

ICI Statement on Japan's Asset Management Policy Reforms

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Washington, DC, July 1, 2024—Today, Investment Company Institute (ICI) President and CEO Eric J. Pan released the following statement on the Japanese government's Basic Policy on Economic and Fiscal Management Reform 2024:

"ICI welcomes the Japanese government's commitment to promoting the use of asset management services in Japan and increasing opportunities for Japanese households to invest for a secure financial future. The Japanese government's policy plan for the coming year consists of extremely important reforms, such as changes to Japan's individual defined contribution retirement program, including increasing contribution limits and providing more opportunities for older workers to save. These reforms can help households adapt to changing macroeconomic conditions by making greater use of the diversified investments offered by asset managers to build household wealth, prepare for retirement, and meet other important financial objectives.

"Along with changes to its retirement program, we are pleased to see Japan focus on making more attractive use of the expanded Nippon Individual Savings Account (NISA) program by simplifying operational procedures and encouraging the program usage. ICI also supports the Japanese government's initiatives to attract new entrants to the Japanese market, including both domestic and foreign asset managers.

"We further applaud the Japanese government's initiative to elevate the asset management industry's position alongside other financial services and to establish a new asset management-focused department at the Financial Services Agency of Japan. This forward-thinking approach will foster a more integrated and customer-centric financial ecosystem that benefits individual investors.

“We encourage policymakers from around the world to look to Japan as a model for positive policies that encourage retail household participation in the capital markets, strengthen long-term investing, and unlock household savings to better finance the real economy.”

Earlier this year, ICI issued a white paper on recommendations to enhance Japan’s defined contribution pension system and the NISA in [English](#) and [Japanese](#).

Background: The Japanese government recently released the “[Basic Policy on Economic and Fiscal Management Reform 2024](#),” which includes a “Policy Plan for Promoting Japan as a Leading Asset Management Center.” The stated goal of the policy plan is to “create an investment chain that brings household savings to investment, improved corporate value to be redistributed to households, which would create more investments and consumption.”

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