

MEMO# 8543

January 8, 1997

INSTITUTE COMMENTS ON EXPECTED KOREAN OFFSHORE FUND RULES

January 8, 1997 TO: INTERNATIONAL COMMITTEE No. 1-97 RE: INSTITUTE COMMENTS ON
EXPECTED KOREAN OFFSHORE FUND RULES

_____ It has been reported that Korea's Ministry of Finance and Economy soon will implement new rules to permit foreign mutual funds to be sold in Korea. While many of the details of the new rules are unclear, it appears that Korea intends to require that each foreign fund that is to be sold in Korea designate a single Korean selling agent to distribute the fund's shares in Korea. Attached is a copy of the letter the Institute sent to Korean government officials objecting to this feature of the proposed new regulatory framework. The letter argued that restricting a foreign fund to a single agent is not needed for investor protection and will impede the ability of a foreign mutual fund to distribute its shares in Korea. The Institute urged that this limitation be eliminated before the rules are put in place. We will keep you advised of developments. Mary S. Podesta Associate Counsel - International Attachment (in .pdf format)

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