Miyake & Partners
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Investment Management-Related Service Entrusted Business

On May 1, 2025, the Japanese government introduced a voluntary registration system to ensure the appropriate quality of services provided by Investment Management-Related Service Entrusted Business Operators, who conduct the Investment Management-Related Service ([i] fund's NAV calculation service and [ii] regulatory compliance service) as entrusted by Investment Management Business Operators, with the goal of encouraging new Investment Management Business Operators. Under the "Policy Plan for Promoting Japan as a Leading Asset Management Center," this system allows Investment Management Business Operators to outsource services related to [i] calculating a fund's NAV or [ii] regulatory compliance to registered Investment Management-Related Service Entrusted Business Operators. This system frees Investment Management Companies from meeting burdensome legal requirements and going through the hassle of finding and hiring qualified, compliance personnel. M&P Investment Compliance Corporation is the first registered Investment Management Business Operator in Japan and can help Investment Management Companies meet their compliance-related needs. Established by Miyake & Partners, M&P Investment Compliance Corporation leverages the legal knowledge and expertise in investment management cultivated within the firm's 87-year history. Committed to ensuring integrity and transparency in the financial industry, M&P Investment Compliance Corporation provides precise, practical advice and support to Investment Management Companies helping them navigate the rapidly changing regulatory and governance landscape.

1. Investment Management-Related Services

The Government of Japan has published its "Policy Plan for Promoting Japan as a Leading Asset Management Center," with the aim to reform Japan's asset management sector and asset ownership. As part of this policy, the government plans to invigorate Japan's capital markets by implementing measures that enhance and diversify asset management, promote dialogue between companies and investors, and ensure market transparency and fairness.

With respect to its enhancement and diversification of asset management strategy, the government has prioritized the entry of new investment management businesses to achieve higher returns for all investors (including households), enhance corporate value, and invigorate startups. One major barrier for new entrants is establishing the necessary middle and back-office operational structures that meet onerous, registration requirements.

On May 1, 2025, the government created a voluntary registration system for entities that can assist new and existing investment management businesses establish these operations. Currently, this registration system is completely voluntary but outsourcing compliance-related and/or trust accounting tasks to a qualified Investment Management-Related Service Entrusted Business Operator allows Investment Management Companies to avoid some personnel requirements.

For example, Investment Management Companies must establish a compliance department independent from their asset management division and staffed by knowledgeable and skilled individuals. Recently, the demand for compliance officers that meet these requirements has increased, making it difficult to hire such personnel. Using services provided by Investment Management-Related Service Entrusted Business Operators, Investment Management Business Operators need only to hire staff that can supervise and advise the Investment Management-Related Service Entrusted Business Operators.

2. Why Miyake & Partners?

Miyake & Partners established the M&P Investment Compliance Corporation to support Investment Management Businesses and became the first Investment Management-Related Service Entrusted Business Operator registered in Japan. M&P Investment Compliance Corporation leverages Miyake & Partners' decades of legal knowledge and expertise in investment management business. Furthermore, as legal issues surrounding investment managers are diverse, Miyake & Partners provides comprehensive support, including handling registration applications, providing legal advice related to Investment Management Companies, and accepting appointments as an external whistleblowing contact.

End.

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