

**MEMO# 8442**

December 6, 1996

# MARKET ACCESS ISSUES IN MEXICO AND JAPAN

ACTION REQUESTED December 6, 1996 TO: INTERNATIONAL COMMITTEE No. 42-96 RE: MARKET ACCESS ISSUES IN MEXICO AND JAPAN

Treasury  
Department officials have asked the Institute for information about the market access issues of most interest to Institute members in Mexico and Japan. This information will be used by Treasury officials in connection with discussions with Mexico assessing progress under NAFTA and in discussions with Japanese officials about Japan's recently announced intention to liberalize further its financial services market. In preliminary discussions with Treasury officials, we have identified two priorities with respect to Mexico: obtaining the ability for Institute members to participate in managing assets under Mexico's new pension system and obtaining elimination by Mexican regulators of the restrictions that prevent Mexican mutual funds from investing in non-Mexican securities. With respect to Japan, we have advised Treasury officials that Institute members generally share the concerns expressed in the attached memorandum prepared by the American Chamber of Commerce in Japan. In particular, we highlighted the need for Japan to permit foreign investment managers to use the services of their overseas affiliates in servicing Japanese investment trust clients and the need to simplify the partnership structure required for managing public pension plan assets. We also advised Treasury that the absence of a credible system of performance measurement for Japanese investment trusts remains a problem that adversely affects the ability of investment trusts to advertise performance in Japan. Please let me know as soon as possible if you have any comments about the issues the Institute has identified or if there are additional issues with respect to Mexico or Japan that we should bring to the Treasury Department's attention. You can reach me by phone at 202 326 5826 or by fax at 202 326 5839. Mary S. Podesta Associate Counsel - International Attachment