

Shenzhen, China

Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China

Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China

Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan

Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore

138 Cecil Street
#13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

New York, USA

202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

Guide to Starting Shitenn (Branch) in Japan

Unless otherwise indicated, the Japan Shitenn stated in this guide refers to a branch formed and incorporated in Japan in accordance with the Japan Companies Act. The foreign company refers to the company that incorporated a foreign country, and it is a profit seeking company.

Summary

If the foreign company would like to set up a base in Japan in order to continue their business activities, they could choose to establish a Japan Shitenn (Japan Branch). Japan Shitenn is not an independent legal person and Japan Shitenn existing under and belongs to a foreign headquarter. However, the Japan Shitenn could open the bank account and sign a lease agreement by the name of the Japan Shitenn.

The Japan non-resident could not register a Japan Shitenn, the representative of Japan Shitenn must have a residential address in Japan. Therefore, if the representative of Japan Shitenn is a foreigner, the representative should have the legal status of residence in Japan.

For the incorporation of the Japan Shitenn, the investor needs to provide the Articles of Associations, registration documents (Such as business license, etc.) of the headquarter, the headquarters' documents shall be notarized at the registered place of the headquarter and it may require to translate into the Japanese language based on the actual situation.

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

1. Documents and materials required to prepare by Foreign Headquarter

(1) Elect the representative of Japan Shiten

The representative of the Japan Shiten could be the Japanese or the foreigner. However, according to the Japan Companies Act, the representative of the Japan Shiten must have a residential address in Japan. Therefore, if the representative of Japan Shiten is a foreigner, the representative should have the legal status of residence in Japan.

(2) Decide the location of the Japan Shiten

The registration of Japan Shiten will require a Japan address as the registered address. The virtual office address or the physical address could use for the company registration. However, for the registration of the company, if the company is using a virtual office address, it is a low possibility to open a corporate bank account. Therefore, the client shall discuss with the consultant to decide whether to rent a virtual office address or a physical office before the registration of the Japan Shiten.

(3) Resolution of the Headquarter to set up a Japan Shiten

It is a big investment for the foreign headquarter to set up a Japan Shiten, therefore, the board of directors of the foreign headquarters shall prepare a resolution regarding the establishment of the Japan Shiten.

(4) Certification of the Documents of the Japan Shiten

For the incorporation of the Japan Shiten, the foreign headquarter will need to provide the registration documents (such as business license, etc.) and the Articles of Associations of the foreign headquarter, the documents shall notarize at the notary office that the headquarter registered place. According to the registration requirements, some of the documents may require translating into the Japanese Language.

(5) The Identification Documents of the Japan Shiten

The representative of the Japan Shiten will need to provide their passport copy and the personal seal certificate. If the representative of the Japan Shiten is a foreigner stay in Japan, they shall provide a passport copy and the signing certificate which equivalent to the personal seal certificate. The signature certificate shall notarize at the notary office of the foreigner's location.

2. Procedure for the Registration of Japan Shiten

- (1) Preliminary check of company name and confirmation of the business scope
- (2) Preparation and certification of the affidavit of the foreign headquarter and the Japan Shiten
(The affidavit of the headquarter shall notarize at the notary office that the headquarter registered)
- (3) Preparation of the Letter of Appointment Acceptance for the representative
- (4) Preparation of the registration form and submit the registration of Shiten at the Legal Affairs Bureau
- (5) Obtaining a copy of registration form and a seal certificate
- (6) Submit the filing notice to the city government, National Tax Agency and local tax authority
- (7) Opening a bank account with the name of Japan Shiten

After the procedures are all completed, the Japan Shiten could start to operate.

3. Procedure to handle the Taxation, Social Insurances, Visas for the Japan Shiten

- (1) Taxation

Japan Shiten belongs to a part of the foreign headquarter, it will operate business activities according to the working capital of the headquarter, therefore, the expenses in Japan shall burden by the foreign headquarter. The Japan Shiten shall prepare a separate financial statement and consolidate with the foreign headquarter. The Japan Shiten could not decide the accounting period, the accounting period of the Japan Shiten will same as the foreign headquarter.

- (2) Social Insurance

Although the Japan Shiten belongs to a part of the foreign headquarter, but the Japan Shiten still a company setting up in Japan, so the Japan Shiten has the obligation to join the social insurance.

- (3) Visa

The Japan Shiten is considered one of the business offices of the foreign headquarter, therefore the visa applied for the representative or the employees, usually regarded as an Intra-company Transferee Visa. Basically, the representative or employees of the Japan Shiten could also apply for the Business Management Visa based on the specific situation. The result of the visa application is depending on the judgment of the Immigration Services Agency of Japan. The client is recommended to consult an expert in advance.

A series of the procedures is required from the registration of Japan Shiten to the accounting service and the tax declaration, it is complicated for the client who first entering Japan. If necessary, Kaizen could provide a one stop service, from the registration of Kabushiki Kaisha, application of Intra-company Transferee Visa, accounting, and bookkeeping service until tax declaration 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. Guide to Starting a Kabushiki Kaisha in Japan
<https://www.kaizencpa.com/cht/Knowledge/info/id/610.html>
2. Guide to Starting a Goudou Kaisha in Japan
<https://www.kaizencpa.com/chs/Knowledge/info/id/612.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:

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

Mobile: +852 5616 4140, +86 152 1943 4614

WhatsApp/ Line/ Wechat: +852 5616 4140

Skype: kaizencpa