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The Doubling of Asset-based Incomes Plan Expected to Make Significant Progress in Household Asset Formation

The focus toward the end of the year will be on the amount of NISA's annual and cumulative tax exemption limit.

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Summary

- On November 28, 2022, the Council of New Form of Capitalism Realization, established in the Cabinet Secretariat, decided on the Doubling of Asset-based Incomes Plan. The plan's immediate goal was to double the total number of NISA (Nippon Individual Savings Account) accounts and the cumulative purchase amount in NISA in five years.
- In order to realize its goals, the plan aims to significantly expand and make NISA permanent and to promote the "seven-pillar" initiatives together with policies to enable inexperienced investors to make investments. Making NISA permanent and indefinite holding periods for tax exemption, which are listed as the first pillar, are almost certain, and major progress is being made toward the widespread use of securities investment. It should be noted that detailed system designs, such as the amount of NISA annual and cumulative tax-exempt quotas and whether concomitant use of the Tsumitate NISA (Dollar-Cost Averaging NISA) and ordinary NISA is permitted, are expected to be concluded by the end of the year.
- Permanent and indefinite holding periods make NISA simple and understandable. In addition to this, it will be important to make it possible for inexperienced investors to make investments, in conjunction with the plan's framework for providing neutral advice to consumers, strengthening asset formation for employers, enhancing financial and economic education, and ensuring customer-oriented business operations.

Attention

This report is a summary translation. The official document is only in Japanese.