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Guidelines on Application for Business License of Japan Hotel Industry

The Basic Plan for Promoting National Development through Tourism, adopted by Japan in 2017, classifies tourism as an important policy pillar of Japan in the 21st century and promotes the development of tourism in Japan. In addition, because of novel coronavirus epidemic postponed to 2021 Tokyo Olympic Games, 2025 Osaka world exposition will attract a large number of foreign tourists to visit Japan, for the Japanese tourism industry to bring huge market. But in terms of the number of hotels, Tokyo, Osaka and other metropolitan hotels hotel occupancy rate is as high as 80% all the year round, tourism housing resources are extremely scarce. In response to the above situation, the Japanese government has adjusted the "Hotel Industry Law".

In this guide, based on the "Hotel Industry Law", Kaiyuan summarizes and summarizes the application process and required materials for the business license of the hotel industry in Japan, and provides them to the existing and potential customers of Kaiyuan for reference. We can provide assistance in renting houses in Japan. If necessary, please contact our professional consultants.

I. Definition of the hotel industry

According to article 2 of the hotel industry law of Japan, the hotel industry refers to the business of charging others for accommodation and making them stay. In Japan, the operation of the hotel industry must apply for the corresponding business license, otherwise it will be regarded as illegal operation, illegal operators will be sentenced to less than 6 months in prison or a fine of less than 1 million yen. In addition, the Hospitality Act does not apply to accommodations in special facilities such as prisons, schools, hospitals and nursing homes. The following four criteria should be followed to determine whether the business is a hotel business:

1. Do you charge for accommodation

The operator of the hotel must have a certain unit of time to charge for accommodation (Japanese for "lodging material") behavior. "Accommodation fee" does not limit the name of the fee, the operator charges the name of rest fee, bedding rental fee, bedding cleaning fee, water and electricity fee, indoor cleaning fee and other fees are identified as "charge accommodation fee" (the name does not include the meal fee, television and other media audiovisual fee).

2. Whether it's social

Sociality ("sociality" in Japanese) refers to the nature of behavior that goes beyond the scope of one's personal life. The hotel industry should be social in operation, such as providing accommodation services to non-specific people,

recruiting accommodation through advertising, etc., if the operator only provides accommodation services to their daily life communication, such as relatives and friends, it is not identified as social. However, in the business operation process of providing accommodation services to relatives and friends, if there are behaviors such as recruitment of lodgers through advertising or persistent repetition, it is considered to be social.

3, Whether it has repeated persistence

The Hotel Industry Law has a relatively ambiguous definition of repeated persistence ("repeatedly in Japanese"). According to examples from the authorities, it refers to the behavior of continuing recruitment of hostels for businesses, even if the business is limited to operation in specific weeks, seasons or within working days. If the local government requires the operator to provide accommodation with high public value due to the shortage of local accommodation facilities due to the establishment of an annual event (the event date is limited to 1~2 days) in a given year, the business will not be regarded as repeated and continuous, that is, it will not belong to the hotel industry.

4, Whether the domicile is the living place of the lodgers

The hotelier shall not normally provide accommodations to the guest for more than one month, and in the event of such a period, the accommodations shall be deemed to be the living place of the users of the facilities ("living of this locality" in Japanese). If the facility is recognized as the living place of the resident, it is not part of the hotel industry. If the occupant has used the facility for more than one month, but the equipment and furniture in the facility are provided by the facility provider, and the responsibility for cleaning, management and safety is assumed by the facility provider, the facility will not be regarded as the living place of the occupant.

II. Hotel industry classification

According to the "Hotel Industry Law" of Japan, the hotel industry is divided into the following three categories according to the scale of accommodation facilities:

1. Hotel industry ("Hotel・ホテル" in Japanese) : building accommodation facilities, collecting fees from others and making them stay, except for simple lodgings and lodging;
2. Simple lodgings business ("simple lodgings business" in Japanese) : the business of constructing structures and equipment mainly for the accommodation of many people, collecting lodgings fees from others and making them lodgings, except for lodgings;
3. PFI ("PFI" in Japanese) : a business that builds lodgings for over one month, collects lodgings fees from others and makes them lodgings. (Similar to "boarding" in Chinese)

III. Hotel business license application requirements

Hotel industry business license application requirements to the "hotel industry law" and the level of administrative government formulated "hotel industry law implementation regulations" shall prevail, hotel industry business license application general requirements are as follows, for reference, specific requirements please further consult source.

1. General requirements

Whether the operator operates an accommodation facility as a hotel, guesthouse, boarding house or boarding house, the following conditions must be met:

- (1) If the former hotel business license held by the applicant has been revoked due to violation of Japanese criminal law, violation of children's rights, business custom of prostitution, suspected of violent groups, etc., the reapplication can be made after the expiration of 3 years.
- (2) If the applicant has been sentenced to more than imprisonment for violation of the law, he/she can only apply after 3 years from the end of the sentence;
- (3) If the applicant is a member of a violent group as defined by Japanese law, he/she must have renounced his/her membership of a violent group for 5 years before applying;
- (4) The applicant shall not be a person who has not been reinstated after filing for bankruptcy proceedings;
- (5) The applicant shall not be a person who is still regarded as a ward after he has grown up;
- (6) If the applicant is a legal person, all of its directors, accountants, supervisors, directors and liquidators shall not be persons of (1) ~ (5);
- (7) The accommodation facilities must be equipped with ventilation, natural lighting, lighting, moisture and cleaning equipment.
- (8) A cabinet or storage room for keeping bedding;
- (9) The accommodation facilities are not deemed to be harmful to the public health environment or social customs and discipline;
- (10) Facilities (such as schools, kindergartens, midwifery facilities, mother-child living support facilities, civic halls, libraries, museums, etc.) shall not exist within a specified radius (100m~300m) of the place where the accommodation is located.

2. Hotel special requirements

- (1) The number of guest rooms is not less than 1;
- (2) The usable area of each guest room is not less than 7 m², and the usable area of guest rooms with beds is not less than 9 m²;
- (3) The per capita effective area of each guest room is not less than 3.3 m²;
- (4) A front desk or other administrative office with similar functions;
- (5) A management office where the facility manager can go to the scene of the accident within 10 minutes in case of an emergency within the facility;
- (6) The facilities are equipped with surveillance cameras that can clarify the identity of the residents and their access status, and the management

- office is equipped with a display device for the pictures taken by the surveillance cameras;
- (7) The facility name, business license number, contact information of management office and other marks shall be placed in conspicuous places of the facility;
- (8) There is a clear record of the guest information of the register and room key management equipment;
- (9) Facilities entrances, Windows, all rooms can be locked.

3, Special request for accommodation

- (1) The number of guest rooms is not less than one (if there is only one guest room and it is shared by many people, the guest room area is not less than 50% of the total area of the facility);
- (2) The total usable area of each guest room is not less than 33 square meters, such as the maximum number of people less than 10 facilities, the effective area per capita is not less than 3.3 square meters;
- (3) The usable area of each guest room is not less than 4.8 square meters, except the facilities that can accommodate less than 10 people;
- (4) The per capita effective area of each guest room is not less than 1.65 m²;
- (5) If the bed in the guest room is a multi-layer bed, the maximum number of layers is double layer, and the interval between the upper and lower layers is not less than 1m;
- (6) A front desk or other administrative office with similar functions;
- (7) A management office where the facility manager can go to the scene of the accident within 10 minutes in case of an emergency within the facility;
- (8) The facilities are equipped with surveillance cameras that can clarify the identity of the residents and their access status, and the management office is equipped with a display device for the pictures taken by the surveillance cameras;
- (9) The facility name, business license number, contact information of management office and other marks shall be placed in conspicuous places of the facility;
- (10) There is a clear record of the guest information of the register and room key management equipment.

4, Special accommodations required

- (1) The number of guest rooms is not less than 1;
- (2) The service area of the facility is not less than 7 m²;
- (3) The per capita effective area of each guest room is not less than 3.3 m²;
- (4) Facilities entrances, Windows, all rooms can be locked.

IV. Hotel business license application process

- 1. Prior consultation: for the hotel business license, the government of the first level administrative region has different requirements on the area, fire protection requirements and construction time limit of the accommodation facilities. The applicant shall carry the relevant design drawings of the facilities to the relevant

local departments for consultation to determine whether the facilities are in line with the implementation regulations of the local hotel industry law.

- 2, Application for permission: the applicant shall, according to the requirements of relevant departments, submit relevant materials and pay application fees to relevant departments (usually health care centers) after purchasing compliance fire fighting tools and rectifying facilities.
- 3, Facility inspection: after the application is submitted, the staff of the relevant department will carry out on-site inspection of the facility itself and the surrounding area to ensure the authenticity of the applicant's materials. If the inspection passes, the relevant departments will issue the Inspection Certificate ("search certificate" in Japanese), and the Fire Department will issue the Notice of Compliance to the Fire Laws ("notice of conformity to the Fire Laws" in Japanese).
- 4, Issue of Permission: If the application materials and facilities are in accordance with the Japanese Tourism Law and the enforcement regulations of the local Hotel Industry Law, the relevant authorities will issue the hotel business permit.
- 5, Official business: the applicant shall place the hotel business permit in a conspicuous place so that persons outside the facility can clearly view the permit information before opening the hotel business.

V. Application materials for hotel business license

When applying for hotel business license in Japan, the application materials required by the governments of different administrative regions are different for facilities of different sizes. Hoteliers usually need to prepare handling charges and the following materials : (including but not limited to)

- 1, Application for hotel business license;
- 2, Accommodation facility location map (specifying the location relationship between the site and the road);
- 3, Schematic map of accommodation facilities (details of houses, roads, schools, etc within a specified radius);
- 4, Plan and sectional plan of each floor of accommodation facilities;
- 5, Gas piping and water piping in each room of the facility;
- 6, Inspection results of water quality in facilities;
- 7, Japanese resident's certificate or driving license (if the hotel operator is an individual);
- 8, Certificate of registered items of legal person and articles of association of legal person (if the hotel operator is a legal person);
- 9, Notice of Compliance of Fire Protection Act;
- 10, Three-dimensional front and side photos of the hotel reception desk (if there is no reception desk, relevant proof of the office with the same function should be submitted).

References:

[1. Introduction of Japanese Business License](#)

[2. Real estate in Japan](#)

KAIZEN Group is equipped with experienced and highly qualified professional consultants and is therefore well positioned to provide professional advices and services in respect of the formation and registration of company, application for various business licences and permits, company compliance, tax planning, audit and accounting in China. Please call and talk to our professional consultants for details.

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