

# Branch Office Starting a Business in Japan

AHK Japan | DEinternational

## What is a Branch Office (Shiten)?

The branch office can be seen as an extension of the representative office, as it also lacks a corporate identity (still taxation is handled as if there is a corporate identity). Unlike the representative office though, it is able to engage in sales activities allowing the parent company to operate in Japan. Due to the fact that there are no restrictions on sales activities the branch office by Japanese law is regarded as 'Direct Investment', which makes the registration process slightly more extensive than for the representative office.

## Founding Procedure

- Appointing the local representative
- Cross checking with the Legal Affairs Bureau for similar corporation names
- Composition of a statement concerning the memorandum of association with the parent company, on which the signature of the representative of the branch office has to be notarized
- Appointment of the director of the branch office in Japan on the notarized statement
- Submission of the registration form to the Legal Affairs Bureau (establishment date)
- Proof of Registration

## Further important points

- Due to the representative office not being a recognised legal entity and the liability for all debts lying with the parent company, there are no capital requirements to fulfill.
- The approximate time it takes from the authentication of the memorandum until the final registration of the branch office is 1 month.
- Despite lacking corporate identity, branch offices are allowed to open bank accounts and lease property; however the parent company is to full extent liable for the branch office.
- It is important to note, that the transformation into a corporation is not possible.

## Contact – AHK Japan | DEinternational

### German Chamber of Commerce and Industry in Japan

Sanbancho KS Bldg. 5F  
2-4 Sanbancho, Chiyoda-ku  
Tokyo 102-0075, Japan

Phone: +81-(0)3-5276-9811  
Fax: +81-(0)3-5276-8733  
Email: [info@deinternational.jp](mailto:info@deinternational.jp)  
Website: [www.japan.ahk.de](http://www.japan.ahk.de)



German Chamber of Commerce  
and Industry in Japan  
在日ドイツ商工会議所

#PartnerForBusiness