

Updates regarding publicly available support measures and incentives

Traditionally, it has been a burden for foreign companies considering entering the Japanese market; but now there is an increasing number of support and incentives available in Japan that facilitate their entry into the Japanese market and license acquisition. This report takes a look at the publicly available support incentives provided by the Japanese government and the Tokyo Metropolitan Government (TMG) for foreign companies to enter the Japanese market.

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a. Support by the Japanese Government

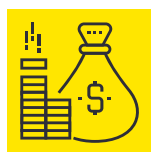
a-1. Financial Start-up Support Program

Purpose:

This program aims to provide foreign nationals and financial businesses with cost support, and one-stop English support that covers from business start-up to daily life aspects

Content:

This program is consigned to Tricor Japan, and Tricor (and its affiliate partners) will provide a selectable range of services.



Corporate Support

- Incorporation
- Financial license application
- Other services required for financial business start-up



Livelihood Support

- VISA applications
- Introducing housing agency
- Introducing schools and hospitals etc.

Source: (JFSA) financial start-up support program application en 20210621.pdf

Process:

- 1) The applicant will settle service provider costs and submit the proof of payments to Tricor Japan
- 2) After all services determined in "Application Procedure", Tricor Japan and JFSA will confirm the full proof of payments amount, and JFSA, through Tricor Japan as the mediator, will rebate the full amount to the applicant.
- 3) Tricor Japan reports to JFSA on the completion of services and the amount required, and JFSA pays the required amount to Tricor Japan.

Costs:

- The listed support will be provided at no cost to the applicant.
- However the maximum services fees of support per company is limited to 20 million yen (approximately ≒USD 180K).
- Applicant may be required to cover the amount exceeding the maximum service fees.

Deadline:

- The program implementation period is until March 31st, 2022.

Eligibility:

- Those applies for certain types of business under the Financial Instruments and Exchange Act, mainly related to Asset Management businesses. (Please visit the link below to confirm detailed eligibility.)

Application:

Fill in the application form found on Tricor Japan website and send the application form to: financialsupport@jp.tricorglobal.com

For further details:

https://www.fsa.go.jp/internationalfinancialcenter/asset/pdf/en/our-support/business/japan_financial_start-up_program.pdf

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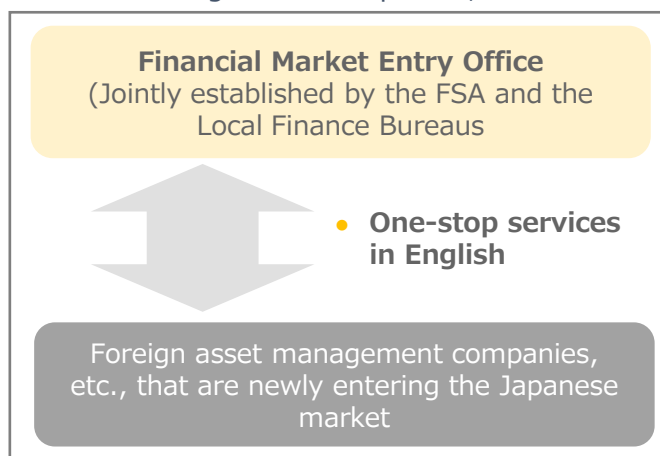
a. Support by the Japanese Government

a-2. English and One-Stop Services for financial licensing and supervision

The registration procedures by foreign companies entering Japan, as well as the procedures with the government after registration, was only available in Japanese, making the application process time-consuming due to language differences.

As a part of the initiatives to strengthen the global financial city, the Financial Service Agency (FSA) and the Local Finance Bureaus established the "Financial Market Entry Office" to provide one-stop services including prior consultation and support for registration procedures targeting foreign asset management companies entering the Japanese market.

This initiative aims to promote the entry of foreign companies into the Japanese market by reducing language barriers. Through the Financial Market Entry Office, a series of procedures, from pre-registration consultation to post-registration supervision, has become available in English, which is expected to speed up the registration by overseas asset management companies, etc.



One-stop services in English is available throughout registration process

Pre-registration support

Provide services both in Japanese and English, including consultation on legal interpretations and business models prior to registration as a Financial Instruments Business operator.

Registration Procedures

Provide support for registration procedures in English if certain conditions are met. The Main target group are persons involved in investment management or investment advisory services in foreign countries

Post-registration supervision

Offer supervision services in English for overseas asset management companies that have completed the registration procedures.

For further details:

<https://www.fsa.go.jp/internationalfinancialcenter/en/>

a-3. Release of Guidebook

The FSA has published the "Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses" to provide information on registration procedures for financial instruments businesses, including investment management businesses, and to reduce the burden on overseas asset managers and other financial businesses when entering Japan.

For further details:

<https://www.fsa.go.jp/internationalfinancialcenter/en/guidebook/index.html>

Sources: Compiled with reference to the following articles.

Financial Services Agency, *The Financial Market Entry Office*, Updated on June. 11, 2021 (<https://www.fsa.go.jp/en/policy/marketentry/index.html>)

Financial Services Agency, *Guidebook for Registration of Investment Management Business and Other Financial Instruments Businesses*, Updated on June. 11, 2021 (<https://www.fsa.go.jp/en/policy/marketentry/guidebook.html>)

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b. Support by the Tokyo Metropolitan Government

b-1. Subsidies for Business Establishment and Operation in Tokyo

Subsidy 1. Project for Temporary Office Allocation for Foreign Financial Companies and Human Resources

Purpose :

Office rent subsidy for temporary stay

Application Requirements:

- Only available for the companies who do not have a registered company or branch office in Japan at the time of the usage application submission date (group companies included).
- Only available for the companies who currently has a company or branch office in Asia, or are considering establishing one in these Asian regions.

Eligible expenses:

- Office Rents: Actual costs for office rent will be exempted for up to 300,000 yen (≒USD 2,800) per month, up to 3 months
- Initial Costs: Actual initial costs will be exempted for up to 200,000 yen (≒USD 1,800) regardless of the contract period

For further details:

<https://www.seisakukikaku.metro.tokyo.lg.jp/en/pgs/gfct/nurturing-players/office-rent.html>

Subsidy 2. Overseas Financial Corporation Business Establishment Subsidy Program

Purpose:

Subsidy for the expenses for consultation with specialists or recruitment and initial cost of office

Application Requirements:

- Only available for the companies who not yet have a registered office in Japan.
- In order to apply for the financial subsidies, disclosure of basic company financial information is required.
- A prior consultation meeting with TMG must be conducted for pre-approval.
- At least one person hired must be covered by employment insurance in order to receive the financial incentives.

Eligible expenses:

- Experts Consultation
- Recruitment
- Office initial costs
 - Covers 1/2 cost up to 7.5 million yen (≒USD 68k, reimbursable, receipt required).
 - Eligible cost will be the cost incurred after conducting prior consultation meeting with the TMG and within the fiscal year (April – March) of the office establishment.

For further details:

<https://www.seisakukikaku.metro.tokyo.lg.jp/en/pgs/gfct/nurturing-players/establishment-subsidy.html>

Subsidy 3. Subsidy to Support Base of Operations of Overseas Financial Corporations

Purpose:

Subsidies for office rent, specialist consulting fees and purchase of equipment

Application Requirements:

- Only available for the companies who established the office in the previous or the second preceding fiscal year (April - March) of the fiscal year when the application for the subsidy is submitted. (e.g. in FY2021, available for the companies established the office in FY2019 and FY2020.)
- A prior consultation meeting must be conducted by the end of November for pre-approval
- At least one person hired must be covered by employment insurance in order to receive the financial incentives

Eligible expenses:

- Office rents
- Experts Consultation
- Purchase costs
 - Covers 1/2 cost up to 10 million yen (≒ USD 91k, reimbursable, receipt required).

For further details:

<https://www.seisakukikaku.metro.tokyo.lg.jp/en/pgs/gfct/nurturing-players/assist.html>

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b. Support by the Tokyo Metropolitan Government

Subsidy 4. Subsidies for Outsourcing of Middle/Back Office Operations

Purpose:

Expenses related to outsourcing middle and back office operations or costs of system license contract with service providers certified by TMG

Application Requirements:

- Only available to Asset Management companies who started their business after 2013 and registered to JFSA after 2018 April.

Eligible expenses:

- Expenses related to outsourcing middle and back office operations or costs of system license contract with service providers certified by TMG (see link for list)
 - Covers 1/2 cost up to 7 million yen (≒ USD 64k, reimbursable, receipt required).

For further details:

<https://www.seisakukikaku.metro.tokyo.lg.jp/en/pgs/gfct/nurturing-players/middle-back.html>

Subsidy 5. Startup Japan Campaign

Purpose:

Discount for Serviced Office Rental

Application Requirements:

- (A document with additional details is available upon request)

Eligible expenses:

- Discount for Serviced Office Rental
 - 10%~50% Maximum discount for designated Serviced Office Rental

For further details:

<https://www.investtokyo.metro.tokyo.lg.jp/en/about/merit.php>

Sources: Created based on the publicized information such as the press release and websites of TMG, including those indicated at "For further details" info (as of May, 26, 2021)

b-2. Financial One-Stop Support Service

Overview:

Provides information, free comprehensive consulting and support such as for completing administrative procedures (e.g. licensing and supervision) in the joint consultation service with the Financial Services Agency.

Details:

- Provides information and gives advice on Japan's financial rules and regulations, and required procedure such as registration and acquisition of financial license.
- Supports the establishment of business (e.g. provides information on the registration of the establishment of an incorporated company etc.).
- Introduces financial experts (such as lawyers, accountants and tax accountants, administrative scriveners, and judicial scriveners, etc.) and consultation desks, if it is needed.

For further details:

https://www.startup-support.metro.tokyo.lg.jp/for_foreign/financial_support/en/

b-3. Release of Guidebook

Tokyo Metropolitan Government compiled the English guidebook with the cooperation of the Financial Services Agency in order to support foreign Asset Managers to enter the Japanese market.

Renewed in 2021, the guidebook introduces the attractiveness of Tokyo as a financial market and support measures for asset management companies and FinTech companies, as well as gives easy-to-understand explanations of Japanese financial laws and regulations, business registration procedures, etc.

For further details:

<https://www.seisakukikaku.metro.tokyo.lg.jp/en/pgs/gfct/business-and-living/guidebook.html>