

MEMO# 8397

November 15, 1996

JAPAN TO PERMIT DISCRETIONARY INVESTMENT ADVISERS TO MANAGE TAX QUALIFIED PENSION ASSETS IN 1997

November 15, 1996 TO: INTERNATIONAL COMMITTEE No. 40-96 RE: JAPAN TO PERMIT
DISCRETIONARY INVESTMENT ADVISERS TO MANAGE TAX QUALIFIED PENSION ASSETS IN
1997

Attached is a copy of a memorandum the Institute received recently from counsel in Tokyo indicating that, beginning sometime in 1997, Japan's Ministry of Finance will permit discretionary investment advisers to manage Tax Qualified Pension Plans, one of two types of private sector pension plans in Japan. The memorandum also reports that portfolio allocation rules imposed on each manager of such a plan will be eliminated. The reform measures negotiated in the 1995 US-Japan Financial Services Agreement covered Employee Pension Funds (the other type of private sector pension plans) and did not extend to Tax Qualified Pension Plans. We will keep you informed of developments. Mary S. Podesta
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