

Outline of the System of Special Zone for Reconstruction

Features of the System

- A variety of incentives are provided such as tax breaks, funding for development projects and financing as well as deregulation and simplified procedure in the Special Zone for Reconstruction
- Mechanism to support local governments' reconstruction efforts in an integrated manner

Special Measures

Reduced Regulations and Procedures

(Housing)

- Reduced requirements to be eligible for public housings

(Industry)

- Special permits for development of facilities for food/forestry/fishery processing and sales, and plants related to biomass energy
- Relaxed requirements for licensing to facilitate business for manufacturing/sales of medical equipment and so forth
- Special permits for development in exclusive zones

Land Use Restructuring

- Special arrangements for land use restructuring beyond existing land use frameworks (urban area, farming area, forests, etc.)
- Relaxed requirements on the rate of floor area for buildings to be constructed as a shelter from tsunami

Tax breaks

- Taxation to promote investment, employment and research and development for increased industrial clusters in the regions disrupted by the quake
- Compensation for consequential decreased tax revenue of local governments
- Taxation to promote investment on high quality housings for lease
- Income tax credit for investments to corporations contributing to recovery in the damaged regions

Grants for reconstruction projects

- Funding in entirety for projects for reconstruction conducted by municipalities in the afflicted area
- Interest rate compensation for loan lenders in the Special Zone for Reconstruction

Special measures to be added to the aforementioned arrangements through consultations between the Central and Local Governments

Framework of the System of Special Zone for Reconstruction

Local Governments in the areas disrupted by the disaster eligible to formulate and submit Plans for Special Zone for Reconstruction in pursuit of the following incentives;

- special measures for regulations, simplified procedures and tax breaks
- special measures for land use restructuring
- funding in entirety for local governments (Grants)

Proposals from the private sector

Consultation between the Central and Local Governments

- 1) Deregulation and simplified procedures
- 2) Tax breaks
- 3) Grants for reconstruction projects conducted by local governments

Examples of reconstruction plan and projects in the regions disrupted by the earthquake

Community-building through land use restructuring intended for secured housing and employment

Integrated measures for development of residential areas through relocation of those areas and farming areas, transfer of residential zones to higher ground, restoration of agriculture /forestry/fishery projects, etc.

Regional development by introduction of renewable energy

Promotion of mega-solar, wind-power system, industrial clusters related to wind-power, small-scale hydraulic power, effective use of wooden debris, "smart-community", etc.

Development of medical industrial clusters

Development of centers for medical and pharmaceutical industry, establishment of core research centers of medical, pharmaceutical, clinical sectors, swift process in clinical licensing, development of advanced medical institutions