

Japan KK Co – Paid-up Capital Amount - Transfer (TT) Instruction

Instruction re "Paid-up Capital amount" remittance from abroad for KK co registration in Japan

(In case of KK co registration in Japan without a local Resident Director & Shareholder but with a temporary local resident shareholder at the time of registration for paid-up capital process)

1. The total paid-up capital amount of _____ K.K. is Yen _____ of Yen 10,000 par share value of initial ninety-nine (99) shares that comes to Yen _____ is in the name of the foreign shareholder _____ and balance one (1) share of Yen 10,000 par share value is in the name of local resident shareholder, _____.

2a] The foreign shareholder need to transfer to the Personal Bank Account (details as below) the NET AMOUNT for paid-up capital as mentioned in #1.

*[Please note that the **Net Remittance Amount to be Credited in above-said bank account after all Bank charges deduction including the bank charges of the receiving bank in Japan need to be the exact net amount of the Paid-Up Capital Amount for registration. Note: Net Amount credit in the local bank a/c could be little higher but can't be even short by one(1) yen]***

[And, post-registration of the subsidiary K.K. co. for buying back the local shareholder (1) share of Yen 10,000 par share value the foreign shareholder need to transfer to the same bank a/c the NET AMOUNT for one (1) share. Both parties (foreign & local resident shareholder) will sign one page agreement for transfer of the share. [Draft of the same will be provided]

Thereafter at the time of first corporate tax return of the subsidiary KK co. in Japan the notification to Tax Authorities need to be made with the supporting one page agreement re transfer of share for reflecting 100% shareholding of the Japan KK co in the name of the foreign shareholder on corporate tax return document.]

(In case of KK co registration in Japan without a local Resident Director & Shareholder but with a temporary local resident shareholder at the time of registration for paid-up capital process)

2b] At the time of Japan KK Co registration the local shareholder one (1) share of Yen 10,000 par share value will deposit to the person's own same bank a/c (as mentioned below) the net amount for one (1) share. Local resident shareholder will need to send a copy of bank passbook identification pages & page showing the capital amount transactions.

The application for the KK Co registration can only be submitted to local Japanese Govt. authority after the transaction of paid-up capital amount is completed.

2c] The foreign shareholder can do the telegraphic transfer the net amount of the shares anytime once the KK co registration procedure starts (& will be informed accordingly). The remittance **must be made in the name of foreign shareholder.** Send a copy of remittance proof & local resident shareholder will deposit amount of one(1) share around same time.

2d] As soon as the "KK Co" registration is completed & Registration Certificate is obtained, soft copy will be sent to both foreign and local resident shareholders. The following steps need to completed immediately:

(In case of KK co registration in Japan without a local Resident Director & Shareholder but with a temporary local resident shareholder at the time of registration for paid-up capital process)

- (i) The foreign shareholder must send the remittance for the Net amount of one (1) share to the local shareholder bank account for buying back the one (1) share and become 100% shareholder of the local KK Co in Japan.
- (ii) At the same time the one page agreement for transfer of one (1) share need to signed by both parties (soft-copy) signed document will suffice the purpose for notifying the tax authorities re the foreign shareholder holding of 100% share.
- (iii) At the same time or in advance the foreign shareholder need to advice the bank account details where the local shareholder should return the net amount of paid-up capital money received prior to registration of the local subsidiary co. All bank charges should be borne by the foreign shareholder.
- (iv) The Bank of Japan (BOJ) reporting re foreign investment will be as per “original shareholding pattern” at the time of registration as stipulated by the local rules. Therefore, as mentioned above in 2a] the 100% shareholding of the foreign shareholder will reflect on the first corporate tax return copy of the local subsidiary KK co.

Japan KK Co – Paid-up Capital Amount Transfer (TT) by foreign shareholder to the following Personal Bank of the local resident shareholder in Japan.

BANK	
SWIFT	
BRANCH	
Branch Address	
Account Number	
BENIFICIARY	

Disclaimer: This information is for illustration purpose, 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!

