

CENTRAL EUROPE & RUSSIA FUND, INC.  
Form 40-17G  
November 08, 2007

November 8, 2007

Securities and Exchange Commission

Office of Filings and Information Services

100 F Street, NE

Washington, DC 20549

Re: Investment Company Fidelity Bond for

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe and Russia Fund, Inc

(collectively, the Funds )

Dear Sir/Madam:

On behalf of the Funds, enclosed for filing with the Securities and Exchange Commission, pursuant to the requirements of Rule 17g-1(g) of the Investment Company Act of 1940, as amended, are the following:

1. A copy of the joint Investment Company Blanket Bond for the period of August 21, 2007 to August 21, 2008,
2. A copy of the resolution of a majority of the Board of Directors of the Funds who are not "interested persons" of the Funds approving the form and amount of the bond,
3. A statement showing the amount of the single insured bond which each Fund would have provided and maintained had it not been named as an insured under a joint insured bond, and
4. A copy of the agreement between all of the named insured Funds entered into pursuant to paragraph (f).

Premiums have been paid for the period from August 21, 2007 to August 21, 2008.

If you have any questions or need further information, please contact me at 212-454-6778.

Very truly yours,

/s/ David Goldman

Secretary of the Funds

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Resolutions Of The Board Of Directors Of

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe And Russia Fund, Inc.

As Adopted Unanimously At Their

Regular Meeting

October 26, 2007

RESOLVED, that the actions taken by the full Board on July 23, 2007 and the Audit Committee on August 24, 2007, including actions relating to (i) the Investment Company Blanket Bond, issued by National Union (AIG), in the form and amount of \$2,750,000 covering The European Equity Fund, Inc., The New Germany Fund, Inc. and The Central Europe and Russia Fund, Inc. (collectively, the Funds ), and (ii) the joint liability insurance policy issued by Chubb, through Federal Insurance Company ( Chubb ) for \$5 million primary coverage covering the Funds, and (iii) the Independent Director Policy issued by ICI Mutual Insurance Company for \$3 million, Deutsche Investment Management Americas Inc. and Deutsche Asset Management International GmbH, are hereby ratified, confirmed and approved in all respects;

Resolutions Of The Audit Committees Of

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe And Russia Fund, Inc.

As Adopted Unanimously At Their

Special Meeting

August 24, 2007

RESOLVED, that the officers of the Funds are hereby authorized to enter into a Fidelity Bond Insurance Allocation Agreement in conformity with paragraph (f) of Rule 17g-1 under the Investment Company Act of 1940, as amended, in substantially the form presented to this meeting, with such changes as may be recommended by counsel, such approval to be conclusively evidenced by execution of the agreement by an officer of the Funds.



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Resolutions Of The Board Of Directors Of

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe And Russia Fund, Inc.

As Adopted Unanimously At Their

Regular Meeting

July 23, 2007

RESOLVED, that the actions taken relating to (i) the Investment Company Blanket Bond, issued by National Union (AIG), in the form and amount of \$2,750,000 and a premium of \$6,308 covering The European Equity Fund, Inc., The New Germany Fund, Inc. and The Central Europe and Russia Fund, Inc. (collectively, the Funds ), are hereby ratified, confirmed and approved in all respects; and

FURTHER RESOLVED, that the premiums of the Bond be allocated in the following proportion: each Investment Company shall be allocated a proportion of the premium equal to the proportion that the minimum amount of fidelity bond coverage required for each Investment Company individually under Rule 17g-1 bears to the total coverage; and

FURTHER RESOLVED, that the Audit Committee is hereby authorized, to the full extent of the authority of this Board, to approve joint liability policy or policies, joint fidelity bond or bonds, related allocation agreements and other insurance matters, including any changes to the terms or forms presented to this meeting.

Respectfully Submitted By David Goldman, Secretary of the Funds

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe And Russia Fund, Inc.

Premium Estimates For

Standalone Bond for Each Fund

Fund	Gross Assets as of August 20, 2007	Rule 17g-1 Minimum bond	Cost of Standalone Bond**
The European Equity Fund, Inc.	\$154,075,927	\$600,000	\$2,400
	\$433,651,930	\$750,000	\$3,000

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The New Germany Fund,  
Inc.

The Central Europe and Russia Fund, Inc.	\$844,526,580	\$1,000,000	\$4,000
Total:	\$1,432,254,436	\$2,350,000*	\$9,400

\*Actual bond is \$2,750,000

\*\*Estimated by ICI Mutual Insurance Company

### FIDELITY BOND

#### INSURANCE ALLOCATION AGREEMENT

THIS INSURANCE ALLOCATION AGREEMENT (the Agreement) is made as of October 26, 2007, by and among the investment companies listed as signatories on Schedule A to this Agreement (the Funds) (sometimes individually hereinafter referred to as a party or collectively as parties).

WHEREAS, the Funds have been named as insured parties ( Insureds ) under joint insured fidelity bonds (hereinafter referred to individually as a Bond and collectively as the Bonds) as may be approved, from time to time, by the Funds' respective Boards of Directors (hereinafter referred to individually as a Board and collectively as the Boards);

WHEREAS, the parties desire to establish further (i) the criteria by which the premiums for the Bonds shall be allocated among the parties, (ii) the basis on which additional investment companies for which the Manager or its affiliates may hereafter act as investment adviser may be added as named Insureds under the Bonds, (iii) the criteria by which the amounts payable under the Bonds shall be allocated among the parties covered under same, and (iv) the manner in which the Manager will report to the Funds' Board information about claims and payments under any of the Bonds;

NOW, THEREFORE, it is agreed as follows:

1. Each Fund shall pay a portion of the premium of each Bond under which it is covered, which portion shall be determined as of a specified date, which date shall be the same for all Funds, as allocated in such equitable manner as mutually agreed upon by the Funds, subject to the approval of the Board, including a majority of the non-interested directors, which amounts are set forth on Schedule B to this Agreement. From time to time, adjustments may be made by mutual agreement of the Funds to the portion of the balance of the premiums theretofore paid by a Fund, subject to the approval of the Board, including a majority of the non-interested directors, based on a subsequent change or changes in the gross assets of one or more Funds that affects the amount which the Fund would have paid had it provided and maintained a single insured bond with the minimum coverage required by Rule 17g-1(d) under the Investment Company Act of 1940, as amended (the Act) or the addition or withdrawal of a Fund or Funds pursuant to this Agreement.

2. If each of the insurers issuing a Bond (the Insurers) is willing, with or without additional premium, to add, as an Insured under a Bond, any investment company not listed as a signatory to this Agreement for which the Manager or an affiliate thereof is investment adviser, administrator or underwriter, which investment company may be included in the Bond pursuant to Rule 17g-1(b) under the Act, the Funds agree (a) that such addition may be made provided that the non-interested directors of the Funds covered by the Bond shall approve such addition and (b) that such additional entity may become a party to this Agreement and be included within the terms Fund or party, provided that in each case such entity shall have executed and delivered to the Funds its written agreement to become a party hereto and to be bound by the terms of this Agreement.

3. In the event that the claims of loss of two or more Insureds under the Bonds are so related that the Insurer(s) are entitled to assert that the claims must be aggregated, or in the event that the aggregate recovery by two or more Insureds under the Bonds is less than the aggregate loss incurred by the Insureds that gave rise to the claims, the following rules shall determine, as among the claimants, the priority of satisfaction of the claims under the Bonds:

Each Fund claimant with respect to the same claim shall receive the lesser of (i) proceeds equal to the full amount of its claim or (ii) the amount which it would have received had it provided and maintained a single insured bond with a minimum coverage which such Fund would have been

required to carry by Rule 17g-1(d) under the Act at the time the claim arose.

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4. The Manager shall provide, on a quarterly basis, a report to the Funds Board which shall include:
- (i) a description of any claim made during the preceding calendar quarter under any of the Bonds; and
  - (ii) a description of the current status of any matter previously reported by the Manager to the Funds respective Boards pursuant to this Section 4.
5. This Agreement shall become effective as of the date first above written, and shall remain in full force and effect during the effective period of the Bonds as specified therein. Any party may withdraw from this Agreement and the Bonds upon sixty (60) days written notice to each of the other parties and the Securities and Exchange Commission in accordance with Rule 17g-1 under the Act. The withdrawing party shall be entitled to receive its proportionate share of any premium refund received from the Insurer.
6. This Agreement shall supersede all prior premium sharing and allocation agreements entered into among the Funds. Notwithstanding the foregoing, claims made under a Bond during a period prior to the effective date of this Agreement (and any recoveries related to any such claims) shall be subject to the terms of the premium sharing and allocation agreement in effect during that period.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their officers, as appropriate, hereunto duly authorized all as of the day and year first above written.

By: /s/ David Goldman

Name: David Goldman

Title: Secretary

The European Equity Fund, Inc.

By: /s/ David Goldman

Name: David Goldman

Title: Secretary

The New Germany Fund, Inc.

By: /s/ David Goldman

Name: David Goldman

Title: Secretary

The Central Europe and Russia Fund, Inc.

**SCHEDULE A: INSUREDS**

**FUNDS**

The European Equity Fund, Inc.

The New Germany Fund, Inc.

The Central Europe and Russia Fund, Inc.

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**SCHEDULE B**

**PREMIUM ALLOCATIONS**

Fund	Gross Assets as of August 20, 2007	Rule 17g-1 Requirement (minimum bond)	Allocated % Premium Cost	Premium Allocation
The European Equity Fund, Inc.	\$154,075,927	\$600,000.00	25.532%	\$1,610.55
The New Germany Fund, Inc.	\$433,651,930	\$ 750,000.00	31.915%	\$2,013.19
The Central Europe and Russia Fund, Inc.	\$ 844,526,580	\$1,000,000.00	42.553%	\$2,684.26
Total:	\$1,432,254,436	\$2,350,000.00	100.00%	\$6,308.00