

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. IMD/DWS/AO/DRK/AS/EAD-3/CO- 49/09 - 10/2010**

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**CONSENT ORDER**

(Consent Application No.1493/2009)

ON THE APPLICATION SUBMITTED BY

(a) **DWS GLOBAL/INTERNATIONAL FUND INC.**,

(SEBI Registration No.- IN-US-FA-0469-97.)

(b) **DWS VARIABLE SERIES I**

(SEBI Registration No.- IN-US-FA-0524-98)

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated November 22, 2007 read with July 03, 2008 had initiated adjudication proceedings against DWS Global/International Fund Inc. (hereinafter referred to as the '**DWSG**'), (previously known as Global/International Fund Inc.) to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulation 10 (c) and Section 13 (1) (e) of Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 alleged to have been committed by the DWSG on account of the delay in intimating SEBI about its name change as well as the name change of its sub accounts. Show cause notice dated April 04, 2008 and May 18, 2009 were served on the DWSG.
2. Further, SEBI vide order dated October 03, 2008 had also initiated adjudication proceedings against DWS Variable Series I (hereinafter referred to as the '**DWSV**'), (previously known as Scudder Variable Series

- I) to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulation 10 (c) and 13 (1) (e) of Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 alleged to have been committed by the DWSV on account of the delay in intimating to SEBI about its name change as well as the name change of its sub accounts. Show cause notice dated April 29, 2009 was served on the DWSV.
3. I was appointed as the Adjudicating Officer for the aforesaid adjudication proceedings, (subsequent to the transfer of Shri Biju S) vide order dated December 10, 2008 under section 15 I of SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
  4. Pending adjudication proceedings, FII DWSG and FII DWSV; along with another FII DWS Securities Trust (hereinafter referred to as the noticees) made a consolidated application dated August 18, 2009 (Consent application Regn. No. 1493 of 2009) and undertakings in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the noticees submitted their revised consent terms vide their letter dated February 01, 2010 wherein they proposed an amount of Rs. 40,00,000/- (Rupees Forty lakhs only) towards settlement charges.
  5. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "**HPAC**") on March 30, 2010 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the noticees and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the noticees and the same was communicated vide SEBI's letter dated 21.04.2010.

6. In terms of the revised proposal of the noticees for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticees to the findings of fact or conclusions of law, the noticees have remitted a sum of Rs.40,00,000/- (Rupees Forty lakhs only) favouring Securities and Exchange Board of India vide Demand Draft no. 030526 dated 13/05/2010 drawn on Citi Bank towards the terms of consent in the matter.
7. Since I was appointed as Adjudicating Officer for the adjudication proceedings of DWS Global/International Fund Inc. and DWS Variable Series I, therefore this consent order disposes of the said two adjudication proceedings and the consent order disposing of the adjudication proceedings initiated against FII DWS Securities Trust will be passed by the concerned Adjudicating Officer.
8. In view of the above, it is hereby ordered that:
  - i. this consent order disposes of the adjudication proceedings initiated against DWS Global/International Fund Inc. and DWS Variable Series I under SEBI Act, 1992, and
  - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against DWSG and DWSV, if SEBI finds that:
    - a. any representations made by the DWSG and DWSV in the consent proceedings are subsequently discovered to be untrue.
    - b. DWSG and DWSV have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
9. This consent order is passed on the 04<sup>th</sup> day of June, 2010 and shall come into force with immediate effect.

10. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to DWS Global/International Fund Inc. and DWS Variable Series I and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**  
**Date: June 4, 2010**

**D. RAVI KUMAR**  
**CHIEF GENERAL MANAGER &**  
**ADJUDICATING OFFICER**