

COUNTRY GUIDE

JAPAN

Referred to as the “land of the rising sun,” Japan is known for balancing respect for tradition with its embrace of modernity. Japan is the third largest economy in the world; a technologically advanced country with one of the most innovative economies, especially in the development of electronic goods and automobile manufacturing.



CAPITAL MARKETS

Japan has one of the world’s most robust capital markets, characterized by deep liquidity and diversity, and is a pivotal contributor to global economic growth. The upcoming 2020 Tokyo Olympics have attracted significant international investment.

MANUFACTURING AND TECHNOLOGY

Japan is a world leader in technological development in a wide range of manufacturing fields including semiconductors, consumer electronics, optical fibers, automobiles, optoelectronics, and optical media, among others. The country is also a leader in biochemistry and fermentation in the food industry. However, motor vehicle manufacturing is one of Japan’s most successful subsectors and the country holds a large portion of the world’s market share. In recent years, Japanese companies are facing increased competition from emerging rivals in China and South Korea.

FREE TRADE AGREEMENTS

In an effort to increase competition and growth, the Japanese government has entered into key trade agreements, two of the most important being the Trans-Pacific Partnership (TPP-11) and the Economic Partnership Agreement (EPA) with the EU. The TPP eliminates over 80% of tariffs for its members, while the EPA eliminates over 90% of tariffs on Japanese and European goods. The Japanese government expects these agreements to boost the country’s GDP by seven trillion and five trillion yen respectively.

 Geography 	Location: Japan is located off the eastern coast of Asia and is an island chain between the North Pacific Ocean and the Sea of Japan, east of the Korean Peninsula. Area: 377,915 sq. km Time zone: Japanese Standard Time (GMT+9)
 Population	127 Million
 Language(s)	Japanese
 Economy	Agriculture, manufacturing, fishing, and tourism. It has one of the largest electronic goods industries and number of patent filings in the world.
 Capital City	Tokyo
 Currency	Japanese Yen (JPY)
 Political structure	Stable
 Legal system	Unitary parliamentary constitutional monarchy, based on civil law

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Types of Legal Entities

	STOCK COMPANY (KABUSHIKI KAISHA)	LIMITED LIABILITY COMPANY (GODO KAISHA)	BRANCH OFFICE
Share capital			
Minimum paid-up	JPY 1	JPY 1	Based on requirements in parent company's jurisdiction
Maximum authorized	N/A	N/A	N/A
Usual currency	Yen (JPY)	Yen (JPY)	Yen (JPY)
Permitted currencies	Yen	Yen	Yen
Domiciliation			
Registered address	Local registered office required	Local registered office required	Local registered office required
Directors			
Minimum number	One for those without a board of directors and three for those with.	One	N/A
Minimum local	Recommended, not required	Recommended, not required	One (must be a legal resident)
Corporate directors	At least one	Not required	N/A
Statutory			
Annual filing	Annual returns	Annual returns	Annual returns
Company secretary	Not required	Not required	Not required
Annual general meeting (AGM)	Required	Not Required	Not Required
Beneficial owner reporting	Directors, auditors and representative directors must be publicly registered. However, shareholders are not disclosed.	Managing member and executive managers (if appointed) must be publicly registered. However, non-managing members are not disclosed.	Local representative must be publicly registered
Re-domiciliation	Not allowed	Not allowed	Not allowed
Financial administration			
Audit required	Companies must file audited financial statements	Not required	Not required
Filing of annual return	Required	Required	Parent company must submit returns
Tax			
Tax rates	30.86% corporate rate for income above JPY 8 million and 23.2% for income above JPY 100 million	30.86% corporate rate, plus taxes on dividends distributed to members	30.86% corporate rate for income above JPY 8 million and 23.2% for income above JPY 100 million
VAT	8%	8%	8%
Tax Treaties	74 conventions, applicable to 130 jurisdictions	74 conventions, applicable to 130 jurisdictions	N/A
Other taxes	Annual Inhabitants Tax, Business Premise Tax, among others	Annual Inhabitants Tax, Business Premise Tax, among others	Annual Inhabitants Tax, Business Premise Tax, among others
Government fees			
Registry fee	JPY 150,000	JPY 60,000	JPY 90,000
License fee	Depending on the type of business	Depending on the type of business	Depending on the type of business
Incorporation process			
Summary	<ul style="list-style-type: none"> ➤ Notarized personal seals or signatures ➤ Register a corporate seal ➤ Open a Japanese bank account ➤ Appoint representative director ➤ Notarized articles of incorporation 	<ul style="list-style-type: none"> ➤ Capital deposit ➤ Articles of incorporation ➤ Company seal/seal ID card ➤ Appoint managing member or executive member 	<ul style="list-style-type: none"> ➤ Submit charter documents of parent company ➤ Select an office location ➤ Appoint a local representative ➤ Register a representative seal
Time	4-8 weeks	4-8 weeks	2 weeks
Other			
Are shelf corporations available?	N/A	N/A	N/A

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CT Service Offerings – Japan



Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications & legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

Global Entity Management

- Corporate secretarial services
- Annual compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/registered address
- Director services and legal representation

To learn more about how CT can help you better manage your **global compliance needs**, contact a CT representative at **855.444.5358 (toll-free U.S.)**.

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