

# **Policy Package to Achieve Special Zones for Financial and Asset Management Businesses**

## **I. Basic Ideas**

### **1. Introduction**

The Government of Japan intends to achieve a "virtuous cycle of growth and distribution" in which Japan's household savings flow more into productive investment, and the benefits of increased corporate value are returned to households, leading to further private sector investment and consumption.

From such perspective, as “the Policy Plan for Promoting Japan as a Leading Asset Management Center”<sup>1</sup> (December 13, 2023) shows, the Government of Japan makes efforts from a wide range of perspectives, such as a reform of Japan's asset management sector and asset ownership. With regard to the reform of the asset management sector, to promote new entries from inside and outside Japan and to facilitate competition in this sector is set up as an essential pillar, and the establishment of the Special Zones for Financial and Asset Management Businesses is positioned as one of the major policy measures therefor.

Based on “the Policy Plan for Promoting Japan as a Leading Asset Management Center”, the Financial Services Agency (FSA) has led concrete deliberations on the Special Zones for Financial and Asset Management Businesses in collaboration with relevant government ministries and agencies and aspiring local governments. This policy package compiles the outline of the special zones, target areas, and major initiatives by the national and local governments.

### **2. Purpose and Frameworks of Special Zones for Financial and Asset Management Businesses**

For the development of financial services and the asset management sector, it is important not only to reform the asset management business itself but also to improve the business and living environments in a manner attractive to financial and asset management companies and to cluster them in specific areas. In addition, it is essential to develop an environment easy for financial and asset management companies, which are fund providers, to promote and foster regional industries and companies.

The national government has been endeavoring to improve the business and living environments for promoting Japan as an international financial center of the world, such as through expanding

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<sup>1</sup> [https://www.cas.go.jp/jp/seisaku/atarashii\\_sihonsyugi/bunkakai/sisanunyou\\_torimatome/planen.pdf](https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/bunkakai/sisanunyou_torimatome/planen.pdf)

financial administrative services in English, improving the status of the residence system for highly-skilled financial professionals, and revising and clarifying various taxation systems.<sup>2</sup> Some local governments have also been making positive efforts for promoting and fostering regional growth industries (GX companies, DX companies, startups, etc.), in addition to endeavoring to attract financial and asset management companies from outside.

In the Special Zones for Financial and Asset Management Businesses, initiatives that have been carried out by the national government will be further strengthened and expanded, and cooperative efforts will be made with aspiring local governments to promote relevant initiatives integrally with pioneering regional initiatives from a wide range of perspectives; [i] clustering domestic and foreign financial and asset management companies, [ii] having those financial and asset management companies support the fostering of regional growth industries, and [iii] promoting and fostering growth industries themselves.

Specifically, the national government will implement regulatory reform and operational measures not only for the financial sector but also with regard to the business and living environments and industries targeted for investment. In that process, for matters subject to regulatory reform for which demonstrative measures by limiting target areas are preferable, the system of “National Strategic Special Zone” is to be utilized. Additionally, local governments will carry out voluntary initiatives, such as the development of the business and living environments, taxation and fiscal support, and support for growth industries.<sup>3</sup>

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<sup>2</sup> <https://www.fsa.go.jp/internationalfinancialcenter/en/why-japan/government-incentives/>

<sup>3</sup> Special Zones for Financial and Asset Management Businesses are specific areas where the national and local governments intensively implement regulatory reform and operational measures from the perspective of developing an attractive environment for the financial and asset management businesses. Special Zones for Financial and Asset Management Businesses themselves are conceptual, and do not have particular legal grounds or institutional frameworks.

## II. Target Areas

From January to February 2024, the FSA solicited proposals and requests concerning the Special Zones for Financial and Asset Management Businesses from local governments that sought to be selected as a target area,<sup>4</sup> and has deliberated on the selection of those areas.

### 1. Target Areas

Looking at global financial centers in foreign countries, financial and asset management companies are not necessarily aggregated in cities with metropolitan functions. Rather, there are cases where multiple cities in a single state have developed as global financial centers, while taking advantage of the characteristics of individual areas.

In Japan as well, in consideration of these cases, it would be important to achieve a national position as a robust international financial center, thereby creating an environment equivalent to those in pioneering global financial cities in Europe and Asia, by developing individual areas through friendly competition, leveraging the characteristics of individual areas and by their mutual collaboration.

In response to the FSA's solicitation of proposals and requests concerning the Special Zones for Financial and Asset Management Businesses, characteristic proposals and requests were presented by four areas (below).

The FSA examined submitted proposals and requests from diverse perspectives, such as [i] whether the proposed measures are effective in line with the purpose of the special zones, [ii] whether the local government are collaborating with financial and asset management companies for implementing those measures, [iii] the local governments' commitment to supporting financial and asset management companies and promotion systems, [iv] status and policies regarding the implementation of concrete support measures, and [v] how infrastructures for the business and living environments (offices and schools, etc.) have been developed in relevant areas. As a result of comprehensive consideration, the FSA decided to assign all of the four areas that presented proposals and requests as Special Zones for Financial and Asset Management Businesses.

- ① Hokkaido and Sapporo (joint proposal)
- ② Tokyo
- ③ Osaka Prefecture and Osaka City (joint proposal)
- ④ Fukuoka Prefecture and Fukuoka City (joint proposal)

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<sup>4</sup> <https://www.fsa.go.jp/en/news/2024/20240119.html>

The national government will jointly work with the relevant areas to develop an attractive environment for the financial and asset management businesses, while making the most of the characteristics of individual areas.

## **2. Concept and Promotion Systems of Individual Areas**

Individual areas designated as Special Zones for Financial and Asset Management Businesses presented their concept and envisaged image of a special zone based on their characteristics that is to be achieved through strengthening financial functions by clustering financial and asset management companies and expanding their business operations. They have also developed a system for positively promoting various activities to achieve their goals in collaboration with a broad range of stakeholders in respective areas.

### **(1) Hokkaido and Sapporo – Special Zones for Financial and Asset Management Businesses specialized in GX –**

Hokkaido and Sapporo City will fully utilize the prefecture's potential to produce the largest amount of renewable energy in Japan and Sapporo's attractive feature, i.e., a well-balanced harmony of city functions and nature, and will create an Asian and World Financial Center where funds, human resources, and information concerning GX concentrate. They aim to strengthen financial functions and build a supply chain for the GX industry and create employment opportunities as a renewable energy supply base for the whole nation.

Under the initiative of the Team Sapporo-Hokkaido, a GX-financial consortium consisting of 21 organizations, which was established in June 2023 in collaboration among the industry, the academia, the government, and the financial sector, Hokkaido and Sapporo will promote the vitalization of financial transactions through GX investments.

### **(2) Tokyo – “Innovation and Financial Hub in Asia” for Realizing a Sustainable Society –**

Tokyo aims to contribute to the growth of Japan and Asia as a whole as a gateway to attract global funds, talent, technology, and information. For that purpose, the Tokyo metropolitan government has set up three pillars: "The Leading City for Sustainable Finance"; "The City where global startups are born"; and "The City with the Global Standard for Business in English"

In order to promote these initiatives and achieve a sustainable society, the Tokyo metropolitan government collaborates with the FinCity.Tokyo, the first public-private financial promotion organization in Japan, and diverse public and private players relating to finance and startups, and also with the city of London, the United Kingdom (concluded an agreement on exchange and cooperation).

### **(3) Osaka – Special zone taking on the challenge of achieving a future society –**

Osaka Prefecture and Osaka City aim to create an environment to enable startups and universities, etc. to boldly take on challenges, instead of wasting the opportunity of the EXPO2025 OSAKA, KANSAI, JAPAN merely as a temporary event, with the final aim of achieving a future society where new innovations are created one after another. For that purpose, they will implement regulatory reform to satisfy the global standard and strengthen financial functions by attracting investments from overseas.

These activities will be led by the Global Financial City OSAKA Promotion Committee (participated in by 40 organizations as of February 2024), which was established in March 2021 and is an all-Osaka collaboration of Osaka Prefecture, Osaka City, and related organizations in industry, government, and academia. For the time being, efforts will be intensively made to attract human resources, companies, and funds from Asia and the rest of the world and cluster startups that will be investment targets.

### **(4) Fukuoka – Special Zones for Startups and Financial and Asset Management Businesses**

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By leveraging the characteristics of Fukuoka as a “Gateway to Asia”, Fukuoka Prefecture and Fukuoka City will cluster global financial institutions and their affiliated companies, and highly-skilled financial specialists. While capturing the vitality of Asian countries, they provide growth funds for startups in Fukuoka and Kyushu, as well as for companies in growth industries clustered within the prefecture, thereby strengthening the ecosystem.

These activities will be led by TEAM FUKUOKA (participated in by 25 organizations), which was established in September 2020 in industry-government-academia collaboration with the aim of attracting global financial functions. It has successfully attracted 24 companies from inside and outside Japan (as of the end of April 2024), and will continue its efforts to attract financial institutions and improve the business and living environment, focusing on asset management companies, fintech firms, and operations for BCPs that have a particular affinity for the characteristics of Fukuoka.

## **III. Major Initiatives by the National and Local Governments**

In consideration of the concept presented by the four target areas, details of the proposals made thereby, and their independent initiatives, the following are to be promoted jointly by the national government and the relevant local governments in the Special Zones for Financial and Asset

Management Businesses.<sup>5,6</sup> Through these efforts and the past initiatives, they aim to develop an environment where diverse people, including foreign nationals and workers of domestic and foreign financial and asset management companies, can receive financial services and conduct business and live their everyday lives without difficulty, and to encourage the development of growth industries by strengthening financial functions.

## **1. Clustering of Domestic and Foreign Financial and Asset Management Companies**

### **(1) National government's initiatives**

- Expansion of financial administrative services in English for asset management companies  
[1]

From the perspective of reducing language barriers upon entry into Japanese markets, the "Financial Market Entry Office" is to be established in all of the special zones by around the end of March 2025, on condition that the relevant local governments cooperate (at present, the office is established only in Tokyo). At the office, all procedures for the registration of foreign asset management companies, from pre-application consultation to registration and supervision after registration, are handled in English. [Operational measures only for limited areas]

- Procedures in English for the establishment of a corporation upon entry into Japanese markets  
[2]

In the application necessary for establishment of a company concerning commercial registration and certification of the articles of incorporation, the national government will consider measures to help applicants prepare written applications and documents to be attached, such as articles of incorporation, in English so that procedures can be completed in English, on condition that the relevant local governments cooperate, and will take necessary measures by the end of March 2025. [Regulatory or operational measures only for limited areas]

In the procedures for applying for an application for certificate of eligibility for residence status, if reference materials attached to an application form are prepared in English, their Japanese translations need to be attached. However, in this context, as for some template documents, Japanese translations may be omitted. The national government will clarify this conventional practice, disseminate it broadly to users, and will take necessary measures by the end of March 2025. Additionally, the national government considers means to make it

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<sup>5</sup> Some of the existing initiatives in line with the purport of the special zones are also included.

<sup>6</sup> The National Strategic Special Zone Working Group deliberated on matters to be covered by the regulatory reform, mainly focusing on those relating to the business and living environments and growth industries, including some financial regulations. As a result, the initiatives under this policy package include matters to be dealt with as national measures and matters to be solved through operational improvements rather than through regulations.

possible to complete an application for certificate of eligibility for residence status all in English, on condition that the relevant local governments cooperate to help applicants prepare Japanese translations of reference materials and other attachments. [Regulatory measures only for limited areas]

Regarding procedures for filing notifications concerning health insurance, employees' pension insurance, employment insurance, and labor insurance upon newly establishing a corporation, the national government will take necessary measures at an early stage of the latter half of FY2024 to enable foreign notifiers to prepare and submit notification forms in English at a one-stop start-up support center or other service office established by the relevant local governments. Based on the verification of the status of the utilization of the one-stop start-up support center, etc., the national government will deliberate on effective and efficient methods for completing the above procedures in English, as necessary, including how to secure and develop systems and human resources. [Regulatory measures only for limited areas]

- Creation of a new status of residence for foreign investors who make investments in startups [3]

In order to attract investments from overseas to startups in Japan, the national government will take necessary measures by around the end of March 2025 to create a new category of status of residence for foreign investors (including angel investors) who satisfy the requirements that they invest a certain amount of money in startups in Japan and they carry out activities that will contribute to the creation and development of the ecosystem of startups within the National Strategic Special zones. [Regulatory measures only for limited areas]

- Assistance for foreigners in opening bank accounts [4]

There are cases where foreign nationals have difficulties in opening bank accounts in Japan due to language barriers and the need to submit various documents for screening, and a considerable clerical burden and time are often required. From the perspective of accelerating and facilitating procedures for opening bank accounts, in all of the four areas designated as special zones, financial institutions and the relevant local governments will build support networks for foreign nationals who intend to expand their overseas business in Japan (development of relevant frameworks by banks, such as the deployment of experts, and local governments' close-following support, etc.), on a demonstration basis, by around the end of March 2025 [Operational measures only for limited areas]

- Promotion of outsourcing of middle- and back-office operations of the asset management

## business [5]

From the perspective of improving the capability of asset management companies through competition by promoting new entry, it is important that asset managers can outsource middle- and back- office operations (such as compliance) to a business entity whose quality of services has been appropriately secured, as new entrants often have difficulty in hiring a professional in the middle- and back- office. In order to allow outsourcing, the Act Partially Amending the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations was enacted on May 15th, 2024. [Regulatory measures covering the whole nation]

## **(2) Local governments' initiatives**

### ▪ Development and strengthening of administrative services in English [6]

From the perspective of reducing language barriers upon entry into Japanese markets, the relevant local governments will develop and expand systems and measures for administrative services in English, such as establishing a one-stop service office to provide overseas asset management companies with support required in their business activities and everyday lives all in English. [The four areas designated as special zones]

### ▪ Taxation and fiscal support for financial and asset management companies [7]

From the perspective of supporting domestic and foreign financial and asset management companies intending to newly start business in the target areas, the relevant local governments will offer taxation support, such as reduction or exemption of local tax, and fiscal support, such as subsidies for starting business and opening a business office. [The four areas designated as special zones]

- Hokkaido and Sapporo City will consider relevant measures concerning local tax.
- The Tokyo metropolitan government has provided subsidies to overseas asset management companies for expenses for starting business and opening a business office in Tokyo. From FY2024, it additionally provides subsidies for starting business to investment advisory and agency business operators that intend to independently start the asset management business, with the aim of increasing the number of asset managers.
- Osaka Prefecture and Osaka City provide subsidies for expenses for opening a business office in Osaka, and in November 2023, they started the reduction or exemption of local tax for overseas asset management companies starting business for the first time in Osaka or elsewhere in Japan.



- Fukuoka Prefecture and Fukuoka City provide subsidies to overseas asset management companies and other businesses for expenses related to starting up and/or opening an office in Fukuoka.

- Development of infrastructures for business and living environments [8]

From the perspective of developing favorable business and living environments especially for foreign specialists and workers of foreign financial and asset management companies so that they can work and live their everyday lives without difficulty in Japan, the relevant local government will continuously develop and expand infrastructure facilities, such as international schools. [The four areas designated as special zones]

### **(3) Other initiatives**

- Review of the frequencies for calculation and reporting of investment trust net asset value [9]

At present, daily calculation and reporting of investment trust net asset value is required in principle. From the perspective of reducing asset management companies' administrative burden, the Investment Trusts Association will amend its relevant rules by the end of June to allow asset management companies not to calculate net asset value every day and to require them to report the value to the association only on its calculation day, based on the results of the public consultation carried out from April to May 2024. [Regulatory measures covering the whole nation]

## **2. Financial and Asset Management Companies' Support for Fostering Regional Growth Industries**

### **(1) National government's initiatives**

- Deregulation on banks' investment in GX-related businesses [10]

In order to enable banks to smoothly back up GX-related businesses in individual areas in collaboration with the government and private companies, the national government will deliberate on concrete measures for utilizing the framework of certain advanced banking service companies under the Banking Act (banks are allowed to hold over 5% but no more than 50% voting rights (equity interest) by filing a notification instead of obtaining the authorization), and will take necessary measures by around the end of 2024. [Regulatory measures only for limited areas]

- Deregulation on investment in startups by banking groups' specialized subsidiary companies

[11]

At present, startups in which banking groups' specialized subsidiary companies can make investments are limited to those with a history of less than ten years after incorporation. However, there are startups, such as drug discovery startups and deep tech startups, that require considerable time for commencing business. Accordingly, the national government will take necessary measures by around the end of 2024 for easing the requirements for eligible startups regarding the number of years after incorporation. [Regulatory measures covering the whole nation]

- Development of a favorable environment for public university corporations' investment in startups [12]

With regard to the development of an environment to allow public university corporations to invest in venture capitals and funds, etc. within the same level as national university corporations, the national government will deliberate on measures applicable nationwide, in light of past performance of national university corporations and the needs of public university corporations, and will reach a conclusion by the end of 2024. [Regulatory measures covering the whole nation]

- Review of the upper limit for companies' total issued amounts through investment-type crowd funding [13]

The upper limit for companies' total issued amounts through investment-type crowd funding is less than 100 million yen at present. As the funding demand of startups, etc. has been increasing, the national government will take necessary measures by around the end of 2024 to raise the upper limit to less than 500 million yen on the premise of disclosure of required information. [Regulatory measures covering the whole nation]

- Deregulation on investors' investment in venture funds [14]

The certain investors for venture funds are qualified as investors for “Specially Permitted Businesses for Qualified Institutional Investors, etc.” that enables business operators to solicit investments in funds and manage funds by filing a notification. On the other hand, the amount of contribution by such investors is limited to less than half of the total amount of investment. From the perspective of facilitating fund provisions to startups through venture funds, the national government will deliberate on the exclusion of investors with practical experience of M&A and IPO, etc. from this limitation on the amount of contribution, in light of the influence on protection of investors, and will take necessary measures by around the end of March 2025. [Regulatory measures only for limited areas]

- Creation of a security system covering the whole business (security interest based on corporate value) [15]

In order to ensure that loans do not depend easily on real estate collateral or business owners' guarantee but are based on business feasibility for a broad range of business operators, including startups, that do not have real estate or other tangible assets, the national government submitted the Bill for the Act on Promotion of Loans Based on Business Feasibility during the ordinary session of the Diet in 2024. This Act aims to create a security system covering the whole business, including intellectual properties and intangible assets (security interest based on corporate value). [Regulatory measures covering the whole nation]

- Vitalization of secondary transactions for unlisted securities of startups, etc. [16]

The cashing of unlisted shares is mainly on a negotiation basis and such practice has failed to satisfy both shareholders' needs for cashing and investors' needs for investment. In order to facilitate new entrants in intermediary services for unlisted shares, the Act Partially Amending the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations was enacted during the ordinary session of the Diet in 2024. The Act includes [i] provisions to ease requirements for registration of business operators dedicated to intermediary services for unlisted securities targeting professional investors, and [ii] provisions to ease requirements for new entry into intermediary services for electronic trading of unlisted securities (PTS). [Regulatory measures covering the whole nation]

- Expansion of the business scope for banking groups' specialized subsidiary companies [17]

The business scope for banking groups' specialized subsidiary companies is limited to the provision of loans and consulting services for investees at present. However, from the perspective of fully utilizing know-how accumulated in subsidiaries specialized in investment business, the national government will deliberate on the expansion of the business scope of those subsidiaries, in light of the needs of the relevant business, and will take necessary measures by around the end of 2024. [Regulatory measures covering the whole nation]

- Clarification of the criteria for approving disposition of property [18]

When intending to offer a facility, etc. acquired using national subsidies to a financial institution as security against a loan, approval needs to be obtained from the head of the relevant ministry or agency. However, in order to enable the flexible creation of a security right and smooth fund-raising, the national government amended the Ministry of Internal

Affairs and Communications' criteria for approving the disposition of property in April 2024 in a manner to clarify concrete cases where approval is to be given. This amendment is expected to contribute to smooth fund-raising of GX-related companies, for example. [Regulatory measures covering the whole nation]

- Expansion of the scope of the finance and insurance industry covered by the credit guarantee system [19]

While business types of the finance and insurance industry covered by the credit guarantee system for SMEs are restricted and listed up under relevant laws and regulations, relevant parties will deliberate on means to flexibly include new business types in the coverage of the system by the end of March 2025. [Concrete measures are to be deliberated from now on.]

## **(2) Local governments' initiatives**

- Various support measures to link fund providers and investees [20]

In order to link fund providers, such as financial and asset management companies, and investees, such as promising startups and industries with high growth potential, the relevant local governments will hold business matching events in collaboration with financial institutions, investors, startups, accelerators and other diverse stakeholders. [The four areas designated as special zones]

- Measures for vitalizing local stock exchanges [21]

From the perspective of attracting domestic and foreign companies and funds and facilitating fund-raising of regional industries and companies, measures for vitalizing local stock exchanges will be deliberated in collaboration among the relevant local governments, stock exchanges, companies in the areas, the FSA, and other related parties. [Hokkaido and Sapporo, and Fukuoka]

- Strengthening of promotion activities through participation in overseas financial events and exhibitions, etc. [22]

From the perspective of communicating information on Japanese markets, local attractions, and initiatives in individual areas, the four areas designated as special zones will collaborate with one another as needed and will strengthen their promotion activities targeting overseas financial and asset management companies through participating in overseas financial events and exhibitions. [The four areas designated as special zones]

The Tokyo metropolitan government will increase areas to set up service offices for

attracting foreign companies in order to respond to inquiries from companies in various countries that are interested in Japanese markets or in starting business in Tokyo in their native languages on a real-time basis. [Tokyo]

### **3. Promotion and Fostering of Growth Industries**

#### **(1) National government's initiatives**

- Clarification of local governments' support measures eligible for special point-additions under the Points-Based System for Highly-Skilled Foreign Professionals [23]

From the perspective of promoting the acceptance of highly-skilled foreign professionals in such fields as fintech and GX, the national government will clarify the requirements for local governments' support measures eligible for special point-additions under the Points-Based System for foreign professionals hired by organizations receiving support measures, and will make it clear that some cases without support measures, such as subsidies or preferential taxation, may also be covered by the Points-Based System for Highly-Skilled Foreign Professionals by the end of March 2025. [Regulatory measures covering the whole nation]

- Development of laws and regulations concerning local governments' issuance of security token [24]

The national government will deliberate on the nationwide application of a mechanism to allow local governments to issue security token, in light of the opinions of local governments and market players, and will reach a conclusion by the end of March 2025. [Regulatory measures covering the whole nation]

- Deregulation of restriction on compressed hydrogen storage [25]

With regard to the restriction on compressed hydrogen storage in the restriction under the Building Standards Act, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism will deliberate on safety standards necessary for obtaining special permission, in collaboration with the relevant local governments, with the aim of developing hydrogen storage facilities as a pioneering initiative as stated in the submitted proposals on the special zones. A conclusion will be drawn by the end of March 2025. Based on the conclusion, both Ministries will jointly commence deliberations promptly for establishing safety standards under the High Pressure Gas Safety Act, etc. that should be satisfied for exemption from the application of the restriction on storage, toward social implementation of hydrogen. [Concrete measures are to be deliberated from now on.]

- Utilization of foreign-flag ships and foreign workers for the installation and maintenance of

#### offshore wind power plants [26]

When it is difficult to ensure enough working vessels flying Japanese flag to install/maintain an offshore wind power plant and a related private enterprise requests the national government a special permission, under Article 3 of the Ship Act, to utilize those vessels flying a foreign country's flag in a mission to install/maintain the plants, the national government could collectively issue those permissions for some transportations only after the enterprise makes clear the details of those transportations and the difficulty in completing them with working vessels t flying Japanese flags alone is proven. In order to make it more foreseeable for enterprises to invest the project of offshore wind power plants, the national government will take necessary measures including amendments to related ministerial ordinances about the special permission within the 2024 fiscal year. [Regulatory measures covering the whole nation]

Regarding special vessels for which knowledge of foreign specialists may become necessary, the national government will deliberate on measures, such as how to utilize relevant foreign specialists, as necessary, in light of the estimated duties and roles of the personnel considered to be required for the installation and maintenance of the offshore wind power plants proposed by the relevant local governments. [Concrete measures are to be deliberated from now on.]

- Deliberations on environmental impact assessments concerning wind power generation projects [27]

The national government submitted the Bill for the Act for Partially Amending the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities during the ordinary session of the Diet in 2024. The amended Act incorporates the implementation of surveys on marine environments, etc. by the national government to designate the zones for offshore wind power generation projects in the territorial sea, internal waters, and the exclusive economic zone (EEZ) of Japan. [Regulatory measures covering the whole nation]

With regard to onshore wind power generation projects, the national government will deliberate on a new scheme sorting the projects according to the level of the environmental impacts to require different procedures within the environmental impact assessments. The new scheme will enable efficient and effective environmental impact assessments based on the environmental characteristics of each areas, from the perspective of promoting projects harmonious with local communities, while giving appropriate consideration to the environment. [Regulatory measures covering the whole nation]

- Installation of offshore wind power generation facilities in the EEZ of Japan [28]

The national government submitted the Bill for the Act for Partially Amending the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities, which incorporates establishing a scheme to permit business operators to install offshore wind power generation facilities, etc. in the EEZ of Japan, during the ordinary session of the Diet in 2024. [Regulatory measures covering the whole nation]

## **(2) Local governments' initiatives**

- Taxation and fiscal support for the entry of growth industries and companies [29]

From the perspective of supporting companies in growth industries that are starting business in the target areas, the relevant local governments will offer taxation support, such as reduction or exemption of local tax, and fiscal support, such as subsidies for starting business and opening a business office. [The four areas designated as special zones]

- Support for vitalizing sustainable finance [30]

The Tokyo metropolitan government will provide subsidies for expenses for external evaluations for loans from financial institutions and the issuance of SDGs bonds (green bonds, transition bonds, social bonds, etc.) and will establish a public-private fund, thereby supporting companies' utilization of sustainable finance. [Tokyo]

#### **IV. Future Policies**

Relevant government ministries and agencies will cooperatively implement the initiatives shown in this policy package. For developing business and living environments in a manner attractive to financial and asset management companies, it is important to constantly review the initiatives in light of the changes in financial and economic conditions and business operators' needs. Accordingly, in the Special Zones for Financial and Asset Management Businesses, the FSA will continue reviewing and expanding measures as required, while collaborating with the relevant local governments and government ministries and agencies, not merely facilitating the initiatives shown in this policy package.



(Reference) List of Major Initiatives by the National and Local Governments

- 1 Expansion of financial administrative services in English for asset management companies
- 2 Procedures in English for the establishment of a corporation upon entry into Japanese markets
- 3 Creation of a new status of residence for foreign investors who make investments in startups
- 4 Assistance for foreigners in opening bank accounts
- 5 Promotion of outsourcing of middle- and back-office operations of the asset management business
- 6 Development and strengthening of administrative services in English (\*)
- 7 Taxation and fiscal support for financial and asset management companies (\*)
- 8 Development of infrastructures for business and living environments (\*)
- 9 Review of the frequencies for calculation and reporting of investment trust net asset value
- 10 Deregulation on banks' investment in GX-related businesses
- 11 Deregulation on investment in startups by banking groups' specialized subsidiary companies
- 12 Development of a favorable environment for public university corporations' investment in startups
- 13 Review of the upper limit for companies' total issued amounts through investment-type cloud funding
- 14 Deregulation on investors' investment in venture funds
- 15 Creation of a security system covering the whole business (security interest based on corporate value)
- 16 Vitalization of secondary transactions for unlisted securities of startups, etc.
- 17 Expansion of the business scope for banking groups' specialized subsidiary companies
- 18 Clarification of the criteria for approving disposition of property
- 19 Expansion of the scope of the finance and insurance industry covered by the credit guarantee system
- 20 Various support measures to link fund providers and investees (\*)
- 21 Measures for vitalizing local stock exchanges (\*)
- 22 Strengthening of promotion activities through participation in overseas financial events and exhibitions, etc. (\*)
- 23 Clarification of local governments' support measures eligible for special point-additions under the Points-Based System for Highly-Skilled –foreign Professionals
- 24 Development of laws and regulations concerning local governments' issuance of security token
- 25 Deregulation of restriction on compressed hydrogen storage
- 26 Utilization of foreign-flag ships and foreign workers for the installation and maintenance of offshore wind power plants
- 27 Deliberations on environmental impact assessments concerning wind power generation projects
- 28 Installation of offshore wind power generation facilities in the EEZ of Japan
- 29 Taxation and fiscal support for the entry of growth industries and companies (\*)
- 30 Support for vitalizing sustainable finance (\*)

(Note) Initiatives marked with (\*) are those implemented by local governments.