



Representative Office

In principle, a representative office is not a company, which is registered as a corporation. The office format may be used by foreign corporations, which do not conduct business in Japan but expect to carry out the activities such as:

- Advertising and promotional activities, providing information, carrying out market research, conducting basic research and other activities to support the undertakings of the foreign corporation.
- Purchasing of goods on behalf of the head office (parent company in overseas).
- Storing of goods on behalf of the head office.

Main Features of a representative office

- [No registration is required under the Commercial Code in principle.](#)
- No report of direct inward investment to the Ministry of Finance via the Bank of Japan is required under the Foreign Exchange Law.
- [Since representative offices do not conduct business in Japan, they are not regarded as permanent establishments and are therefore not subject to corporate taxes.](#)
- The advantage of no required reporting does not apply, however, in the case of financial institutions such as foreign banks, insurance companies, or securities companies. Under the laws concerning banking, foreign insurance operations, and foreign securities brokers, such institutions must submit a report in advance to the Ministry of Finance, even to establish a representative office.
- The lease for a representative office's office space may be signed between the head office in the home country and the Japanese building owner. In many cases, however, the owner will require that the representative office have a guarantor resident in Japan.
- [It is possible for a representative office to open an ordinary savings account at a Japanese bank using an account name such as "Tom Smith, XXX Inc. Representative Office in Japan," a hybrid of individual and corporate status.](#)
- A representative office may not do business in Japan, whether it expects a profit or not.
- [Foreign corporations intending to do business in Japan may, however, not use the representative office format. Their choices are establishing a branch office or forming a domestic corporation \(Local Co\).](#)