI – the Peruvian Central Securities Depository) assumed the role of withholding agent for capital gains taxes for all applicable security transactions settling within its settlement system, regardless of whether the transactions were executed on exchange or over the counter.

Per existing market practices, local custodian banks are unable to confirm the definitive capital gains tax obligations withheld by CAVALI for any applicable transactions until late in the day on settlement date. Consequently, Northern Trust is unable to accurately reflect the cash proceeds an investor will actually receive for any applicable sale transaction until settlement actually occurs.

Northern Trust's subcustodian, Citibank Peru, is working with CAVALI to develop a procedure whereby CAVALI would provide local custodian banks with the capital gains tax information for applicable transactions earlier in the settlement process. Should CAVALI implement such a process enhancement, Northern Trust will re-evaluate its decision concerning the provision of contractual settlement in Peru.

If you have any questions regarding the above, please do not hesitate to contact your Northern Trust representative.

FOR MORE INFORMATION

The Northern Trust Atlas Quarterly Digest is compiled by our Subcustodian Network Management Team. This group is charged with monitoring and managing our global network of foreign subcustodians. If you would like additional information regarding any of the topics covered in the Atlas Quarterly Digest please contact:

Tom Brock
Head of Information Products
Network Management
tom_brock@ntrs.com

The information contained herein has been obtained from sources, which we believe to be reliable, but its accuracy cannot be guaranteed. Such information is subject to change, is intended for informational purposes only, and is not to be construed as investment or legal advice or guidance. Northern Trust assumes no responsibility for any reliance by recipients on the information contained herein.

Authorised and regulated in the United Kingdom by the Financial Services Authority.