Report of Organizational Actions Affecting Basis of Securities

Part I Reporting Issuer

1 Issuer's name
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.

2 Issuer's employer identification number (EIN)
20-8359088

3 Name of contact for additional information
Michael Conklin

4 Telephone No. of contact
312-706-4706

5 Email address of contact
msiptax.reg@morganstanley.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

8 Date of action

9 Classification and description
COMMON STOCK DIVIDENDS

10 CUSIP number
617477104

11 Serial number(s)
N/A

12 Ticker symbol
EDD / XEDDX

13 Account number(s)
N/A

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 calendar year 2018. 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 Distribution Per Share</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/29/2018</td>
<td>04/13/2018</td>
<td>0.1500000000</td>
<td>0.0996899800</td>
</tr>
<tr>
<td>06/29/2018</td>
<td>07/13/2018</td>
<td>0.1500000000</td>
<td>0.0996899800</td>
</tr>
<tr>
<td>09/28/2018</td>
<td>10/15/2018</td>
<td>0.1500000000</td>
<td>0.0996899800</td>
</tr>
<tr>
<td>12/21/2018</td>
<td>01/15/2019</td>
<td>0.1500000000</td>
<td>0.0996899800</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 calendar year 2018. The non-taxable return of capital represents the amount of distributions paid during the taxable calendar year 2018 in excess of issuer's current and accumulated earnings and profits under IRC Section 316.
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 calendar year 2018.

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 ▶ [Signature] Date ▶ 04/24/2019

Print your name ▶ Michael Conklin

Paid Preparer Use Only
Print/Type preparer's name ▶ [Name]
Preparer's signature ▶ [Signature]
Date ▶ [Date]
Check □ if self-employed
PTIN ▶ [PTIN]
Firm's EIN ▶ [EIN]
Firm's address ▶ [Address]
Phone no. ▶ [Phone]

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054