

Panel looks to ease way for cross-border M&A moves

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A government panel tasked with spurring foreign direct investment in Japan decided Wednesday to set up a working group to craft measures to improve the tax environment for cross-border mergers and acquisitions, panel members said.

The decision was made after representatives from the European Business Community in Japan and the American Chamber of Commerce in Japan told a panel meeting that Japan's corporate tax system makes it difficult for foreign companies to launch M&A maneuvers against Japanese companies.

"The M&A is the single largest component of FDI into

Japan, and tax rules should not discriminate against foreign investors," EBC Chairman Richard Collasse told the Expert Committee Meeting of the Japan Investment Council.

The council is chaired by Haruo Shimada, who serves as special adviser to the Cabinet Office and as an economics professor at Keio University.

Officials of the finance and justice ministries, along with overseas experts, are expected to take part in the proposed working group, the panel members said. EBC Policy Director Casey Sedgman said the EBC and the ACCJ are specifically focusing on Japan's corporate tax law.