

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER

In respect of

M/s. Allianz Variable Insurance Products Trust
(Formerly known as USA Allainz Variable Insurance Products Trust)

in the matter of

Allianz Variable Insurance Products Trust

CO/ IMD-FII&C/1622 /AO/PG/22/2010

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated February 06, 2009, initiated adjudication proceedings against M/s. Allianz Variable Insurance Products Trust, 5701 Golden hills Drive, Minneapolis, Minnesota 55416-1297, USA (hereinafter referred to as '**Noticee**') for allegedly violating the provisions of Regulation 10(c) of SEBI (Foreign Institutional Investors) Regulations, 1995 (hereinafter referred to as '**FII Regulations**') and the undersigned was appointed as Adjudicating Officer. A show cause notice dated June 18, 2009 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**").

2. It was observed that there was an inordinate delay in intimating SEBI about the change in Noticee's name i.e. Allianz Variable Insurance Product Trust from US Allianz Variable Insurance Products Trust. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under section 15HB of Securities and Exchange Board of India Act, 1992 the alleged violation of the provisions of FII Regulations as stated above.

3. While the Adjudication Proceedings were in progress, the Noticees submitted an application dated October 27, 2009 and the Undertaking / Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Orders in respect of the aforesaid proceedings before SEBI. Subsequently, the Noticee, vide letter dated January 25, 2010 proposed to pay a sum of Rs.8,00,000/- (Rupees Eight lakh only) towards settlement charges as revised consent terms.
4. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on February 20, 2010. The HPAC, after considering the facts and circumstances of the case, consent terms offered by the Noticee & the material brought before it by SEBI, recommended that the case may be settled on payment of Rs.8,00,000/- (Rupees Eight lakh only) towards settlement charges. Thereafter, SEBI, vide letter dated April 22, 2010, communicated to the Noticee its acceptance of the revised consent terms and advised it to pay the amount accordingly. The Noticee has remitted a sum of Rs.8,00,000/- (Rupees Eight lakh only), vide Demand Draft No.641114 dated May 05, 2010 drawn on Hongkong and Shanghai Banking Corporation Limited towards the terms of consent in the matter.
5. In view of above, it is hereby ordered that,
 - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India 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 the Noticee, if SEBI finds that
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

6. This consent order is passed on May 24, 2010 and shall come into force with immediate effect.

7. In terms of rule 6 of the Adjudication Rules, copies of this order are being sent to the noticee and to Securities and Exchange Board of India.

Date : May 24, 2010
Place: Mumbai

Piyoosh Gupta
Adjudicating Officer