

Appendix A

209 CMR 47.09(2) is hereby amended by adding at the end thereof the following:

(e) Limitation on Obligations of a Foreign Government or a Political Subdivision Thereof.

1. The total obligations of any foreign country or a political subdivision thereof to a bank engaged in a global custody business that has no less than five billion dollars of foreign currency denominated deposits shall be limited to twenty-five percent of capital as defined in M.G.L. c. 167E, § 1.

2. In addition to the limitation set out in 209 CMR 47.09(2)(e)1. a bank engaged in a global custody business that has no less than five billion dollars of foreign currency denominated deposits may invest in the bonds, debentures, notes or other obligations of any foreign country or a political subdivision thereof provided: (i) such bonds, debentures, notes or other obligations mature not less than one year after their respective dates of issuance, and, at the time of such investment, are rated in one of the three highest rating grades by an independent rating service designated by the Commissioner; (ii) such investment does not exceed fifteen per cent of the capital stock, surplus fund and undivided profits of such bank; and (iii) such investment complies with any additional limitations and conditions as the Commissioner may impose.

3. The total obligations of all foreign governments and political subdivisions thereof to a bank engaged in a global custody business that has no less than five billion dollars of foreign currency denominated deposits shall not be subject to any aggregate limitation.