

MEMO# 2857

June 19, 1991

SECOND UPDATE OF INSTITUTE SURVEY RELATING TO PFICS

June 19, 1991 TO: TAX COMMITTEE NO. 16-91 ACCOUNTING/TREASURERS COMMITTEE NO. 12-91 CLOSED-END FUND COMMITTEE NO. 13-91 INTERNATIONAL COMMITTEE NO. 9-91 RE: SECOND UPDATE OF INSTITUTE SURVEY RELATING TO PFICS

The following is the second update to the survey information which the Institute has received from members regarding entities which have been suspected of being passive foreign investment companies ("PFICs"). Suspected PFICs are broken down into three categories: (1) entities which have been determined to be PFICs, (2) entities which are potentially PFICs, but whose status is unclear, and (3) entities which were suspected of being, but were determined not to be, PFICs. With respect to each category of PFIC, the listing includes the name of the entity and, if known, the entity's country of operation. The Institute has not independently verified any of the information in this memorandum, and the information should not be relied upon without further investigation by fund auditors or counsel. As can be seen from the listing, there are a considerable number of entities whose classification is split. In fact, several entities are in all three categories. It would be very helpful if members who have identified these entities would review their PFIC status determination and inform us of any changes so that the entities may be properly classified in only one category. Entities preceded by an asterisk are listed in more than one section. New additions are underscored. Entities which have agreed to provide information to enable shareholders to make a "qualified electing fund" (QEF) election are preceded by a pound sign (#). Note that some entities have switched categories as follows: From Category II to Category I: ASA Ltd. Siam Fund 11/ Spin-off from J. Rothschild Holdings PLC. From Category II to Category III: Constantia Industrie Dampskip Svenborg Franco Nevada Middle Witwatersrand (Western Areas) Ltd. Schwerzerische Bankgesellschaft Schwerzerische Bankverein Simco Union Pour L'Habitation The column labeled "Country of Domicile" has been renamed "Country of Operations". It was felt that where an entity operated or invested was more useful information than where it was organized, because all PFICs must, by definition, be organized as non-U.S. entities. I. Entities which have been determined to be PFICs. Name of PFIC Country of Operation #ASA, Ltd. Abtrust New Thai Fund, The United Kingdom *Allianz AG Holdings Germany Anglo American Gold Investment Co. Ltd. South Africa Bangkok Fund, The Thailand *Bangkok Investments Thailand Bishopsgate Growth Unit Trust1/1 United Kingdom Brazilian Investment Co. Brazil *CS Holdings Switzerland *Cheung Kong (Holdings) Limited Hong Kong *Compaigne Bancaire France Creditanstalt Central Europe Fund Daehan Investment Trust Korea #First Hungary Fund Hungary Fondo Accivalmex Patrimonial, S.A. de C.V. Mexico Formosa Fund, The Taiwan Future Germany Fund Germany G.T. Honshu Pathfinder Fund Japan G.T. Japan Small Companies Fund Japan General Property Trust (Capital and Income Shares) Australia Greek Progress Fund Greece Hungarian Fund, The (and Warrants)

Hungary India Fund, The India #India Magnum Fund N.V., The India Indonesia Growth Fund
Indonesia International Equity, Ltd. Canada Investors Group Canada 22/ Reorganized and
renamed St. James' Place Capital PLC. 33/ PFIC for 1987 and 1988 tax years only (ending
January 31, 1988 and 1989). Not a PFIC in tax year 1989 (ending January 31, 1990). Unclear
for tax year 1990 (ending January 31, 1991). 44/ Successor entity to J. Rothschild Holdings
PLC. - 1 - *J. Rothschild Holdings PLC2/2 United Kingdom J.F. Indonesia Fund Indonesia J.F.
Philippine Fund Philippines Jakarta Fund Indonesia? Japan Associated FinanceCo. Japan
Korea Asia Fund Korea Korea 1990 Trust Korea Korea Emerging Companies Trust Korea
Korea Equity Trust Korea Korea-Europe Fund, The Korea Korea Growth Trust, The Korea
Korea International Trust, The Korea Korea Smaller Companies Trust Korea Korea Trust, The
Korea *Land Securities PLC United Kingdom *Lend Lease Corp., Ltd. Australia Lydenburg
Platinum South Africa Malacca Fund, The Indonesia?/ Malaysia? Malacha Fund Spain?
Malaysia Equity Fund Malaysia Manila Fund Philippines *Mediobanca Italy *Mitsui Real
Estate Development Japan *Minorco, Ltd. Luxembourg New India Fund, The India Odin
Mining & Investment Company Ltd. Australia Oporto Growth Fund, The Portugal #Quadra
Logic Technology, Inc.3/3 Canada Robert Jones Investments Ltd. New Zealand St. James'
Place Capital PLC4/4 United Kingdom Samuri Portfolio Japan *Schwerzerische
Ruckversicherung Switzerland Selection Avenir France Seoul International Trust, The Korea
Seoul Trust Korea Siam Fund Thailand 55/ Reorganized and renamed St. James' Place
Capital PLC. 66/ Now ORIX Corporation; see Category III. - 2 - Siam Smaller Companies Fund
Thailand Sinpinyo Fund #4 Thailand Sinpinyo Fund #5 Thailand *Southvaal Holdings, Ltd.
South Africa Taipei Fund Taiwan Taiwan Trust Taiwan Thailand Fund, The Thailand Touche
Remnant Ecotec Environmental Fund II. Entities which are potentially PFICs, but whose
status is unclear: Name of PFIC Country of Domicile *Aachner und Munchener Beteiligung
Germany Aker Mek Versted A/S Norway *Anglo American Corp. South Africa Brierly
Investments United Kingdom CFI Cie Forciere Int'l France *Cheung Kong (Holdings) Limited
Hong Kong *Cie Compagnie Industrille France Compagnie du Midi France *Corporation
Financiero Alba Spain DeBeers Consolidated Mines South Africa Douglas Holdings Australia
Erste Allegmeine Ver Australia Euro Nevada Canada *Gencor Ltd. South Africa Hitachi Credit
Corp. Japan *Hong Kong Realty & Trust Hong Kong Immobiliare Metanopoli Italy *Impala
Plantinum Holdings Australia/ South Africa? *J. Rothschild Holdings PLC5/5 United Kingdom
MEPC Plc United Kingdom MIM Holding Hong Kong *Mediobanca Italy *Minorco, Ltd.
Luxembourg *Mitsubishi Estate Japan *Mitsui Real Estate Development Japan Munchener
Ruckversicherung Germany *Nippon Fire and Marine Japan Ofp-Omnium Fin Paris France
*Orange Free State Investment Ltd. South Africa Orient Leasing6/6 Japan - 3 - Pacific Assets
Trust, PLC United Kingdom Pagurian Ltd Canada *Parkway Holdings Ltd. Singapore *Pobjola
Class A Finland Poseidon Ltd. Australia Riunione Adriatica di Sicurta Italy Royale Belge
Belgium Sefimeg France *Southvaal Holdings Ltd. South Africa *Tractors Malaysia Malaysia
*Victoria Lebens-Versicherung Germany - 4 - Westfield Trust Units Australia World Int'l,
Holdings Hong Kong *Zurica Versicherung Germany III. Entities which were suspected of
being, but were determined not to be, PFICs: Name of Entity Country of Domicile ASW
Holdings United Kingdom *Aacher und Munchener Betuligung Germany *Allianz AG Holdings
Germany Amoy Properties Hong Kong *Anglo American Corp. South Africa Arab Malaysian
First Property Trust Malaysia Argyll Group PLC United Kingdom Asda Group PLC United
Kingdom Banca San Paulo di Brescia Brazil Banca Commerciale Italiana Italy Banco
Andalucia Spain Banco Pastor Spain Banco Comercial Portugues Portugal Bangkok Bank
Thailand *Bangkok Investments Thailand Bankinter Spain Bell Canada Canada Bell Group
Ltd Australia Berliner Elektro Germany Bet Plc United Kingdom Brazil Fund Brazil British
Land United Kingdom Btr Plc United Kingdom *CS Holdings Switzerland CSR Ltd. Australia
Cannon Street Investments Japan Chargeurs SA France *Cheung Kong (Holdings) Limited
Hong Kong Chile Fund, The Chile *Cie Comagnie Industrille France Cie Financiere de Paribas

France Colonia Versicherung Aktiengesellschaft Germany *Compaigne Bancaire France Constantia Industrie Australia *Corporation Financiero Alba Spain Corporation Mapfre SA Spain Credit Financier de France France Cross Harbour Tunnel Hong Kong Daily Mail & General Trust 'A' United Kingdom Daito Trust Construction Co., Ltd. Japan Daiwa Securities Japan Dampskip Svenborg Denmark Deutsche Bank AG Germany Development Bank of Singapore Singapore - 5 - Fimpar di Risparmio Italy - 6 - First Malaysia Property Trust Malaysia First Philippine Fund Philippines Fletcher Challenge Holdings Australia Franco Nevada Canada Fructivie France *Gencor Ltd. South Africa Hang Lung Development Hong Kong Hanson Trust Plc United Kingdom Hawker Siddeby Group PLC United Kingdom Henderson Land Development Ltd. Hong Kong Hilldown Holdings United Kingdom *Hong Kong Realty & Trust Co., Ltd Hong Kong Hutchinson Whampoa Ltd Hong Kong IFIL Italy IN/COM France ITI Sociedade de Investimentos Turistico Portugal *Impala Platinum Holdings South Africa India Growth Fund India Japan Development Corporation Japan Kanko Japan Korea Fund, The Korea *Land Securities, PLC United Kingdom Lend Lease Corp. Australia Malaysian Smaller Company Fund Malaysia *Mediobanca Italy Merkur Switzerland Mexico Fund, The Mexico Meyer Int'l United Kingdom Middle Witwatersrand (Western Areas) Ltd. South Africa Miramar Hotel & Investment Co. Hong Kong *Mitsubishi Estate Japan Mitsubishi Trust & Banking Japan NMB Postbank Group Netherlands National Australia Bank Ltd. United Kingdom National Westminster Bank PLC Australia Nikko Securities Japan *Nippon Fire and Marine Japan Nippon Shinpan Co. Ltd. Japan Nomura Securities Japan *Orange Free State Investment Ltd. South Africa ORIX Corporation Japan P.T. Proctor & Gamble Investments Indonesia Paliburg International Holdings Hong Kong (formerly Paliburg Investments) *Parkway Holdings Ltd. Singapore Pearson United Kingdom *Pobjola Class A Finland Preussag Germany Porst Holdings Switzerland Portugal Fund Portugal R.O.C. Taiwan Fund Taiwan SG Wartburg Group United Kingdom Sasib Italy - 7 - Schweizerische Bankgesellschaft Switzerland - 8 - Schweizerische Bankverein Switzerland *Schweizerische Ruckversicherung Switzerland Simco Union Pour L'Habitation France Sonae Investments Portugal Sopaf Italy *Southvaal Holdings, Ltd. South Africa Suez Cie Financiere France Sumitomo Realty & Development Ltd. Japan Sun Hung Kai Properties Ltd. Hong Kong Swire Pacific Ltd Hong Kong Taiwan Fund Taiwan Tan Chong Motor Holding Singapore Thai Farmers Bank Thailand Thai Military Bank Thailand Tokio Marine and Fire Insur. Co. Japan *Tractors Malaysia Malaysia UAP France UMW Holdings Berhad Singapore Union Bank of Switzerland Switzerland United Overseas Bank Singapore *Victoria Lebens - Versicherung Germany Yamaichi Securities Japan Yasuda Trust Japan *Zurica Versicherung Please continue to provide us with any further information which you obtain on entities which are or may be PFICs. The Institute will update this memorandum periodically as more information is received from members. David J. Mangefrida, Jr. Assistant Counsel - Tax