

MEMO# 16471

August 26, 2003

CONFERENCE CALL AUGUST 28TH TO DISCUSS JAPANESE TAX ISSUES

[16471] August 26, 2003 TO: INTERNATIONAL COMMITTEE No. 56-03 TAX COMMITTEE No. 54-03 RE: CONFERENCE CALL AUGUST 28TH TO DISCUSS JAPANESE TAX ISSUES We understand that Japanese tax authorities may be proposing to implement a tax on foreign currency gains realized on redemptions of offshore funds. This tax would be imposed at a 26% rate and would require filing of an income tax return by the Japanese shareholder. This issue is in addition to the earlier issues we have been trying to address with the Japanese authorities, and through the U.S. Treasury, namely the repeal of the balance collection method for calculating Japanese withholding taxes, and the possible application of a 26% tax rate on fund redemptions.¹ There will be a conference call August 28th at 2:00 pm (Eastern) to discuss current tax developments in Japan (the dial-in number is 888-769-8711 and the passcode is "Japan"). If you plan to participate in the call, please complete the attached form and fax it to Ezella Wynn at (202) 326-5841, or email the information to her at ewynn@ici.org. David Orlin Assistant Counsel Attachment (in .pdf format) 1 See Institute Memorandum to International Members, No. 10-03, and Tax Members, No. 20-03, (No. 15806), dated March 25, 2003.

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