

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Statement 1

18 Can any resulting loss be recognized? ▶ See Statement 1

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Statement 1

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.

Sign Here
Signature ▶ Margaret Watt Date ▶ 9/16/2022
Print your name ▶ Margaret Watt Title ▶ Assistant Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**FORM 8937 - REPORT OF ORGANIZATIONAL ACTIONS
AFFECTING BASIS OF SECURITIES
STATEMENT 1**

**Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.
EIN: 20-8359088
Period: 12/31/2020**

The Fund has determined that a portion of the distributions listed below that were paid during the taxable year ended December 31, 2020, are classified as return of capital:

Class	Cusip	Ticker Symbol	Record Date	Ex-Dividend		Non-Dividend%	Total	Income Dividend	Non-Dividend
				Date	Payable Date		Distributions - Per Share	Distributions - Per Share	Distributions - Per Share
	617477104	EDD	3/31/2020	3/30/2020	4/15/2020	100.00000%	0.120000	0.000000	0.120000
			6/30/2020	6/29/2020	7/15/2020	100.00000%	0.100000	0.000000	0.100000
			9/30/2020	9/29/2020	10/15/2020	100.00000%	0.110000	0.000000	0.110000
			12/18/2020	12/17/2020	1/15/2021	100.00000%	0.105000	0.000000	0.105000

A return of capital is not considered taxable income to shareholders. Pursuant to IRC Section 301(c), the portion of a distribution which is a dividend (as defined under IRC Section 316) is includable in gross income while the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock. Accordingly, shareholders who received these distributions should not include these amounts in taxable income, but instead pursuant to Internal Revenue Code Sections 301(c)(2) and 1016(a)(4), should treat them as a reduction of the cost basis of the applicable shares upon which these distributions were paid. In order to compute the required adjustment to cost basis, a shareholder should multiply the per share amount of each of the respective distributions by the number of shares held at each of the respective ex-dates.

If the shareholder has not sold or otherwise disposed of any shares during the taxable year ended December 31, 2020, the information computed by the shareholder regarding the appropriate reduction in cost basis should be maintained in the shareholder's records until such time as the shareholder sells or otherwise disposes of such shares.

If the shareholder has sold or otherwise disposed of any shares during the taxable year ended December 31, 2020, the shareholder should increase the recognized gain or decrease the recognized loss on the respective shares sold by the per share amount of the above-listed distribution multiplied by the respective shares held at each of the ex-dates listed which have been sold.

This information is being provided pursuant to Internal Revenue Code Section 6045(e), as amended. The tax information contained herein is provided for informational purposes only and should not be construed as legal or tax advice. Morgan Stanley does not provide legal or tax advice to taxpayers. This material and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Please consult an attorney or tax professional for assistance as to how this information will impact your specific tax situation.

For more information, please contact the Fund at 1-312-706-4706

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended. The information in this document does not constitute tax advice and should not be construed to take into account any shareholders specific circumstances. Holders and nominees should consult their own tax advisors regarding the particular tax consequences of the organizational action (as described in this document) to them, including the applicability and effect of all U.S. federal, state, and local and foreign tax laws.

[DO NOT INCLUDE THIS PAGE WHEN FILING THE FORM.]