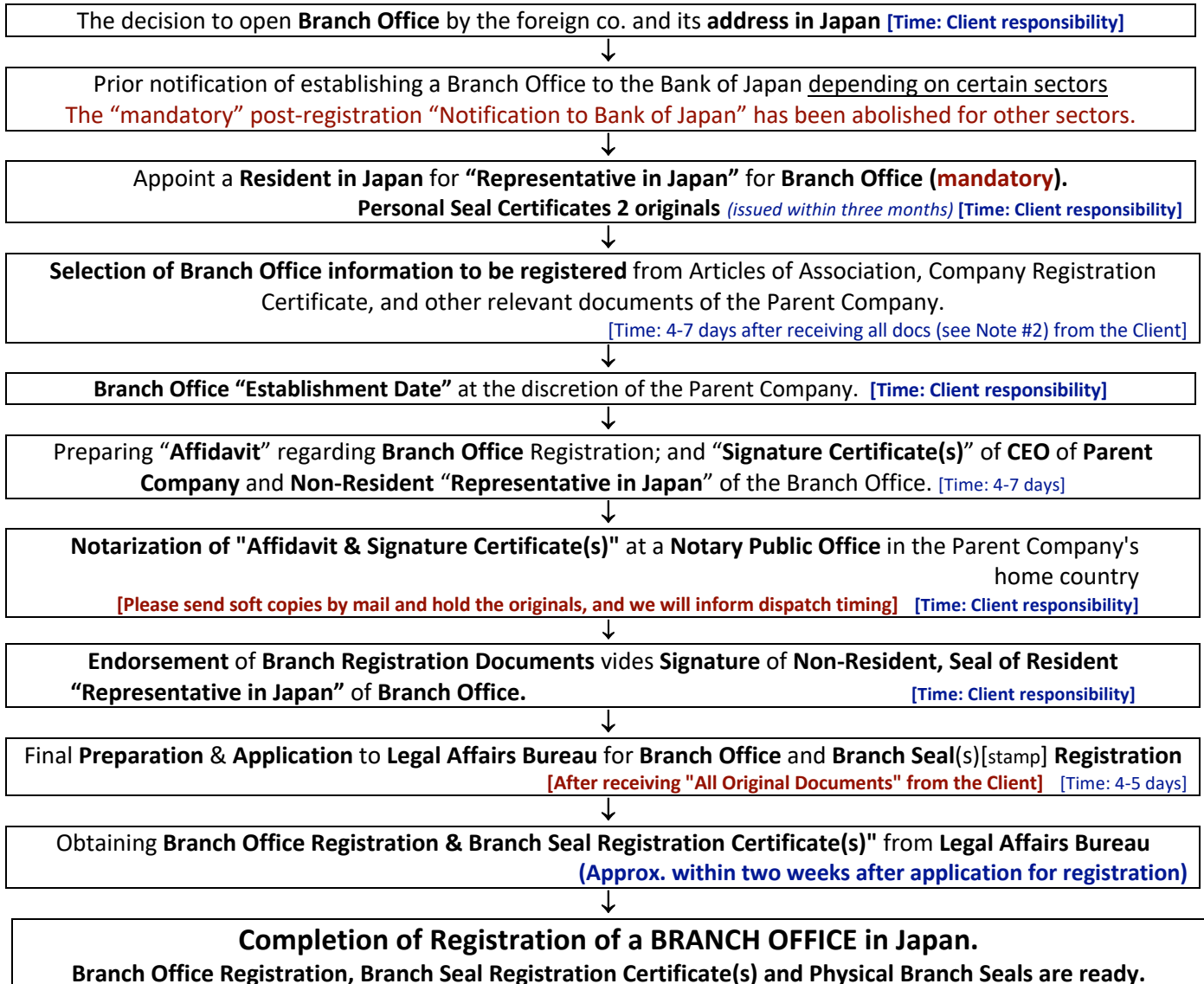


Opening a Branch Office in Japan

The following procedure is to register a **Branch Office** [a legal entity] of a foreign co. in Japan.
Basic Flow of Procedures for Branch Office Registration in Japan - Approx. Time frame



Note:

#1] 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.

#2] List of documents from Client: Soft-copy of Registration Certificate of the Parent Company; Articles of Memorandum & Association; Latest Statement of Accounts(BSPL); The Minutes of Meeting of the Shareholders/Executives relating to the establishment of a Japan Branch(if any) and filling up the information on "Instruction Form," etc.

Branch Office Post-Registration Mandatory Procedures in Japan

Mandatory Notification to National and Local Tax authorities

To National Tax Office: [1] Notification of a foreign company [2] Application for Blue Form Return [3] Notification of Establishment, Relocation, and Closure of an Office, Etc. Paying Salaries [4] Application for Approval in Relation to the Special Provision for Due Dates for Withholding Income Tax. To Local Tax Office: (Prefectural and municipal tax authorities) [1] Notification of Incorporation/ Establishment of a Company

[Time: 5-10 days]



Completion of Branch Office Post-Registration Mandatory Procedures in Japan

All "Original docs, Branch 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 last step. All registration & post-registration notification documents will be provided in Japanese only, and English translation (optional) & charged separately. Hard copies/original documents are sent via courier to the client's registered office address in Japan.

Statutory Compliance: (Some General Information for Reference).

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 Branch must enter "Social Security" systems at the time of hiring first staff or paying salary to resident "Representative in Japan" by submitting labor and social insurance notification forms to the relevant authorities (**mandatory requirement**).

Re Individual/Personal Income Tax: The Branch must deduct withholding income tax from the salary of staff and resident "Representative in Japan" and follow the procedure as per local regulation, including making payments (**mandatory requirement**).

Corporate Annual Tax return and tax payment

The Branch 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: Corporations whose taxable sales in a fiscal year are less than 10 million yen. The current consumption tax rate is 10%.

New Japanese Invoice System - Qualified Invoice Issuers (VAT Registration): Registration number: Effective Oct-23, Taxable Business operator with a Corporate Number (Roman letter)"T" + Corporate number (13 digits). Registration is optional.

For ongoing support regarding administrative services, please check with us in advance and ask for an estimation of our charges for any post-incorporation administrative or 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 based only on this information!