Information on Local Tax Credit Scheme for Overseas Financial Corporations

大阪府 Osaka Prefectural Government　City of Osaka 大阪市

Incentives to **reduce corporate inhabitant tax and corporate enterprise tax for up to 10 years** available to companies locating in Osaka City by FY 2027

Overview

Taxes eligible for tax credit	Osaka Prefecture	Corporate inhabitant tax (per capita levy/corporation levy), corporate tax
	Osaka City	Corporate inhabitant tax (per capita levy/corporation levy)
Effective tax credit rate	Tax credit calculated based on the proportion of the corporation's business activities engaged in "eligible business activities" below (100% at maximum)	
Eligible business activities	Asset Management	• Type I Financial Instruments Business (e.g., securities companies) • Type II Financial Instruments Business (e.g., crowdfunding businesses) ➢ Specially permitted business for qualified institutional investors, etc., and offering of investment securities, etc. issued by investment corporations are considered eligible for the purposes of this scheme • Investment Advisory and Agency Business (e.g., investment advisers) • Investment Management Business (e.g., asset management, venture capital)
	FinTech	• Businesses leveraging information technology to provide innovative financial services
Eligible corporations	• Corporations which establish and maintain a legal entity/branch office in Osaka City on or after 1 November 2023 and are considered: ➢ Overseas corporations (excluding those that have previously established a legal entity/branch office in Japan) ➢ Domestic corporations (corporations incorporated on or after November 1, 2023, which meet any of the criteria (1), (2) or (3)) (1) Corporations in which all voting rights are directly held by foreign investors (e.g., companies wholly owned by foreign corporations) (2) Corporations (excluding those in (1)) whose capital contributions consist solely of those made by foreign investors, or whose constituents are all foreign investors (3) Corporations of which 100% of the officers, etc. are foreign investors • The establishment status of the legal entity/branch office is confirmed by a certificate of registered information, etc. • Corporations acquiring the relevant license (financial instruments business, etc.) if needed to engage in the business activities	
Tax Credit Validity (term)	Up to 10 years (subject to renewal of the business plan every two years)	
Business plan certification	Certification of a business plan prepared by the business operator will be subject to review and approval by Osaka Prefecture and Osaka City	

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