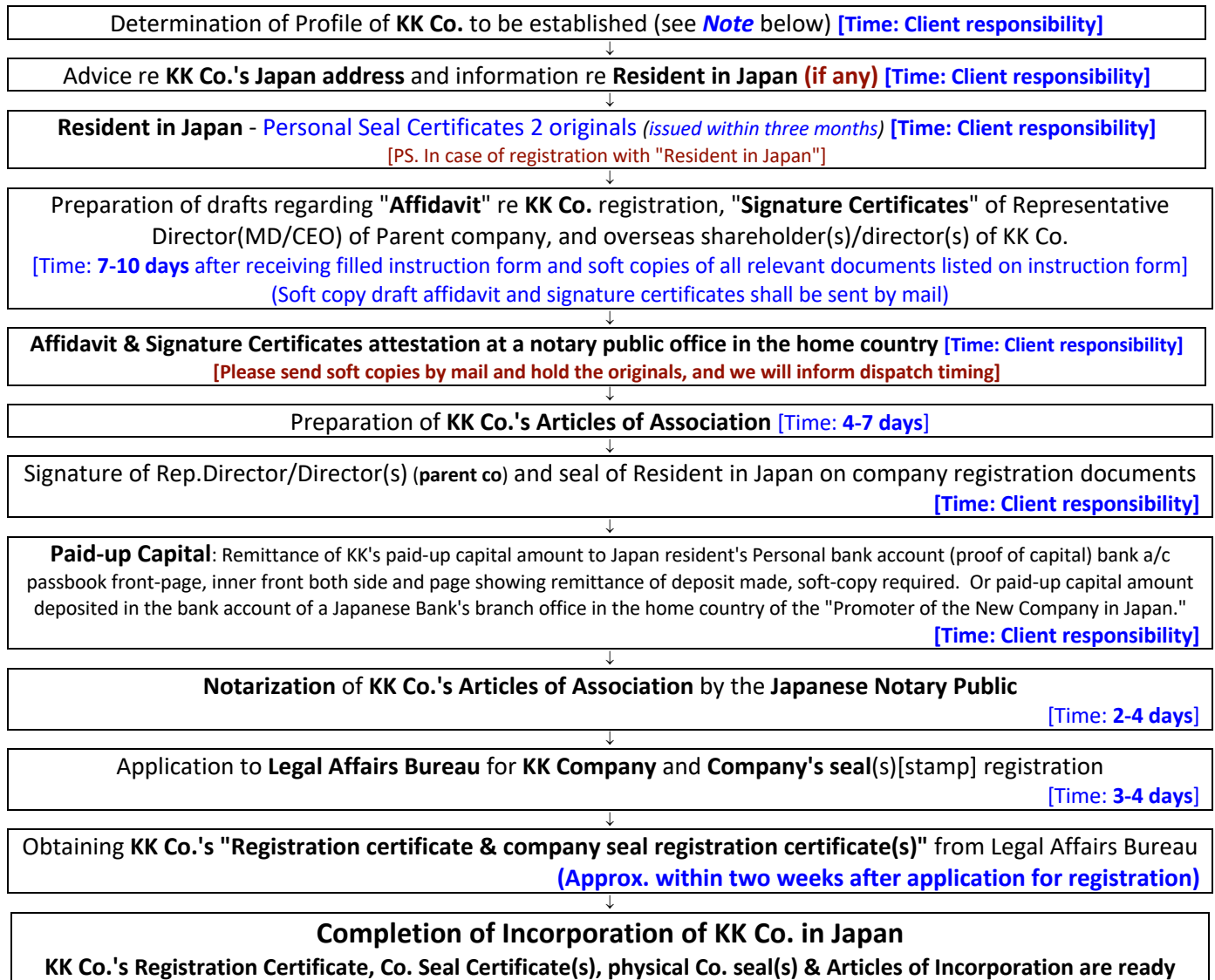


Opening of Kabushiki-Kaisha(KK) (joint-stock corporations) in Japan

KK Co. a subsidiary of a foreign co. in Japan – Corporate Shareholding

The below-mentioned procedures need to be conducted to register a KK Co., [a legal-entity] subsidiary of a foreign co. in Japan.

Basic Flow of procedures for opening a KK Co. (a legal-entity) in Japan - Approx. Time frame



No of days refer to working days, plus time at the Registration office and time re Client's response at each level of the above flow-chart.

Note: This profile should contain trade name, location of head office, business objectives, business year, amount of capital, the issue price of shares, the existence of provisions restricting the transfer of shares, the presence of a board of directors, names of directors and representative directors, terms of directors, names of promoters/investors, and values of their investments and filling up the information on "Incorporation Instruction form" etc. (All information should be supported vide soft copy official documents).

For Individual shareholding: the procedure is almost the same except that the Affidavit etc., is not required.

KK Co. Post-Incorporation mandatory procedures in Japan

Mandatory Notification to the Bank of Japan for foreign subsidiary co.

(Prior notification may be required for some sectors)

[Time: 5-10 days]

Mandatory Notification to National & Local Tax authorities

(Notification of Incorporation/ Establishment of a corporation (Notifications of the establishment must be filed with each of the prefectural and municipal authorities to which local taxes are to be paid), Notification of Incorporation of a Company, Application for Blue Form Return, Notification of Establishment, Relocation, and Closure of an Office, Etc. Paying Salaries, Application for Approval in Relation to the Special Provision for Due Dates for Withholding Income Tax)

[Time: 7-10 days]

Completion of KK Co. Post-Registration mandatory procedures in Japan

All "Original docs, Co. seal, Notifications soft copy, etc." will be sent to the Client's Japan registered office

No of days refer to working days

Please note the followings:

As mentioned above, our task for the incorporation and the post-incorporation is completed at the above-mentioned last step. Please note that all documents will be provided in Japanese only. English translation (optional) and charged separately. Documents will be sent via courier to the Client's registered office address in Japan.

Re-Opening of a Corporate Bank Account (Futsu Koza – Ordinary Account)

Upon completion of the Company registration, the Client will be able to apply for the opening of a corporate bank a/c in Japan. Please note that with some changes in Japan's banking system for the opening of a corporate bank account with major banks in Japan has become very stringent. The screening process and procedure vary from bank to bank, but as a general guideline, it may take 2~4 weeks, and the decision is at the discretion of the bank.

- ❖ If assistance re bank a/c opening is required, that is provided and charged at a flat rate. (Optional)
- ❖ If any other post-incorporation assistance is required, please check with us for details and fees.

Re Japan's social security system:

Re Social Insurance: Generally, Health, Nursing Care, and Employees' Pension Insurances are referred to collectively as "**Social Insurance.**"

Re Labor Insurance: Generally, Workers' Accident Compensation Insurance and Employment Insurance are known collectively as "**Labor Insurance.**"

The Company must enter "Social Security" systems at the time of hiring first staff or paying salary to resident "Executive Officer(s)" by submitting labor and social insurance notification forms to the relevant authorities (mandatory requirement).

Re Individual/Personal Income Tax: The Company must deduct withholding income tax from the salary of staff and local "Director(s)/Executive Officer(s)" and follow the procedure as per local regulation, including making payments (mandatory requirement).

Corporate Annual Tax return and tax payment

The Company must file an annual tax return for corporate tax, corporate inhabitant tax, and enterprise tax on their income within two months from the day following each financial year's last day (mandatory requirement).

Consumption tax: Self-assessment and payment as per the local regulation. Tax-exempt enterprises: Corporation whose taxable sales in a fiscal year less than 10M yen. The current consumption tax rate is 10%.

For ongoing support re administrative services, please check with us in advance and ask for an estimation of our charges for any post-incorporation administrative, legal matters.

Disclaimer: This information is for illustration purposes, no warranty is given that it is free from error or omission, and Sarkar Office® cannot be held liable for any decision made based on this information only!