

# Outline of the System of Special Zone for Reconstruction

## Features of the System

- Special arrangements for deregulation and reduced procedures as well as support in terms of tax, budget and finance in the Special Zone for Reconstruction
- Mechanism to support local governments' reconstruction efforts in an integrated manner

## Special Measures and Arrangements

### Regulations and Procedures

(Housing)

- Reduced conditions to apply for public housings

(Industry)

- Special arrangements for development of facilities in private sectors regarding food/forestry/fishery processing and selling facilities, biomass energy plants
- Special arrangements regarding fishery rights concession
- Relaxed requirements to promote entry of medical equipment sales, etc.
- Simplified consultation process involving ministries relevant to small hydraulic power stations

### Land Use Restructuring

- Special arrangements for land use restructuring beyond existing land use frameworks (urban area, farm area, forests, etc.)
- Deregulations on scope of land use objectives
- Relaxed regulation of floor area ratio for buildings construction aimed at evacuation from tsunami

### Tax Incentive System

- Introduction of tax system to promote investment, employment and research and development aimed at concentrated industries in disaster-afflicted regions
- Compensation for decrease in revenue of local governments as a consequence of reduced local taxes
- Tax system to promote investment on quality housings for lease
- Deduction of income tax for investments to companies contributing to the regional recovery

### Finance

- Grants to municipalities in the afflicted area for reconstruction
- Support to supplement interest of various financing in the Special Zone

Special arrangements 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 located in “disaster afflicted zone” eligible to formulate and submit Plans for Special Zone for Reconstruction for the following incentives;

- special arrangements for deregulation, reduced procedures, tax measures
- special measures regarding land use restructuring
- grants for local governments

Propositions from the private sector and civil society

Consultation between the Central and Local Governments

- 1) Special measures regarding regulation and procedures
- 2) Assistance measures such as reduced taxation
- 3) “Grants for Reconstruction in response to the Great East Japan Earthquake”(subsidy for affected local governments)

## Examples of reconstruction plan and projects in the disaster-afflicted regions

### Town-building for secured housing and employment by land use restructuring

Integrated measures for exchanges and development of residential area and farming area, transfer of residential zones to higher level of ground, restoration of agriculture /forestry/fishery, and other projects

### Regional development by promoting the introduction of renewable energy

Promotion of mega-solar, wind-power system, concentrated industries related to wind-power, small scale hydraulic power, effective use of wood debris, “smart-community” and other projects

### Development of medical industry base

Development of center of medical and pharmaceutical industry, establishment of research centers and promotion in the fields of medical, pharmaceutical and clinical research, development of advanced medical institutions