

MEMO# 8524

January 10, 1997

1997 UPDATE OF INSTITUTE'S FOREIGN INVESTING GUIDE

1 The Institute has received two suggestions for expanding the guide. One suggestion is to include additional tax material including information on when, how and where tax forms required by a country must be filed. The other suggestion is to expand the foreign investment restrictions section so that for each country the guide identifies all industries in which foreign investment may be restricted and specifies the limitations. January 10, 1997
ACTION REQUESTED TO: INTERNATIONAL COMMITTEE No. 2-97 RE: 1997 UPDATE OF INSTITUTE'S FOREIGN INVESTING GUIDE

____ Since 1993 the Institute has published the Foreign Investing Guide to provide members with a source of information as to the types of requirements or restrictions in foreign countries that may apply to portfolio investments by US mutual funds in those countries. The Foreign Investing Guide is prepared for the Institute by the law firm of Baker & McKenzie through its extensive network of foreign offices. Over the years the guide has been expanded to add additional categories of information and to cover more countries. Currently the Foreign Investing Guide provides information with respect to 47 countries. This information includes whether there are any general restrictions on foreign investment in the country; what withholding tax rates exist and whether there is a tax treaty with the United States; what disclosure regime is imposed on significant shareholdings, including the types of securities covered, reporting thresholds and when and where to file reports; what types of institutions provide custody services; and whether securities lending is permitted. As the guide has expanded significantly, the cost of preparing it has increased. To assure that the guide remains a useful and appropriate member service, we would like to receive input from members before beginning the 1997 update. Specifically, we are interested in your views on whether the guide is generally useful and, if so, whether there are ways in which it should be improved. Should the guide include more countries? Should it include more information? 1 In responding to the attached questionnaire please keep in mind that the guide is intended to be a general source of information and not a substitute for appropriate legal advice with respect to all relevant foreign laws and regulations. Please respond by returning the attached questionnaire by January 24, 1997. Mary S. Podesta Associate Counsel - International 1 FOREIGN INVESTING GUIDE QUESTIONNAIRE January 1997 1) Please comment on the usefulness of the Foreign Investing Guide to your organization.

____ 2) Should the Institute continue to publish the Foreign Investing Guide? YES NO 3) In your experience, has the information contained in the guide generally been accurate?

* In your experience, have changes in foreign laws and regulations generally been reflected in the next update of the guide?

4) Do you have any comments on the following sections of the guide? * Foreign Investment Restrictions _____

* Foreign Investment Taxation

2 _____ * Obligation to Disclose Significant Shareholdings

* Custody

* Securities Lending _____

5) Should any of these sections be eliminated? Please specify.

6) The Guide currently covers the following countries: Argentina Korea Australia Luxembourg Austria Malaysia Belgium Mexico Brazil Netherlands Canada New Zealand Chile Norway China Pakistan Colombia Philippines Czech Republic Poland Denmark Portugal Egypt Russia Finland Singapore France South Africa 3Germany Spain Greece Sri Lanka Hong Kong Sweden Hungary Switzerland India Taiwan Indonesia Thailand Ireland Turkey Israel United Kingdom Italy Venezuela Japan * Should any other countries be added? (Please list any suggested additions in priority order.)

* Should any countries be eliminated?

7) Are there any areas in which the information in the Guide should be expanded? (Please be specific and please prioritize your suggestions.)

8) Do you have any other suggestions for improving the Guide?

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