Report of Organizational Actions Affecting Basis of Securities

Part I Reporting Issuer

1 Issuer's name

2 Issuer's employer identification number (EIN)

Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.  20-8359088

3 Name of contact for additional information

4 Telephone No. of contact

Michael Conklin  312-705-4706

5 Email address of contact

mssiptax.req@morgannstley.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

c/o Morgan Stanley Tax, 440 S. Lasalle Street, 39th Floor

7 City, town, or post office, state, and Zip code of contact

Chicago, IL, 60605

See Item 14 Below

9 Classification and description

COMMON STOCK DIVIDENDS

10 CUSIP number

11 Serial number(s)

617477104 N/A

12 Ticker symbol

EDD / XEDDX N/A

13 Account number(s)

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► The Issuer paid quarterly distributions to common stock shareholders during fiscal year-end October 31, 2015.

All or part of such distributions constitute a non-taxable return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ►

The quantitative effect of the distributions reported as a return of capital on a per share basis are set forth in the table below:

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Payment Date</th>
<th>Total Dividend</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2015</td>
<td>4/15/2015</td>
<td>0.220000</td>
<td>0.220000</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>7/15/2015</td>
<td>0.220000</td>
<td>0.220000</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>10/15/2015</td>
<td>0.220000</td>
<td>0.220000</td>
</tr>
</tbody>
</table>

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► Issuer's current and accumulated earnings were compared to distributions paid during the fiscal year ended October 31, 2015. The non-taxable return of capital represents the amount of distributions paid during the taxable fiscal year ended October 31, 2015 in excess of issuer's current and accumulated earnings and profits under IRC Section 316.

For Paperwork Reduction Act Notice, see the separate Instructions.
Part II  Organizational Action (continued)

17  List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ➤  Internal Revenue Code
Section 301(c)(2) and Section 316

18  Can any resulting loss be recognized? ➤  Not applicable.

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year ➤  The reportable year is fiscal year ending October 31, 2015

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ➤  Michael Conklin  Date ➤  7/11/16

Paid Preparer Use Only
Print your name ➤  Michael Conklin  PTIN ➤
Firm's name ➤
Firm's address ➤
Date ➤
Check if
self-employed
Firm's EIN ➤
Phone no. ➤