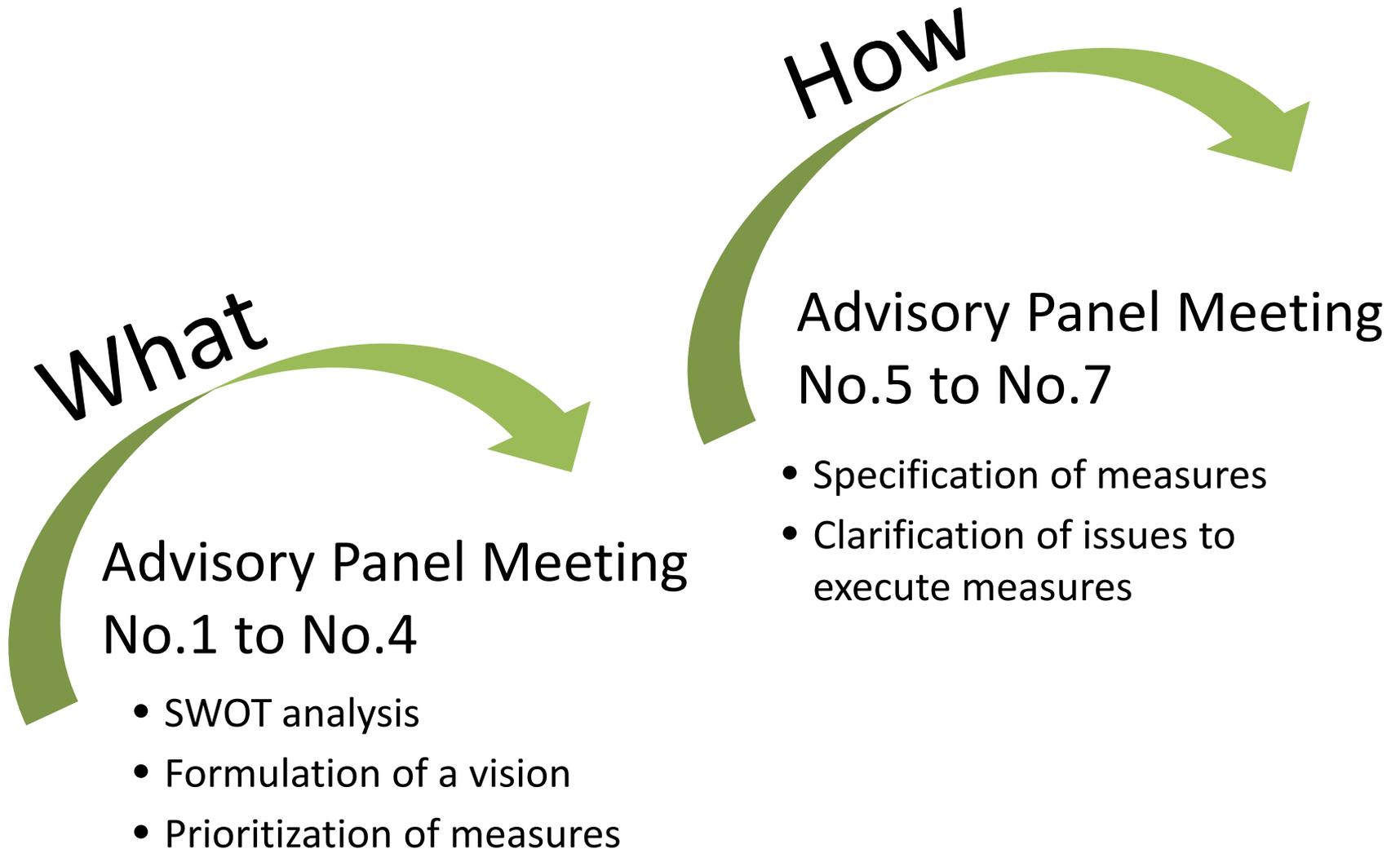


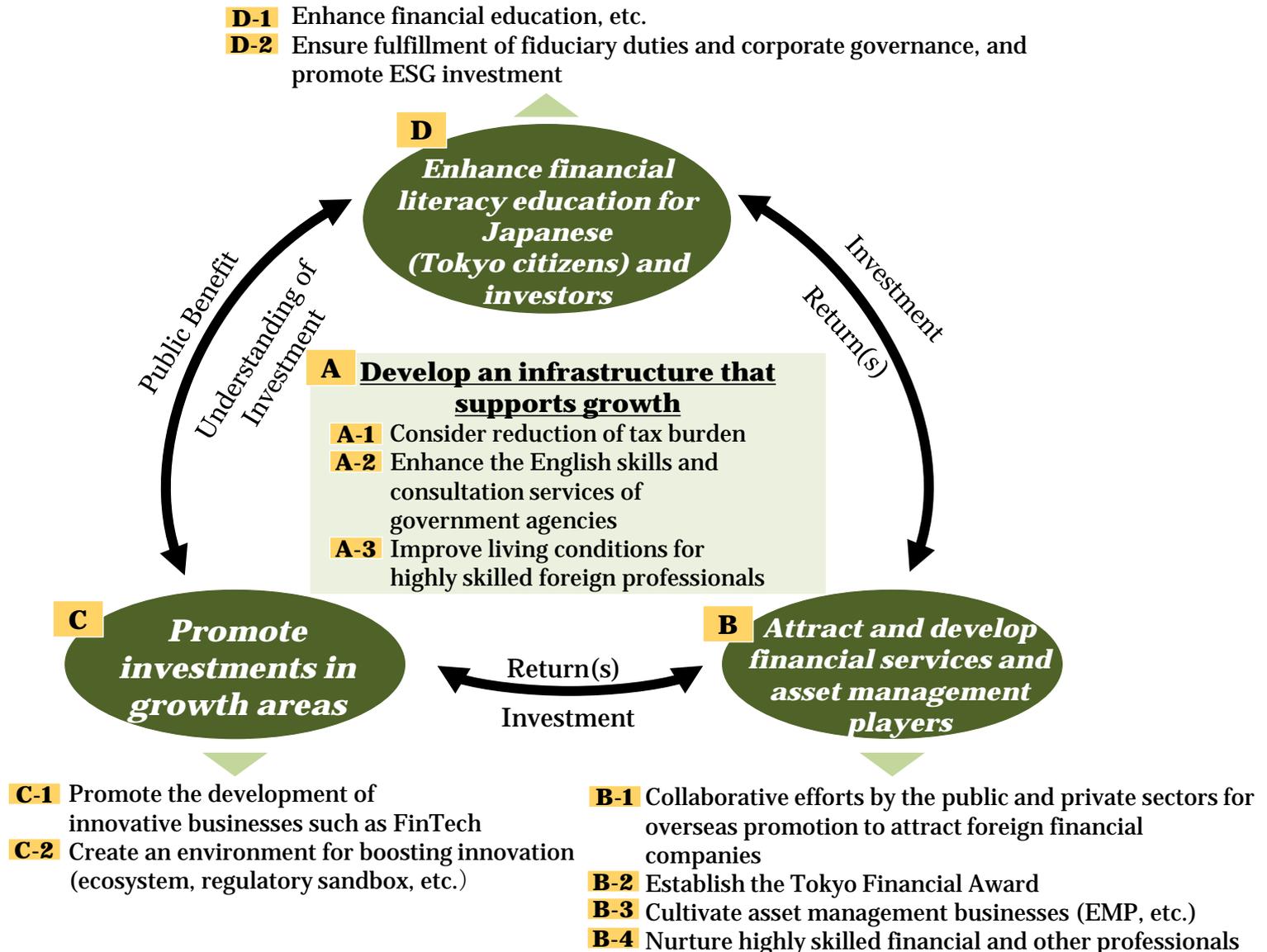
# Advisory Panel Final for Global Financial City Tokyo Outline of the Final Review (Draft)

October 13, 2017

# Advisory Panel's approach



# Overview of measures proposed by the Advisory Panel



# Leadership and execution of measures proposed by the Advisory Panel

Classification	Proposed Measures	Party(ies) to be Involved	
		Lead Party(ies)	Organization in Collaboration with Lead Party(ies)
<b>A</b> Develop an infrastructure that supports growth	A-1) Consider reduction of tax burden	TMG • National government	—
	A-2) Enhance the English skills and consultation services of government agencies	TMG • National government	—
	A-3) Improve living conditions for highly skilled foreign professionals	TMG • Private Sector	National government
<b>B</b> Attract and develop financial services and asset management players	B-1) Collaborative efforts by the public and private sectors for overseas promotion to attract foreign financial companies	TMG • Private Sector	National government
	B-2) Establish the Tokyo Financial Award	TMG	Private Sector
	B-3) Cultivate asset management businesses (EMP, etc.)	TMG • Private Sector	National government
	B-4) Nurture highly skilled financial and other professionals	TMG	National government • Private Sector
<b>C</b> Promote investments in growth areas	C-1) Promote the development of innovative businesses such as FinTech	TMG • Private Sector	—
	C-2) Create an environment for boosting innovation (ecosystem, regulatory sandbox, etc.)	TMG • National government	Private Sector
<b>D</b> Enhance financial literacy education for Japanese (Tokyo citizens) and Investors	D-1) Enhance financial education, etc.	National government	TMG • Private Sector
	D-2) Ensure fulfillment of fiduciary duties and corporate governance, and promote ESG investment	National government	TMG • Private Sector

# Summary of panel members' discussion on measures (1/3)

Classification	Proposed measures	Advisory panel members' views
<b>A</b> Develop an infrastructure that supports growth	A-1) Consider reduction of tax burden	<ul style="list-style-type: none"><li>• As for corporation taxes, since Tokyo's effective corporation tax rates are high compared to many other nations, the TMG needs to make an extraordinary effort while coordinating with the national government.</li><li>• Also, Japan's inheritance tax rules should be reviewed, since there are issues to be considered when it comes to foreign direct investment to Japan and long term foreign residents in Japan.</li><li>• However, tax fairness needs to be considered in case that tax reforms are to be focused on financial services.</li></ul>
	A-2) Enhance the English skills and consultation services of government agencies	<ul style="list-style-type: none"><li>• For Tokyo to develop as a global financial city, it is important to enhance English services for administrative procedures.</li><li>• Furthermore, it is necessary to cope with concerns that foreign firms have against transparency of Japan's financial administration.</li></ul>
	A-3) Improve living conditions for highly skilled foreign professionals	<ul style="list-style-type: none"><li>• In order for highly skilled foreign professionals to comfortably work in Japan, it is important to take various measures; improve child-rearing environment including development of international schools, promote measures that facilitate hiring foreign housekeepers, improve health care services provided in foreign languages, accept LGBT talent, and introduce indoor non-smoking policies.</li></ul>

# Summary of panel members' discussion on measures (2/3)

Classification	Proposed measures	Advisory panel members' views
<b>B</b> Attract and develop financial services and asset management players	B-1) Collaborative efforts by the public and private sectors for overseas promotion to attract foreign financial companies	<ul style="list-style-type: none"> <li>• Similar to London, Tokyo needs to create a dedicated overseas promotional body to attract foreign financial companies, etc. via strong coordination between the public and private sectors.</li> <li>• Function, structure and other related matters on overseas promotional body need to be discussed in detail.</li> </ul>
	B-2) Establish the Tokyo Financial Award	<ul style="list-style-type: none"> <li>• It is expected that awards for both domestic and foreign companies that work on resolving Tokyo's issues and/or ESG area shall be established so that Tokyo will gain more attentions from abroad.</li> </ul>
	B-3) Cultivate asset management businesses (EMP, etc.)	<ul style="list-style-type: none"> <li>• Large-scale asset owners abroad such as public pension funds have been introducing Emerging Manager Programs (EMP) as a way to advance portfolio management. In order to nurture asset managers in Japan, similar measures should be taken and begin planning in details.</li> <li>• In addition, opportunities for matchup between asset managers and institutional investors need to be created and support system for middle and back office operations needs to be enhanced.</li> </ul>
	B-4) Nurture highly skilled financial and other professionals	<ul style="list-style-type: none"> <li>• As bilingual asset management professionals are scarce in Japan, to improve the skills of those professionals in asset management companies, it is necessary to enhance educational platform that links asset management business theory with practices by utilizing the Tokyo Metropolitan University's program.</li> </ul>

# Summary of panel members' discussion on measures (3/3)

Classification	Proposed measures	Advisory panel members' views
<b>C</b> Promote investments in growth areas	C-1) Promote the development of innovative businesses such as FinTech	<ul style="list-style-type: none"> <li>To develop and promote innovative business such as Fintech, measures to create opportunities for matchups and provide incentives to start-ups are necessary.</li> </ul>
	C-2) Create an environment for boosting innovation (ecosystem, regulatory sandbox, etc.)	<ul style="list-style-type: none"> <li>To boost innovation in Tokyo, measures such as forming a FinTech ecosystem that clusters venture businesses, venture capitals, as well as research centers, etc. and developing a regulatory sandbox are necessary and similar measures have been employed overseas.</li> </ul>
<b>D</b> Enhance financial literacy education for Japanese (Tokyo citizens) and Investors	D-1) Enhance financial education, etc.	<ul style="list-style-type: none"> <li>In order to enhance Tokyo's financial market and revitalize the financial industry, it is necessary to enhance financial literacy of Japanese by providing financial education for students and others.</li> <li>To attract foreign highly skilled talent to Tokyo, it is also necessary to consider measures for foreign students studying abroad in Japan.</li> </ul>
	D-2) Ensure fulfillment of fiduciary duties and corporate governance, and promote ESG investment	<ul style="list-style-type: none"> <li>It is critical to ensure fulfillment of the corporate governance and stewardship code.</li> <li>Furthermore, Tokyo could differentiate itself from other global financial cities by taking leadership in ESG investment initiatives including green finance.</li> </ul>

# Proposals for future course of action

- ① Looking back on the fact that many efforts conducted in the past to revitalize finances have not resulted in success, no matter how small the achievement may be, it is important to speedily take action, show results and steadily build upon them (“grow larger at birth small”).
- ② There still are issues that require further consideration although the importance was recognized in the Advisory Panel meeting. These issues should be identified and keep working on to clarify the next specific actions.
- ③ To realize Global Financial City Tokyo, close coordination among the TMG, national government and the private sector is essential. These initiatives shall not be one-time events but need to be ongoing initiatives over the mid to long term. The goal is not to announce the Policy Report for “Global Financial City Tokyo”, but, under the joint efforts of public and private sectors, promote the initiatives described in the Policy Report and discuss any remaining issues.

Actions supported by both the public and private sectors are desirable.  
Advisory panel members will continue to cooperate.

