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Guide to Starting Representative Office Registration in Japan

Summary

The Japan Representative Office is set up as a base for the purposes of conducts market surveys, collect information, purchase goods, and implement publicity/advertising efforts. If foreign companies would like to set a base in Japan, they could choose to set up a Japan Representative Office. However, the Japan Representative Office is not an independent legal person and does not consider as a legal person, therefore, the representative office is not permitted to engage in sales activities.

Besides, the establishment of the representative office does not require to register at the Japan Legal Affairs Bureau, the registration procedure is simple. However, the bank account and the leasing of an office could not use the name of the company, therefore, the representative of the foreign company or the Japan representative office will act as an agent and become the party of these contracts.

Our guide had specified the information, documents, and materials required for the foreign companies to register a Japan Representative Office.

1. Procedure to set up a Japan Representative Office

(1) Elect of the representative of Japan representative office

The representative of the Japan Representative Office could be the Japanese or the foreigner. If the representative of the Japan Representative Office is a foreigner, they should fulfill the requirement of the “Visa of Intra-company Transferee” or the “Business Management Visa” in order to apply for a residency card.

The specific requirement for the application of Visa of Intra-company Transferee or the Business Management Visa, please refer to the website of the Ministry of Justice in Japan or please contact Kaizen for further inquiry.

(2) Decides the location of Japan representative office

The Japan representative office set up is to conducts market surveys, collect information, purchase goods, and implement publicity/advertising efforts on behalf of the parent company. Therefore, many foreign companies will lease an office as the base of the Japan representative office. However, the Japan representative office does not need to register at the Legal Affairs Bureau, so they could not sign the lease agreement with the name of the company. Under this circumstance, the lease agreement could only sign by the name of the representative.

(3) Open a bank account with the name of representative

Since the Japan Representative Office do not consider as a legal person, therefore the bank account opening could only use the name of the representative. However, some of the banks could allow the bank account name to add the name of the Japan representative office. For example, the bank account name will be the “Name of Representative Office & Name of Representative”. The bank account name with the name of the company will have higher credit compare to a bank account name with only the name of the representative. There are different requirements of different banks, and there are companies fail to open the bank account after added the company name, therefore, the client shall have prior confirmation.

In order to open a bank account with the name of the representative, the following documents shall be prepared.

- (a) Passport of the representative
- (b) Residency Card of the representative (If the representative is a foreigner)
- (c) The lease agreement of the representative office
- (d) The detailed information of the parent company and the Japan representative office
- (e) The company stamp and the bank stamp of the parent company

The different banks will require different documents. Therefore, prior confirmation is required.

2. Information about accounting, taxation, human resources, insurance

(1) About Accounting and Taxation

The Japan representative office could not engage in the sales activities, so they are not counted as the taxpayer. The representative office does not need to handle the Notification of establishment at the tax authority and does not need to prepare the statement of accounts. Since the profit and loss of the representative office and parent company will consolidate, therefore the accounting period of the representative office and parent company usually will be the same.

(2) About Human Resources and Insurance

The Japan representative office could hire employees. When they hire employees, they shall handle the procedure of insurance such as social insurance, labor insurance, and employment insurance. If the company will need to handle withholding tax for the employee, and the Notification of the establishment of an office paying salaries will require to submit to the local tax authority. The specific situation could consult the taxation department or consultants.

If necessary, Kaizen could provide the consultation service for the establishment of the Japan Representative Office, the service for the application of Intra-company Transferee Visa or Business Management Visa, and other related services.

Kaizen had the industry experience for about 17 years, Kaizen is a team which provides the services of company formation and registration and has the qualification of CPA in Japan, China, Hong Kong, Singapore, United States, Australia, United Kingdom, etc. or the elite team experts compared to the CPA. Kaizen will do the best to provide professional and high quality services to the client. Please contact us for further consultation.

Reference:

1. Japan Representative Office Registration Procedures and Fees

<https://www.kaizencpa.com/cht/Services/info/id/365.html>

2. Guide to Starting Representative Office Registration in Japan

<https://www.kaizencpa.com/cht/Knowledge/info/id/613.html>

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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