

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. ABEMF/AO/DRK/AS/EAD-3/CO-40/2009-01/2010**

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**CONSENT ORDER**

(Consent Application No.1486/2009)

On the application submitted by  
**American Beacon Emerging Markets Fund**  
**Foreign Institutional Investor**  
**(SEBI Regn No.- IN-US-FD-0819-03)**

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide order dated November 22, 2007 and July 03, 2008 initiated adjudication proceedings against American Beacon Emerging Markets Fund (hereinafter referred to as the noticee) 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**'), violation of the provisions of Regulation 10(c) and 13(1)(e) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 alleged to have been committed by the noticee on account of the delay in intimating SEBI of change in its name and the name change of its two sub accounts.
  2. I was appointed as the Adjudicating Officer in this case (subsequent to the transfer of Shri Biju S.) vide order dated December 10, 2008, under section 15 I of the 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. Show cause notice dated March 14,

2008 and supplementary show cause notice dated May 06, 2009 was issued against the noticee.

3. Pending adjudication proceedings, the noticee made application dated August 10, 2009 (Consent application Regn. No. 1486 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 Noticee submitted its revised consent terms vide its letter dated September 17, 2009 wherein it proposed an amount of Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on November 03, 2009 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the noticee and the other material brought before the HPAC. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the Noticee.
4. In terms of the revised proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) favoring Securities and Exchange Board of India vide Pay order no. 113207 dated 04/01/2010 drawn on Deutsche Bank, AG payable at Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
  - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee 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 the Noticee, if SEBI finds that:
    - a. any representations made by the Noticee in the consent proceedings are 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 the 13<sup>th</sup> day of January, 2010 and shall come into force with immediate effect.

7. 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 American Beacon Emerging Markets Fund and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai  
January 13, 2010**

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