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Closure of Japanese Companies Dissolution and Liquidation of a Subsidiary Co / Japanese Co (KK, GK, YK)

When dissolving/liquidating (Company Closure) a Subsidiary/Japanese company, the following procedures must be completed.

Creditors of the Company must be given Notice for not less than two (2) months before the Liquidation to submit claims for the Liquidation of the Company.

In case the Company has negative net assets, the Company cannot independently complete the usual liquidation procedures; instead, it must follow special liquidation procedures under the direction of a court.

Basic Flow of Procedures for Dissolving and Liquidating a Japanese Company (Subsidiary Co) (Kabushiki-Kaisha (Joint-Stock Corporation) / Godo-Kaisha (LLC)) / Yugen-Kaisha - Approx. Time frame

The Resolution at the General Meeting of Shareholders or equivalent on the Dissolution of the Japanese Company and the Appointment of a Liquidator.

Application to the **Legal Affairs Bureau** (Ministry of Justice) for "**Registration of the Dissolution**" of the Company and the **Appointment of a Liquidator**. [2~4 weeks]

Notification to Tax Authorities of the Dissolution of the Company and the Appointment of a Liquidator. [1~3 weeks]

Call for **Creditors** regarding **claims** for **Liquidation of the Company**, on an individual basis and also **through the Notice in the Official Gazettes**, to submit claims (if any) [Min 4 weeks waiting time required after Official Notice]

Preparation of a Balance Sheet (BS) and inventory of the property at Dissolution

Approval by a **General Meeting of Shareholders** or the equivalent of the above Balance Sheet and property inventory (Notification delivered to Members in the case of a Limited Liability Company).

Ascertainment and distribution of residual assets

The **Resolution** approving the conclusion of **Liquidation** at the **General Meeting of Shareholders** [the mandatory stipulated period (two months) after the Notice and the placement of Notice in the Official Gazette] [Min 8 weeks]

Application for the completion of Liquidation of the Company with the Legal Affairs Bureau (Ministry of Justice) for Registration (Company Closure). [1~2 weeks]

Obtaining the Company Closure Registration Certificate from the Legal Affairs Bureau (Ministry of Justice)
(Approx. within two weeks after application for registration)

Closing of the Company's Corporate Bank Accounts.

Final **Notification of Completion of Liquidation of the Company** (Company Closure) to **Tax Authorities**, etc. [2~4 weeks]

Prepare final accounts, pay all taxes (mandatory inhabitant tax), and submit the final tax return.

Completion of Registration of "Closing" of a Subsidiary / Japanese Company

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