

The Mipro Guide to Starting a Business in Japan

~Status of Residence~

外国人のための起業ガイドブック
(在留資格編)



To those who read this guidebook

MIPRO's Guide to Starting a Business in Japan describes what foreign nationals need to do in starting a business in Japan as a proprietor, according to the theme. The series of the guidebooks consists of seven titles: "Status of Residence," "Licenses and Permissions," "Public Insurance and Employment Management," "Business Plan Preparation," "Tax Affairs," "Establishing a Company," and "Preparations for Starting a Business."

"Status of Residence" describes procedures focusing on resident statuses with permission to work, including "Business Manager," "Engineer/Specialist in Humanities/International Services," "Intra-company Transferee," and "Startup Visa," on the assumption that a foreign national starts a business and operates/manages the business in Japan, engages in international services, or works in Japan due to transfer. In order to deepen the reader's understanding, it also explains "Highly Skilled Professional," one of the statuses of residence which allows excellent human resources to engage in activities in multiple fields in Japan, and the "Points-based System for Highly-Skilled Foreign Professionals," which gives preferential treatment based on the acquired points calculated according to academic background, professional career, annual salary, research achievements and so on. When you apply for a status of residence such as "Business Manager," it is recommended that you also consider whether you fall under a "highly skilled foreign professional."

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1 Activities in Japan and Status of Residence

(1) Types of Status of Residence

Immigration and residence control in Japan is handled by the "Immigration Services Agency," an external bureau of the Ministry of Justice, and the "Regional Immigration Bureaus," regional branches of the Immigration Services Agency. There are 29 statuses of residence in Japan, which differ according to the purpose of activities (stay) (as of April 2020). Foreign nationals who wish to enter Japan are required to obtain a status of residence commensurate with the activities they intend to engage in before entering Japan ("Immigration Control and Refugee Recognition Act"; hereinafter referred to as the "Immigration Control Act").

Figure 1 List of Statuses of Residence

Status of Residence	Examples (occupations, etc.)
Resident statuses with no activity restrictions	
Permanent Resident	Persons permitted by the Minister of Justice to be permanent residents (excluding Special Permanent Residents)
Spouse or Child of Japanese National	Spouse, child by birth, or specially adopted child of a Japanese national
Spouse or Child of Permanent Resident	Spouse of a Permanent Resident or Special Permanent Resident, and child by birth that was born and continues to live in Japan of a Permanent Resident or Special Permanent Resident
Long-term Resident	Third-generation Japanese descendants, third country resettlement refugees, war-displaced Japanese with Chinese citizenship, etc.
Resident statuses with permission to work (only specified activities)	
Diplomat	Ambassador, minister, consul general, member of a delegation of a foreign government, and family members
Official	Officer of a foreign government or international organization, and family members
Professor	University professor or lecturer
Artist	Composer, painter, writer, etc.
Religious Activities	Missionary dispatched by an overseas religious group, etc.
Journalist	Journalist or photographer of a foreign press agency
Highly Skilled Professional	Person with highly specialized capabilities
Business Manager	Manager or supervisor of a company
Legal/Accounting Services	Lawyer, certified public accountant, etc.
Medical Services	Physician, nurse, dentist, etc.
Researcher	Researcher at a government-related organization, a company, etc.

Instructor	Language instructor at a junior high school, high school, etc.
Engineer/Specialist in Humanities/International Services	Mechanical engineer, interpreter, designer, language instructor at a private company, marketing employee, etc.
Intra-company Transferee	Transferee from an overseas business office
Nursing Care	Certified care worker
Entertainer	Actor/actress, singer, dancer, professional athlete, etc.
Skilled Labor	Foreign chef, sports trainer, airline pilot, precious metal processor, etc.
Specified Skilled Worker	Workers in specified industries (care worker; building cleaning & management; forging industry; machine parts & tooling industries; industrial machinery industries; electric, electronics, and information industries; construction industry; shipbuilding and ship machinery industries; automobile repair and maintenance; aviation industry; accommodation industry; agriculture; fishery & aquaculture; manufacture of food and beverages; food service industry)
Technical Intern Training	Technical intern
Resident statuses with no permission to work	
Cultural Activities	Researcher of Japanese culture, etc.
Temporary Visitor	Tourist, conference guest, etc.
Student	Student of a university, junior college, technical college, or senior high, junior high, elementary, vocational, or other school
Trainee	Trainee
Dependent	Spouse or child supported by a foreign national residing in Japan
Resident statuses allowing only work related to designated activities	
Designated Activities	Activities which are specifically designated by the Minister of Justice for each foreign individual (includes domestic staff of a diplomat, etc.; working holiday participants; those who will continue job-hunting after university graduation; candidates for foreign nurse or certified caregiver positions in accordance with economic partnership agreements)

Source "Foreign Workers Employment Manual" (Office for Promotion of Citizen Safety, Tokyo Metropolitan Government)

<https://www.tomin-anzen.metro.tokyo.lg.jp/chian/chiankaizen/gaikokujin/koyoumanyuaru/index.html>

<https://www.tomin-anzen.metro.tokyo.lg.jp/about/pdf/poster-leafret/m-31english.pdf>

<Reference>

<https://www.tomin-anzen.metro.tokyo.lg.jp/about/pdf/poster-leafret/2019manual.pdf>

(2) Business Startup and Status of Residence

Foreign nationals are allowed to engage in activities in Japan to the extent permitted by their status of residence. When foreign nationals start a business in Japan, they may often fall under either of the following two cases.

- 1) Already living in Japan with any status of residence
(An application for change of status of residence is required.)
- 2) Acquire a new status of residence
(An application for certificate of eligibility is required.)

The following is an example of acquisition of the status of residence "Business Manager" required for the operation and management of a company.

Figure 2 Status of Residence, Current and that required for Business Startup (For Obtaining Status of Residence "Business Manager")

Current status of residence		Necessary procedures	Status of residence required
1) Those who are living in Japan			
"Permanent Resident" "Spouse or Child of Japanese National" "Spouse or Child of Permanent Resident" "Long-term Resident"		No special procedures for changing the status of residence	No activity restrictions under the current status of residence
Resident statuses with permission to work in specific activities such as "Engineer/Specialist in Humanities/International Services" and "Intra-company Transferee"		An application for changing the status of residence to "Business Manager" is required using an "application for change of status of residence."	"Business Manager"
"Student" (Note 1)	When starting a business by a student	An application for the "permission of activities outside the scope of the resident status" is required. (Note 2)	"Business Manager"
	When starting a business at the same time as graduation	An application for changing the status of residence to "Business Manager" is required using an "application for change of status of residence."	
"Temporary Visitor"		An application for issuance of "certificate of eligibility" for "Business Manager" is required. (Note 3)	"Business Manager"
2) Those who do not have any status of residence			
When living abroad		An application for issuance of "certificate of eligibility" for "Business Manager" is required.	"Business Manager"

(Note 1) Regional Immigration Bureaus and their branches provide counseling services for employment support for international students. For more information (how to make a reservation, etc.), visit the website below.

"Establishment of dedicated consultation centers for advance employment support for international students"

(Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/publications/materials/nyuukokukanri07_00014.html

<http://www.moj.go.jp/content/001317792.pdf>

(Note 2) "Permission for activities outside the scope of the resident status" is not a name of a status of residence. In addition to students, those who do not have a resident status with no activity restrictions are required to obtain "Permission for activities outside the scope of the resident status" in advance if they wish to engage in activities other than those specified in their status of residence.

(Note 3) In principle, an application for changing a status of residence directly from "Temporary Visitor" to another status such as "Business Manager" is not allowed. If a foreign national who wishes to start a business in Japan is staying in Japan as a "Temporary Visitor," he/she is required to apply for issuance of a "certificate of eligibility" (without having a legal representative) with the same procedure as that for applying from abroad (See page 9 Figure 4-2 "When a certificate of eligibility is attached").

Due to the above principle, a "certificate of eligibility" does not respond to an "application for change of status of residence" from "Temporary Visitor" to "Business Manager" even if the certificate is issued. Therefore, if a "certificate of eligibility" for "Business Manager" is issued, an application for change of status of residence from "Temporary Visitor" directly to "Business Manager" may not be accepted. In this case, you are required to newly acquire the status of "Business Manager" by submitting the issued "certificate of eligibility."

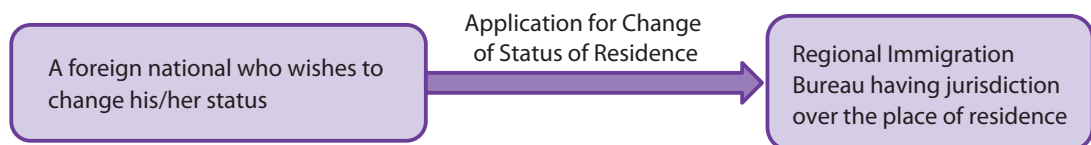
2 Application for Status of Residence

How to apply for status of residence depends on whether the applicant already has a status of residence that allows medium- or long-term stay in Japan or the applicant lives overseas at the time of application. For starting a business in Japan, the former is required to make an "application for change of status of residence" and the latter is required to make an "application for certificate of eligibility."

(1) Change of Status of Residence

If a foreign national living in Japan intends to change his/her purpose of residence and to engage in activities that fall under other statuses of residence, he/she may submit an "application for change of status of residence" to the Regional Immigration Bureau and, if permitted, may engage in activities of the changed status of residence. This is called a "change of status of residence." In this way, foreign nationals living in Japan can obtain a status of residence for other activities without leaving Japan. An "application for change of status of residence" may be made any time during the current period of stay. As a short-term visa is issued with a relatively simple procedure, a change of status of residence from "Temporary Visitor" to other statuses of residence is not permitted unless there are "unavoidable special circumstances."

Figure 3 "Application for Change of Status of Residence"



<Reference> "Application form for change of status of residence" (Ministry of Justice)

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-2-1.html>

(Immigration Services Agency of Japan)

<https://www.isa.go.jp/en/applications/index.html>

Q

I am currently working at a company under the status of residence of "Engineer/Specialist in Humanities/International Services," but I would like to start my own business. So I would like to change my status of residence to "Business Manager." Which should I do first, establish a company or change my status of residence?

A

In this case, you need to apply for a change of status after establishing a company. What should be considered is the expiration date of your current status of residence and the timing to apply for a change of status to "Business Manager." The Immigration Control Act specifies as follows: if it is found that a foreign national residing in Japan under the status of residence "Engineer/Specialist in Humanities/International Services" has been residing for three months or more without continuously engaging in the prescribed activities, his/her status of residence may be revoked (Article 22-4, paragraph (1), item (vi))*.

Therefore, you should first establish a company and then make an application for change of status of residence to "Business Manager" within three months after the establishment.

If you do not arrange your schedule, you may be unable to obtain the status of residence of "Business Manager" even if a company is established. Before starting a business, you need to make adequate preparations, including leaving your company.

(*) However, if there are reasonable grounds for living in Japan without engaging in prescribed activities, such as long-term hospitalization due to illness, this item does not apply (the proviso to the item specifies "except where there is a justifiable reason for residing without engaging in the activities").

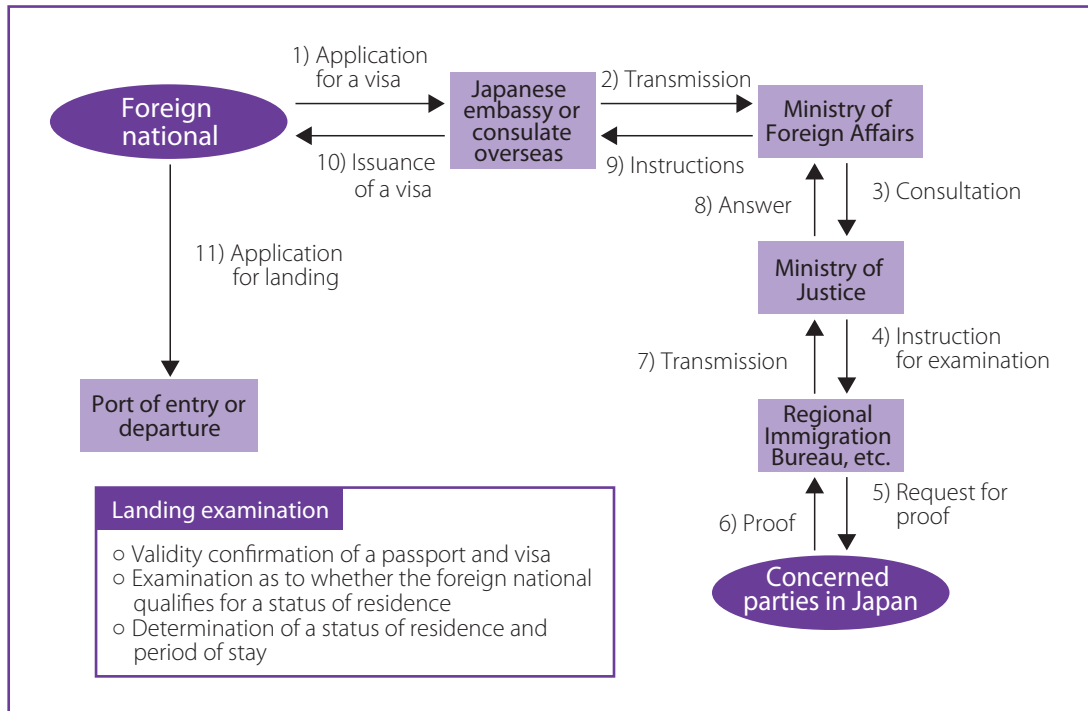
(2) New Application for Status of Residence

Foreign nationals can apply for and obtain a visa at Japanese embassies and consulates overseas. However, for obtaining a long-term visa for the purpose of work, Japanese embassies and consulates overseas require more time to examine the eligibility requirements for a status of residence than they do for a short-term visa (See page 9 Figure 4: Flow of Landing Permission Procedures (1. When there is no "certificate of eligibility")).

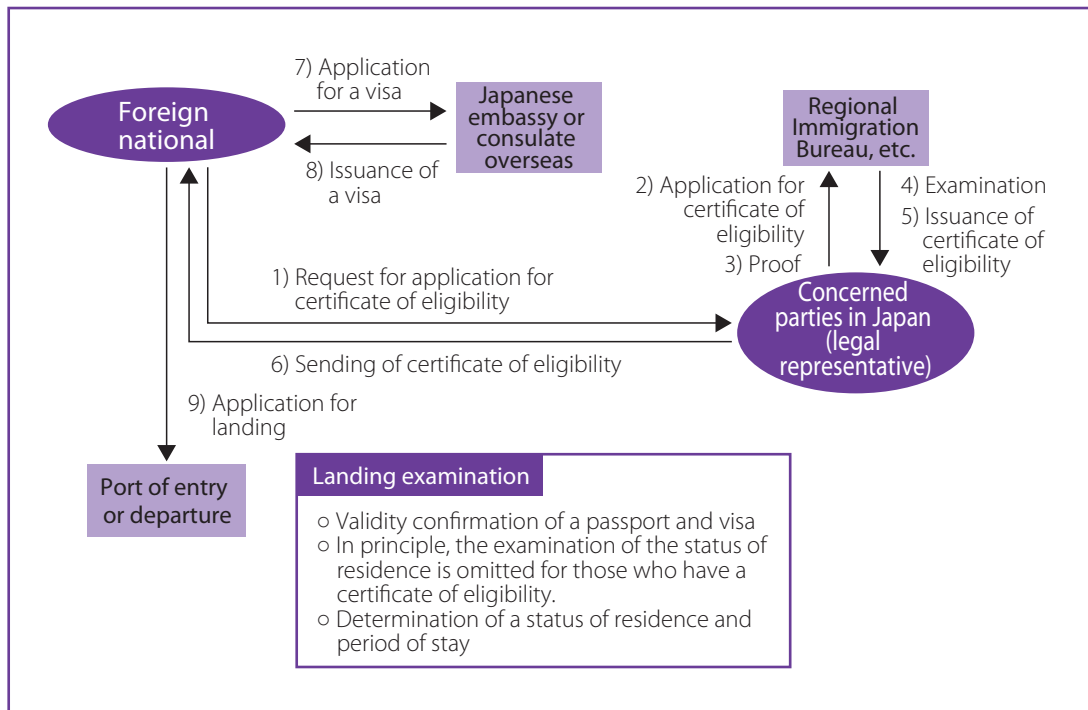
Under these circumstances, the Regional Immigration Bureaus in Japan generally examine whether the requirements for the status of residence applied for by a foreign national who wishes to enter and live in Japan are satisfied, and grant and issue a "certificate of eligibility" if the requirements are satisfied. If a foreign national applies for a visa by presenting a "certificate of eligibility" to a Japanese embassy or consulate overseas, he/she will normally be recognized as satisfying the requirements for entry into and living in Japan and will be able to obtain a visa promptly. The status of residence "Temporary Visitor" is not eligible for the issuance of a certificate of eligibility.

Figure 4 Flow of Landing Permission Procedures

1. When there is no "certificate of eligibility"



2. When a "certificate of eligibility" is attached



Source "Q&A on Employment of Foreign Nationals" (Employment Security Department, Tokyo Labor Bureau)

https://jsite.mhlw.go.jp/tokyo-roudoukyoku/riyousha_mokuteki_menu/jigyounushi/13-01-19-4_test.html

<Reference> "Application form for certificate of eligibility" (Ministry of Justice)

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-1-1.html>

(Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/applications/guide/nyukoku_flow.html

Related information

Differences between "Visa" and "Status of Residence"

A visa is required when entering Japan (at the time of immigration) and is issued by Japanese embassies and consulates overseas. It has two purposes: as a "confirmation" that the foreign national's passport is valid, and a "recommendation" that the foreign national has no problem entering Japan according to the conditions written on the visa. A visa is valid until the foreign national goes through immigration in Japan, and is not related to the period of stay in Japan.

On the other hand, the status of residence is used as the basis for staying and engaging in activities in Japan after entering Japan with a landing permit at the port of entry. "Certificate of eligibility" certifies that "the activities in which the foreign national intends to engage in Japan are not false and fall under a status of residence, and are complied with the criteria for landing permission if the criteria are established for the status of residence," which is one of the conditions for landing in Japan. By presenting the certificate at the time of landing examination, the examination can be conducted smoothly. However, the "certificate of eligibility" system does not apply to the status of residence of "Temporary Visitor" for purposes such as sightseeing, visiting relatives, or short-term business trips.

Foreign nationals cannot enter Japan only with a certificate of eligibility. They need to obtain a visa by presenting a certificate of eligibility at a Japanese embassy or consulate overseas. A certificate of eligibility does not guarantee entry into Japan. Landing may not be permitted if it is found at the time of landing examination that the criteria for landing permission are not satisfied due to a change in circumstances.

(3) Renewal of Status of Residence

If a foreign national living in Japan with a status of residence is unable to achieve his/her intended purpose of residence within the period of stay granted to him/her, the following two methods can be used in relation to the status of residence.

a. Leave Japan, obtain the status of residence again, and then re-enter Japan.

It will be a great burden for foreign nationals to leave Japan and obtain a certificate of eligibility and visa again. Under the Immigration Control Act, if foreign nationals wish to continue their activities (e.g. continue business activities in Japan as a manager) under the same status of residence after expiration of their period of stay, they can apply for an extension of their period of stay with the permission of the Minister of Justice (Article 21 of the Immigration Control Act). However, extension of the period of stay is not guaranteed as a foreign national's right, and the Minister of Justice has the discretion to permit or deny it.

b. Stay in Japan and extend the period of stay.

An extension application must be made before the expiration date of the period of stay (in the case of a foreign national with a period of stay of six months or more, approximately three months before the expiration of the period of stay). If there are special circumstances such as hospitalization or a long-term business trip, an application may be accepted more than three months before the expiration. Please contact the relevant Regional Immigration Bureau before application.

<Reference> "Application for extension of period of stay" (Ministry of Justice)

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-3-1.html>

(Immigration Services Agency of Japan)

<https://www.isa.go.jp/en/applications/index.html>

3 Status of Residences in Relation to Starting Businesses

If a foreign national starts a business as a manager, his/her status of residence will be "Business Manager." Even if the operation and management activities of the applicant are specified as the services for the status of residence "Business Manager," such status of residence may not be granted in cases where the activities are not recognized as the main activities or it is not appropriate to grant such status of residence, in view of the scale of the company. However, the status of residence "Engineer/Specialist in Humanities/International Services" may be granted when it is judged that the applicant satisfies the requirements for the status of residence "Engineer/Specialist in Humanities/International Services." The status of residence "Intra-company Transferee" was established for the international development of corporate activities and accepting foreign nationals who are transferred from overseas business establishments to Japanese business establishments due to personnel changes. Activities falling under the status of residence "Intra-company Transferee" are the same as those falling under the status of residence "Engineer/Specialist in Humanities/International Services."

The statuses of residence of "Engineer/Specialist in Humanities/International Services" and "Intra-company Transferee" are not directly related to business startup, but in order for readers to deepen their understanding, explanation of these statuses are provided in this guidebook.

(1) Status of Residence "Business Manager"

This status of residence was established with the aim of promoting the acceptance of foreign nationals who engage in business operation and management activities. It does not matter whether the business establishment where the foreign national engages in operation and management activities is a foreign capital company or a domestic capital company. A foreign applicant is not necessarily required to make a capital contribution. However, since this status of residence is granted for activities that make investments and manage businesses in Japan, it may be necessary to prove that the applicant has made a "considerable investment," depending on the activities, in order to obtain the status of residence. The proof of investment is not a description of the investment the foreign national intends to make, but a description and proof of the investment he/she has made.

When granting the status of residence, the details of the services the foreign national actually engages in will be examined. In particular, for starting a business (at this point, the applicant is not yet participating in the business), a judgment is made based on the circumstances that led to the start of the business, the source of funds, the status of securing offices, the specifics of the business, and the degree of involvement in the business, such as whether the applicant substantially engages in the business.

As a general rule, the same applies when a foreign national participates in a business already operating in Japan as a manager or managerial executive.

1) Scope of "Business Manager"

Appended Table 1-2 of the Immigration Control Act (excerpt)

Status of Residence	Activities that may be carried out in Japan
Business Manager	Activities to engage in the operation of international trade or other business in Japan or management of such business in Japan (excluding the operation or management of a business that may not be legally conducted without the qualifications listed in the right-hand column of the item of "Legal/Accounting Services" of this table)

(Note) "This table" in the table means "Appended Table 1-2 of the Immigration Control Act."

"Activities to engage in the operation of international trade or other business in Japan or management of such business in Japan" means substantially engaging in the operation or management of a business.

"Engage in the operation of international trade or other business in Japan" in the first part of the sentence means to: (1) establish an office that will serve as the basis for activities in Japan and start and operate international trade or other business; (2) participate in the operation of international trade or other business that has already been operated in Japan; and (3) operate international trade or other business on behalf of a person who has started operation of the business in Japan or who has operated the business in Japan.

Specifically, activities for strategic decision-making of the organization, such as those of representative directors, directors, and auditors, who engage in important management decisions, execution of services and auditing, are included.

"Management of such business in Japan" in the latter part means to: (1) engage in the management of the business which the foreign national has started operation in Japan or in whose operation which the foreign national has participated, and (2) manage international trade or other business on behalf of a person who has started operation of the business in Japan or who has operated the business in Japan.

Specifically, activities of managers, plant managers, branch managers, and other organizational decision-makers engaged in business management are included.

2) Office and Business Scale

"Ministerial Ordinance prescribing criteria under Article 7, paragraph (1), item (ii) of the Immigration Control and Refugee Recognition Act" (Ministerial Ordinance) (excerpt)

Activity	Criteria
Activities related to "Business Manager"	<p>The applicant must satisfy all of the following requirements.</p> <ul style="list-style-type: none"> (i) An establishment for conducting the business pertaining to the application exists in Japan. However, if the business has not started, facilities to be used as an establishment for the business must be secured in Japan. (ii) The scale of business pertaining to the application falls under any of the following requirements. <ul style="list-style-type: none"> (a) The business is run by at least two full-time employees living in Japan (excluding those who live in Japan under the status of residence listed in the left-hand column of Appended Table 1 of the Act) in addition to those who operate or manage the business. (b) The amount of stated capital or the total amount of contributions is five million yen or more. (c) The scale of the business is considered to be equivalent to that of (a) or (b). (iii) If the applicant intends to engage in business management, he/she must have at least three years' experience in business operation or management (including the period during which he/she majored in subjects related to operation or management at a graduate school) and must receive compensation for business management equivalent to or greater than that for Japanese nationals.

(Note) "Appended Table 1 of the Act" in (ii)-(a) of the table means "Appended Table 1 of the Immigration Control Act."

The "Ministerial Ordinance prescribing criteria under Article 7, paragraph (1), item (ii) of the Immigration Control and Refugee Recognition Act" (hereinafter referred to as "Ministerial Ordinance") requires that activities related to "Business Manager" are carried out for the operation of a business with having an office in Japan.* It is necessary to clarify through agreements, such as a lease agreement, that the office is used by the relevant corporation and to secure a facility in Japan exclusively used as an office for conducting business. The facility must be equipped with a telephone, photocopier, personal computer, and other equipment essential for conducting business. If a business is conducted in a rental space to be used for such a short period of time as weekly or monthly, it is not considered that the criteria are satisfied unless there are special circumstances that make it reasonable.

(*) In cases where a business is supported by an incubator (groups and organizations that provide management advice and provide a bridge to business services necessary for corporate operation) and the applicant submits a letter of approval for using the office, the applicant will be treated as satisfying the requirements of "securing (existence of) a business establishment" specified in the Ministerial Ordinance if the applicant can secure a temporary business office, such as a temporary address and office of Invest Japan Business Support Center (IBSC) of the Japan External Trade Organization (JETRO) or other incubation offices, etc., that are temporarily leased for the purpose of startup support.

Related information

Example of a case where a business establishment is recognized as being secured

Mr. A established a stock company in Japan and made an application for certificate of eligibility to operate a sales business. The entrances to the company office and to the residence were separated, and a sign indicating the name of the company was placed at the entrance to the office. Since it was confirmed that office equipment, such as a personal computer, telephone, office desk, and photocopier, was installed in the office, it was recognized that a business establishment is secured.

Example of a case where a business establishment is not recognized as being secured

Mr. B established a corporation in Japan and made an application for certificate of eligibility to operate a general sales agent. According to the documents submitted, the business establishment was considered to be a residence. As a result of an investigation, it was a two-story apartment, and no sign indicating the name of the company was placed on the mailbox or at the entrance. In addition, there was no office equipment in the residence, but only furniture and other equipment for daily living. It was not recognized that a business establishment is secured.

As for the scale of business, for example, if a foreign national intends to start a business in the form of a sole proprietorship and only one full-time employee engages in the business, an additional investment must be made to cover the cost of having another employee engage in the business (approx. 2.5 million yen) in order to satisfy the criteria. Investment of five million yen or more refers to the total amount invested necessary to conduct the business, including: (1) expenses related to securing facilities used as a business establishment, (2) expenses for the director's compensation and compensation paid to employees employed at the office, and (3) expenses related to office maintenance, such as office equipment expenses and real estate rental fees. It is not required to make investments of five million yen every year, but to maintain the investment of five million yen or more that has been invested without being withdrawn.

In general, a company's borrowings, even if they are the business funds of the company, cannot immediately be deemed to be investments, but if there are special circumstances, such as the foreign national is personally guaranteeing the borrowings, they may be deemed to be investments made by the person.

If a foreign student has made a large investment in starting a business, the source of funds is an important factor in the examination in relation to activities outside the scope of the resident status during a period in which the student lives in Japan with the status of residence "Student."

Q

Can I obtain the status of residence "Business Manager" before establishing a company?

A

As a rule, you cannot. A resident status with permission to work is issued on the premise that a business entity where the applicant (foreign national) can work has been secured in Japan. However, in the case of obtaining a 4-month status of residence of "Business Manager" or using the "Foreign Entrepreneurship Promotion Project" (See page 32), which is implemented by some local governments, you can obtain the status of residence even before the establishment of the business entity.

Related information

When two or more foreign nationals jointly operate a business

Activities that fall under the status of residence "Business Manager" are activities carried out by those who substantially participate in the operation or management of a business. Therefore, it cannot be said that a person falls under such status of residence by the mere fact that the person has assumed the position of a director. In order for each foreign national's activities to qualify as the status of residence "Business Manager" in the case where more than one foreign national participates in a business, there must be reasonable grounds for more than one foreign national to operate or manage the business, taking into account the scale, volume of work, sales of the business and so on. In practice, whether or not the activities carried out by these foreign nationals fall under the operation or management of the business is determined by taking into account the details of services they will engage in and the amount of compensation they will be paid as directors.

Specifically, each foreign national is judged as falling under the status of residence "Business Manager" when the following conditions are satisfied: (1) a reasonable ground is recognized for each foreign national to operate or manage a business in consideration of the scale and volume of work of the business, (2) with regard to services related to the operation or management of the business, the contents of the services that each foreign national will engage in are clarified, and (3) each foreign national will receive a considerable amount of compensation as consideration for the services related to the operation or management of the business. Specific examples are as follows.

Case 1: Foreign nationals A and B each invested five million yen to establish Company X (stated capital: 10 million yen) which imports goods in Japan. Mr. A is an expert in overseas transactions such as customs procedures and import and export services, and Mr. B is an expert in quality/inventory management of imported goods and accounting. Mr. A judges the status of Company X's services from the aspect of overseas transaction and Mr. B judges from the aspect of management of imported goods and accounting. The management policy is decided in consultation between them as joint partners. Each person's compensation is paid from the business profit at a rate commensurate with the amount of each person's contributions.

Case 2: Foreign nationals C and D invested six million yen and eight million yen respectively and jointly established Company Y (stated capital: 14 million yen) which provides transportation services in Japan. Based on the areas of responsibility for providing transportation services, each person is in charge of the area he/she is responsible for, and operates the business in the area. The management policy of Company Y as a whole is decided by consultation between them, and each person's compensation is paid from the business profit at a rate commensurate with the amount of each person's contributions.

3) Requirements for Engaging in Business Management

Item (iii) of the Ministerial Ordinance* indicated on page 14 is a criterion to be added to "In the case where a foreign national intends to engage in the management of international trade or other business" upon satisfying the requirements of items (i) and (ii) of the same Ministerial Ordinance.

(*) "If the applicant intends to engage in business management, he/she must have at least three years' experience in business operation or management (including the period during which he/she majored in subjects related to operation or management at a graduate school) and must receive compensation for business management equivalent to or greater than that for Japanese nationals."

With regard to "receive compensation for business management equivalent to or greater than that for Japanese nationals" in the latter part, the compensation means that paid to Japanese nationals who engage in the same type of services at the organization where the applicant works. If it is difficult to make a comparison, the compensation paid to Japanese nationals engaging in the same type of services at other companies in the same industry is used as a reference. Note that "at least three years' experience" is not experience at a "university" but at a "graduate school." Also, the applicant's academic background, such as whether or not the applicant is a university graduate, is not a requirement.

4) Business Continuity

With regard to business continuity, it is required that business activities are expected to be carried out steadily. Business continuity is evaluated by the financial result of the last two fiscal years, rather than by the result of a single fiscal year, since a company may be in the red in normal business activities.

It is not considered that a business has continuity if "the company's debts exceed its assets at the end of the most recent period and at the end of the period preceding the most recent period" or "the company has no gross profit for the most recent period and for the period preceding the most recent period." The reason for the latter is that, although there may be cases where there is no gross profit due to special circumstances, the fact there is no gross profit for two consecutive years does not indicate the company has the ability to provide its principal services on an ongoing basis. In other cases, submission of additional documents on company evaluation (limited to documents providing the reason to be the basis for the evaluation) made by a third party with a public qualification, such as an SME management consultant or certified public accountant who is recognized as having the ability to evaluate companies, may be required.

For more information, refer to the following resources.

"Clarification of the criteria for the status of residence of foreign managers" (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/publications/materials/nyukan_nyukan43.html

Q

I heard that it is possible to establish a company with a capital of 1 yen in Japan. However, in order to obtain the status of residence of "Business Manager," investments of five million yen or more are required. Does this mean that foreign nationals have to prepare five million yen or more of capital to establish a company?

A

The minimum capital required to establish a company is not directly related to the status of residence. You can establish a company with a capital of 1 yen, but in order to obtain the status of residence of "Business Manager," you need to prepare capital that satisfies the conditions of "investments of five million yen or more." Otherwise, you may not obtain a proper status of residence although you were able to establish a company. If you have a resident status with no activity restrictions, such as "Permanent Resident" or "Long-term Resident" (See page 4 Figure 1: "List of Statuses of Residence"), you can establish a company with a capital of 1 yen and operate a business.

5) Submitted Materials

When applying for the status of residence "Business Manager" ("application for certificate of eligibility," "application for extension of period of stay," "application for change of status of residence"), the documents to be submitted (supporting documents) are determined according to the category of the organization to which the applicant belongs.

Categories and documents submitted when making an "application for certificate of eligibility" of "Business Manager" are as follows.

5)-1 Category

Organizations by category (for "Business Manager")

<p><Category 1> 1. Companies listed on Japanese stock exchanges 2. Mutual companies that conduct insurance business 3. National or local governments overseas 4. Public interest corporations authorized by national or local governments in Japan 5. Companies falling under column (a) or (b) of the item of special addition in the table of the items of Article 1, paragraph (1) of the ministerial ordinance on highly skilled professional (Innovation creation companies) 6. Companies that satisfy certain conditions</p>
<p><Category 2> Groups and individuals whose withholding tax provided in the table of total withholding at the source of employment income of the table of total statutory records, such as the withholding tax certificate of employment income for the previous year, is 10 million yen or more</p>
<p><Category 3> Groups and individuals (excluding those falling under Category 2) that have submitted the table of total statutory records, such as the withholding tax certificate of employment income of their employees for the previous year</p>
<p><Category 4> Groups and individuals that do not fall under any of the above</p>

Source (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/applications/procedures/nyuukokukanri07_00088.html

5)-2 Necessary Documents

The categories are roughly defined as follows: Category 1: listed companies, public organizations, independent administrative institutions, and other organizations that are considered to have little problem with business stability and continuity; Categories 2 and 3: businesses smaller than those in Category 1; and Category 4: sole proprietors. Businesses falling under Category 3 or 4 are usually requested to provide more materials than those falling under Category 1 or 2. This means that the former is examined more carefully than the latter.

When foreign nationals start a business in Japan, they often fall under Category 4. So this section focuses on the documents required for Category 4.

Submitted materials (for "Business Manager")

Where to apply: The Regional Immigration Bureau that has jurisdiction over the place of planned residence/the location of the accepting organization
When to submit: Materials must be submitted in advance so that the applicant can receive a certificate before entering Japan.
<Materials to be submitted> (Documents according to the activities in Japan)
A. Common to all categories
<ol style="list-style-type: none"> 1. A copy of an application form for certificate of eligibility 2. A photo (4 cm long × 3 cm wide, taken within 3 months before application, taken from the front, no hat, no background) 3. A return envelope (standard-sized envelope on which the return address is written and affixed with 404 yen worth of stamps for simple registered mail) 4. A document certifying that the applicant falls under any of the above categories (as appropriate) Example: The table of total statutory records such as the withholding tax certificate of employment income of the employees for the previous year (a copy with the acceptance seal) (for Category 2 and Category 3)
B. Category 4
<ol style="list-style-type: none"> 5. Any of the following materials that clarify the details of the applicant's activities <ol style="list-style-type: none"> (1) If assuming the office of a director of a company which is a Japanese corporation A copy of the articles of incorporation specifying the director's compensation or a copy of the minutes of the shareholders meeting that determined the director's compensation (for a company with a Compensation Committee, the minutes of the Committee) (2) If transferring to a Japanese branch office of a foreign corporation or assuming the office of a director of an organization which is not a company A copy of a document of the organization to which the applicant belongs that specifies the position (assigned services), period, and amount of compensation to be paid (dispatch letter, transfer notice, etc.) (3) When being employed as a manager in Japan A copy of a document (employment contract, etc.) specifying the working conditions issued to workers pursuant to Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of the same Act 6. If being employed as a manager in Japan, a document certifying that the applicant has at least three years' experience in business operation or management (including the period during which he/she majored in subjects related to operation or management at a graduate school) <ol style="list-style-type: none"> (1) A curriculum vitae specifying the organizations in which the applicant engaged in the relevant duties, and details and period of the activities (2) A document certifying the period during which the applicant engaged in the relevant duties (including a document from a graduate school specifying the period during which the applicant majored in subjects related to operation or management at the graduate school) 7. Any of the following materials that clarify the details of the business <ol style="list-style-type: none"> (1) If the business is conducted by a corporation, a copy of the certificate of registered matters of the corporation (if the registration of the corporation has not been completed, a copy of the articles of incorporation or any other document that clarifies that the corporation intends to commence the business) *Applicable to both the case where a corporation is established in Japan and the case where a branch office of a foreign corporation is established in Japan.

- (2) A brochure describing the company's history, directors, organization, and business (including major clients and transaction results)
- (3) A document equivalent to (2) above prepared by the company, etc.
- 8. Any of the following materials that clarify the scale of the business
 - (1) A document clarifying that two or more full-time employees engage in the business and describing the payment of wages for the employees, certificate of residence, and other materials
 - (2) A certificate of registered matters
 - *If it is not submitted in 7 (1)
 - (3) Other material clarifying the scale of the business
- 9. Materials certifying the existence of office facilities
 - (1) A copy of real property register
 - (2) A copy of lease agreement
 - (3) Other material
- 10. A copy of the business plan
- 11. A copy of the statement of accounts for the most recent fiscal year
- 12. Any of the following materials clarifying the reason that the table of total statutory records, such as the withholding tax certificate of employment income of the employees for the previous year, cannot be submitted
 - (1) For organizations exempted from withholding at the source
 - A certificate of exemption from withholding at the source of a foreign corporation or any other material certifying that withholding at the source is not required
 - (2) For other organizations
 - A A copy of notification of establishment of salary-paying office
 - B Any of the following materials
 - (A) A statement of income tax collected from employment income, retirement income, etc., for the last three months (a copy of the statement with the receipt date)
 - (B) A copy of a material certifying that the special due date has been approved (if applicable)

(Note) The "applicant" means a foreign national who wishes to enter or live in Japan. Certificates issued in Japan must be submitted within three months from the date of issue. Other materials may be required in the course of regulatory examination.

Source (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/applications/procedures/nyuukokukanri07_00088.html

<Reference> Application for Certificate of Eligibility (Immigration Services Agency of Japan)

<https://www.isa.go.jp/en/applications/index.html>

Materials to be submitted and other details related to an "application for extension of period of stay" and "application for change of status of residence" for the status of residence "Business Manager" can be found on the following websites.

"Application for extension of period of stay"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-3-1.html>

"Application for change of status of residence"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-2-1.html>

(2) Status of Residence "Engineer/Specialist in Humanities/International Services"

This status of residence was established as a comprehensive status of residence in the professional and technical fields by abolishing the classification of statuses of residence of "Engineer" and "Specialist in Humanities/International Services" by the 2014 amendment of the Immigration Control Act. By the establishment, the status of residence does not need to be changed in the case of a job relocation between science ("Engineer") and liberal arts ("Specialist in Humanities/International Services"). It can be said that the procedures for interdisciplinary activities have been simplified.

1) Scope of "Engineer/Specialist in Humanities/International Services"

Appended Table 1-2 of the Immigration Control Act (excerpt)

Status of Residence	Activities that may be carried out in Japan
Engineer/Specialist in Humanities/International Services	Activities to engage in services that require skills or knowledge pertinent to physical science, engineering, or any other natural science field, or to jurisprudence, economics, sociology, or any other human science field, or to engage in services which require ideas or sensitivity based on foreign culture, carried out based on a contract with a public or private organization in Japan (excluding activities listed in the right-hand column of the items of "Professor," "Artist," and "Journalist" in Table 1, and activities listed in the right-hand column of the items from "Business Manager" to "Instructor" and from "Intra-company Transferee" to "Entertainer" in this table.).

(Note) "Table 1" and "This table" in the table mean "Appended Table 1-1 of the Immigration Control Act" and "Appended Table 1-2 of the Immigration Control Act," respectively.

"A public or private organization in Japan" includes national and local governments, independent administrative institutions, companies, public interest corporations, and voluntary organizations. It also includes national and local governments overseas (including regional governments) and foreign corporations having offices or establishments in Japan. In addition, an individual without juridical personality is included if he/she has an office or establishment in accordance with Japanese standards.

"Contract" includes employment, delegation, consignment, and commission contracts, but it must be a continuous contract with a specific agency or agencies.

2) Activity

Activities of "Engineer/Specialist in Humanities/International Services" are divided into three categories.

- 1) "Engineer": Activities to engage in services that require skills or knowledge pertinent to natural science

"Engineer" here means a person having the ability in the field of natural science (science, engineering, agriculture, medicine, dentistry, pharmacology, etc.) to apply and process theories, with academic background, such as majoring in science at a university or higher education, or having at least 10 years' practical experience in the field concerned (including a period of majoring in a subject related to the relevant technology at a university or technical college, etc.). The reason why "services that require skills or knowledge pertinent to natural science" is provided is the necessity to carry out more than a certain level of services backed by academic background. Those who are living in Japan with this status of residence are, for example, computer engineers and biotechnology engineers.

- 2) "Specialist in Humanities": Activities to engage in services that require skills or knowledge pertinent to humanities

These services require more than a certain level of specialized knowledge acquired by majoring in liberal arts at university, etc., While services of 1) are considered as those related to science, these services are considered as those related to liberal arts (See "Engineer" for the explanation of at least 10 years' practical experience). Fields for the activity with this status of residence are, for example, financial, accounting, and consultation.

3) "International Services": Activities to engage in services that require ideas or sensitivity based on foreign culture

The services refer to those requiring "thinking methods and sensitivities that ordinary Japanese nationals do not have (sensitivity peculiar to foreign nationals)" which are rooted in the culture peculiar to foreign countries. The services are engaged only by foreign nationals who have ideas and sensitivity that cannot be nurtured in Japanese culture.

The applicant must satisfy all of the following requirements.

- Engage in translation, interpretation, language instruction, public relations, advertising or foreign trade, design or product development related to clothing or interior decoration, or other similar work.
- The applicant must have at least three years' practical experience in services related to the services in which the applicant intends to engage. (If an applicant who graduated from a Japanese university engages in translation, interpretation, or language instruction, he/she may be admitted regardless of his/her major, even if he/she does not have three years' practical experience in related services.)

3) Compensation

In any case, the applicant is required to receive compensation for the relevant services equivalent to or greater than that for Japanese nationals.

4) Examples of the Relevant Services

1)	Adjustment and preparation of specifications for developed software for customers, engaged in by a foreign computer programmer who majored in telecommunications engineering and graduated from university in his home country, was employed by a subsidiary company of a Japanese telecommunications facilities construction company in the country, and has received compensation of about 240,000 yen per month under a contract with the parent company in Japan
2)	Construction of transaction report and profit and loss databases, etc., engaged in by a foreign national who majored in engineering and information processing and graduated from university in his home country, was engaged in risk management and system development at a securities company, etc., as a member of the research division for financial derivatives, etc., and has received compensation of about 830,000 yen per month under a contract with a foreign securities company in Japan
3)	Interpretation and guide using a native language, English, and Japanese for passengers, as well as emergency response and security services and language instruction in employee training, etc., engaged in by a foreign cabin attendant for international flights who majored in business administration and graduated from university in Japan and has received compensation of about 250,000 yen per month under a contract with a Japanese airline company

Source Clarification of the status of residence of "Engineer/Specialist in Humanities/International Services" (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/publications/materials/nyukan_nyukan69.html

5) Submitted Materials

When applying for the status of residence "Engineer/Specialist in Humanities/International Services" ("application for certificate of eligibility," "application for extension of period of stay," "application for change of status of residence"), the documents to be submitted (supporting documents) are determined according to the category of the organization to which the applicant belongs.

Categories and documents submitted when making an "application for certificate of eligibility" of "Engineer/Specialist in Humanities/International Services" are as follows.

5)-1 Category

Organizations by category (for "Engineer/Specialist in Humanities/International Services")

<p><Category 1></p> <ol style="list-style-type: none">1. Companies listed on Japanese stock exchanges2. Mutual companies that conduct insurance business3. National and local governments in Japan or overseas4. Independent administrative institutions5. Special corporations and authorized corporations6. Public interest corporations authorized by national or local governments in Japan7. Public corporations listed in Appended Table 1 of the Corporation Tax Act8. Companies falling under column (a) or (b) of the item of special addition in the table of the items of Article 1, paragraph (1) of the ministerial ordinance on highly skilled professional (Innovation creation companies)9. Companies that satisfy certain conditions
<p><Category 2></p> <p>Groups and individuals whose withholding tax provided in the table of total withholding at the source of employment income of the table of total statutory records, such as the withholding tax certificate of employment income for the previous year, is 10 million yen or more</p>
<p><Category 3></p> <p>Groups and individuals (excluding those falling under Category 2) that have submitted the table of total statutory records, such as the withholding tax certificate of employment income of their employees for the previous year</p>
<p><Category 4></p> <p>Groups and individuals that do not fall under any of the above</p>

Source (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/applications/procedures/nyuukokukanri07_00089.html

5)-2 Necessary Documents

As with the section of the status of residence "Business Manager" previously described, this section focuses on the documents required for Category 4.

Submitted materials (for "Engineer/Specialist in Humanities/International Services")

Where to apply: The Regional Immigration Bureau that has jurisdiction over the place of planned residence/the location of the accepting organization
When to submit: Materials must be submitted in advance so that the applicant can receive a certificate before entering Japan.
<Materials to be submitted> (Documents according to the activities in Japan)
A. Common to all categories
<ol style="list-style-type: none"> 1. A copy of an application form for certificate of eligibility 2. A photo (4 cm long × 3 cm wide, taken within 3 months before application, taken from the front, no hat, no background) 3. A return envelope (standard-sized envelope on which the return address is written and affixed with 404 yen worth of stamps for simple registered mail) 4. A document certifying that the applicant falls under any of the above categories (as appropriate) Example: The table of total statutory records such as the withholding tax certificate of employment income of the employees for the previous year (a copy with the acceptance seal) (for Category 2 and Category 3) 5. A document certifying that the applicant has been granted a diploma or advanced diploma if the applicant has graduated from a vocational school and has been granted a diploma or advanced diploma
B. Category 4
<ol style="list-style-type: none"> 6. Any of the following materials that clarify the details of the applicant's activities <ol style="list-style-type: none"> (1) If concluding a labor contract A copy of a document specifying the working conditions issued to workers pursuant to Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of the same Act (2) If assuming the office of a director of a company which is a Japanese corporation A copy of the articles of incorporation specifying the director's compensation or a copy of the minutes of the shareholders meeting that determined the director's compensation (for a company with a Compensation Committee, the minutes of the Committee) (3) If transferring to a Japanese branch office of a foreign corporation or assuming the office of a director of an organization which is not a company A copy of a document of the organization to which the applicant belongs that specifies the position (assigned services), period, and amount of compensation to be paid 7. A document certifying the applicant's educational background, professional career history, and other background <ol style="list-style-type: none"> (1) A curriculum vitae specifying the organizations in which the applicant engaged in the relevant duties which require skills or knowledge related to the application and details and period of the duties (2) Any of the following documents certifying the applicant's educational background or professional career <ol style="list-style-type: none"> A A certificate of graduation from university or other institution or a document certifying that the applicant has acquired an equivalent or superior education. A certificate of DOEACC qualification (limited to Level "A," "B," or "C") for DOEACC (Department of Electronics Accreditation of Computer Courses) qualification holders B A document certifying the period during which the applicant engaged in the relevant services, such as a certificate of employment (including a certificate issued by a university, technical college, high school, or special training school stating the period during which the applicant majored in a subject pertaining to the relevant skills or knowledge in a special course) C For IT engineers, a passing certificate for the examination or certificate of qualification for "information processing technology" specified by the Minister of Justice in the special notification * If the material provided in 5. is not submitted D A document certifying at least three years' practical experience in the relevant services if the applicant engages in services that require ideas or sensitivity based on foreign culture (excluding cases where the applicant has graduated from a university and engages in translation/interpretation or language instruction)

8. A certificate of registered matters
9. Any of the following materials that clarify the details of the business
 - (1) A brochure describing the company's history, directors, organization, and business (including major clients and transaction results)
 - (2) A document equivalent to (1) above, prepared by the company, etc.
10. A copy of the statement of accounts for the most recent fiscal year
A business plan for new business (if applicable)
11. Any of the following materials clarifying the reason that the table of total statutory records, such as the withholding tax certificate of employment income of the employees for the previous year, cannot be submitted
 - (1) For organizations exempted from withholding at the source
A certificate of exemption from withholding at the source of a foreign corporation or any other material certifying that withholding at the source is not required
 - (2) For other organizations
 - A A copy of notification of establishment of salary-paying office
 - B Any of the following materials
 - (A) A statement of income tax collected from employment income, retirement income, etc., for the last three months (a copy of the statement with the receipt date)
 - (B) A copy of a material certifying that the special due date has been approved (if applicable)

(Note) The "applicant" means a foreign national who wishes to enter or live in Japan. Certificates issued in Japan must be submitted within three months from the date of issue. Other materials may be required in the course of regulatory examination.

Source (Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/applications/procedures/nyuukokukanri07_00089.html

<https://www.isa.go.jp/en/applications/index.html>

Materials to be submitted and other details related to an "application for extension of period of stay" and "application for change of status of residence" for the status of residence "Engineer/Specialist in Humanities/International Services" can be found on the following websites.

"Application for extension of period of stay"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-3-1.html>

"Application for change of status of residence"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-2-1.html>

(3) Status of Residence "Intra-company Transferee"

The status of residence "Intra-company Transferee" was established to accept engineers and other human resource who are transferred from overseas business establishments to business establishments in Japan due to personnel changes in response to the international development of corporate activities. Cases falling under this status of residence are, for example, a new Japanese subsidiary or branch office accepts personnel from overseas headquarters, or a company in Japan that needs a foreign engineer having experience in the services has the engineer transfer from an overseas subsidiary without newly employing a foreign national, in consideration of cost effectiveness and certainty.

However, the foreign national is required to engage in the services stipulated in the status of residence "Engineer/Specialist in Humanities/International Services." Even if the foreign national is transferred from/to a parent company to/from a subsidiary company, he/she is not allowed to engage in simple labor. If an intra-company transferee operates or manages a company in Japan, he/she falls under the status of residence "Business Manager."

1) Scope of "Intra-company Transferee"

Appended Table 1-2 of the Immigration Control Act (excerpt)

Status of Residence	Activities that may be carried out in Japan
Intra-company Transferee	Activities listed in the right-hand column of the item of "Engineer/Specialist in Humanities/International Services" of this table, carried out in a business establishment in Japan to which an employee of an overseas establishment of a public or private organization having its head office, branch offices, and other establishments in Japan is transferred for a specified period

(Note) "This table" in the table means "Appended Table 1-2 of the Immigration Control Act."

"A public or private organization having its head office, branch offices, and other establishments in Japan" includes private companies, public corporations, independent administrative institutions, and other organizations in Japan (JETRO, Federation of Economic Organizations, etc.). It also includes government agencies overseas and local governments overseas (including regional governments).

2) Activity

Activities that a foreign national with the status of residence "Intra-company Transferee" can carry out are limited to those to be carried out under the status of residence "Engineer/Specialist in Humanities/International Services" previously described. Compared with the activities carried out under the status of residence "Engineer/Specialist in Humanities/International Services," activities under the status of residence "Intra-company Transferee" can be carried out only at a specific business establishment to which the foreign national is transferred and during the period of assignment. The term "transferred for a specified period" in the Table above means that the length of service in Japan is limited to a certain period of time, and those who work in Japan for an unlimited period of time are not included.*

(*) As the period of stay can be extended if certain requirements are satisfied, the period of assignment is not limited to the period of stay provided for in the Immigration Control Act (five years, three years, one year, or three months for "Intra-company Transferee").

Figure 5 Differences between "Engineer/Specialist in Humanities/International Services" and "Intra-company Transferee"

Status of Residence	Activity	Place of Activity	Period of Activity
Engineer/Specialist in Humanities/International Services	Same	Public or private organization in Japan based on a contract	Period of stay granted
Intra-company Transferee		Limited to a specific business establishment to which the foreign national is transferred	Period of stay granted (a certain period of assignment must be specified)

The applicant must satisfy the following requirements.

- Continuously engaged in services falling under "Engineer/Specialist in Humanities/International Services" for at least one year at a head office, branch office, or other establishment overseas immediately prior to the transfer pertaining to the application.*

(*) In the case where the applicant has engaged in services at the relevant establishment in Japan, the period is added to the period above.

- Receive compensation for the relevant services equivalent to or greater than that for Japanese nationals

3) Types of Transfer

In addition to transfers within the same company, assignments to an associated company are included. In this case, an associated company refers to a "parent company," "subsidiary," and "affiliated company" as prescribed in Article 8 of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963)*, and the scope of transfers considered as "Intra-company Transferee" under the Immigration Control Act as shown in Figure 6 (including intra-company transferees between business establishments such as foreign companies, foreign affiliates, and merged companies in addition to companies having their head office in Japan).

(*) Article 8, paragraph (3):

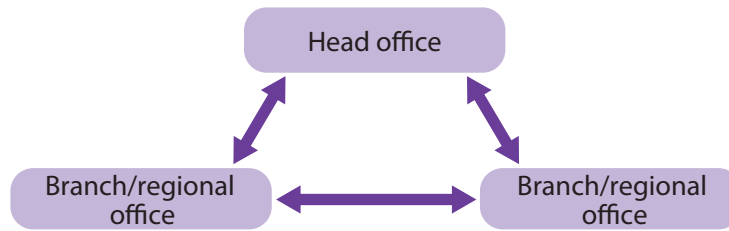
In this Ordinance, the term "parent company" means a company, etc., that controls an organization that determines financial and operational or business policies of other companies, etc., (referring to a shareholders meeting or any other organization equivalent thereto; hereinafter referred to as "Decision-making Organization"), and the term "subsidiary" means such other companies, etc. If a parent company and subsidiary, or a subsidiary controls the Decision-making Organization of other companies, etc., such other companies, etc., are also deemed to be subsidiaries of the parent company.

Article 8, paragraph (5):

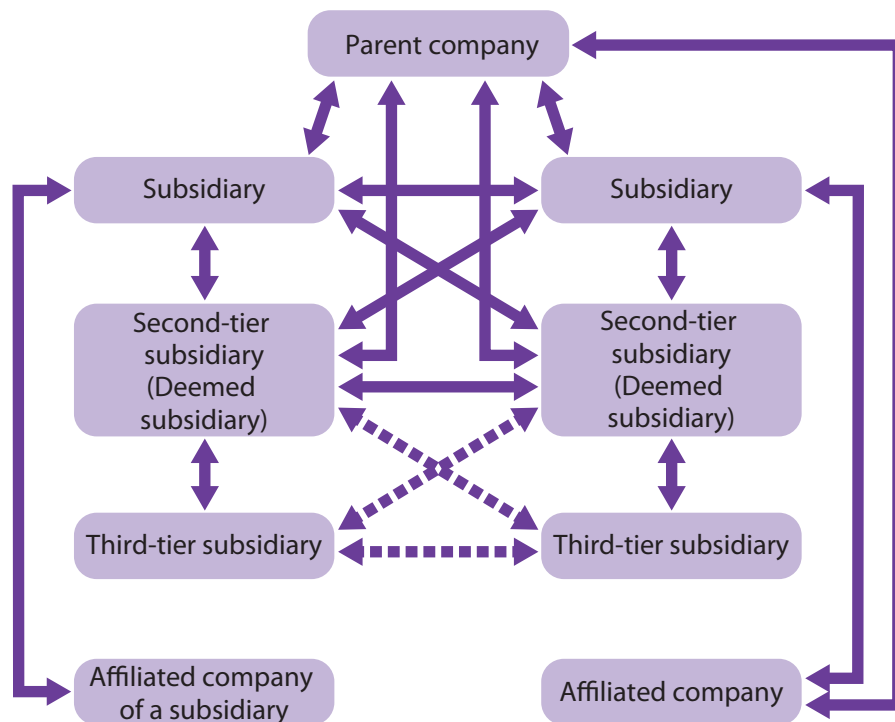
In this Ordinance, the term "affiliated companies" mean other companies, etc., except subsidiaries, over which a company, etc., and subsidiary of the company, etc., are able to have a significant influence on their decisions on the financial and operational or business policies through their relationship in terms of contribution, personnel affairs, funds, technology, transactions, etc.

Figure 6 Scope of Intra-company Transferee

1. Transfer between the head office and a branch/regional office



2. Transfer among the parent company, subsidiary, second-tier subsidiary, and third-tier subsidiary



(Note) : Considered as a "transfer" under the status of residence "Intra-company Transferee."
: Transfers between third-tier subsidiaries and a second-tier subsidiary and a third-tier subsidiary are considered "Intra-company Transferee" if all the subsidiaries are 100%-owned subsidiaries of the parent company.

4) Submitted Materials

When applying for the status of residence "Intra-company Transferee" ("application for certificate of eligibility," "application for extension of period of stay," "application for change of status of residence"), the documents to be submitted (supporting documents) are determined according to the category of the organization to which the applicant belongs.

Categories and documents submitted when making an "application for certificate of eligibility" of "Intra-company Transferee" are as follows.

4)-1 Category

Organizations by category (for "Intra-company Transferee")

<p><Category 1></p> <ol style="list-style-type: none">1. Companies listed on Japanese stock exchanges2. Mutual companies that conduct insurance business3. National and local governments in Japan or overseas4. Independent administrative institutions5. Special corporations and authorized corporations6. Public interest corporations authorized by national or local governments in Japan7. Public corporations listed in Appended Table 1 of the Corporation Tax Act8. Companies falling under column (a) or (b) of the item of special addition in the table of the items of Article 1, paragraph (1) of the ministerial ordinance on highly skilled professional (Innovation creation companies)9. Companies that satisfy certain conditions
<p><Category 2></p> <ol style="list-style-type: none">(1) Groups and individuals whose withholding tax provided in the table of total withholding at the source of employment income of the table of total statutory records, such as the withholding tax certificate of employment income for the previous year, is 10 million yen or more(2) Organizations that have been approved to use the online status of residence application system
<p><Category 3></p> <p>Groups and individuals (excluding those falling under Category 2) that have submitted the table of total statutory records, such as the withholding tax certificate of employment income of their employees for the previous year</p>
<p><Category 4></p> <p>Groups and individuals that do not fall under any of the above</p>

Source (Ministry of Justice)

http://www.moj.go.jp/ONLINE/IMMIGRATION/ZAIRYU_NINTEI/shin_zairyu_nintei10_13.html

4)-2 Necessary Documents

As with the sections of the statuses of residence "Business Manager" and "Engineer/Specialist in Humanities/International Services" previously described, this section focuses on the documents required for Category 4.

Submitted materials (for "Intra-company Transferee")

Where to apply: The Regional Immigration Bureau that has jurisdiction over the place of planned residence/the location of the accepting organization
When to submit: Materials must be submitted in advance so that the applicant can receive a certificate before entering Japan.
<Materials to be submitted> (Documents according to the activities in Japan)
A. Common to all categories
<ol style="list-style-type: none"> 1. A copy of an application form for certificate of eligibility 2. A photo (4 cm long × 3 cm wide, taken within 3 months before application, taken from the front, no hat, no background) 3. A return envelope (standard-sized envelope on which the return address is written and affixed with 404yen worth of stamps for simple registered mail) 4. A document certifying that the applicant falls under any of the above categories (as appropriate) Example: The table of total statutory records such as the withholding tax certificate of employment income of the employees for the previous year (a copy with the acceptance seal) (for Category 3)
B. Category 4
<ol style="list-style-type: none"> 5. Any of the following materials that clarify the details of the applicant's activities (including details and period of the activities, position, and compensation) <ol style="list-style-type: none"> (1) In the case of a transfer within the same corporation <ol style="list-style-type: none"> (1) A copy of the order of transfer (2) A copy of the letter of appointment, etc. (2) In the case of a transfer to/from a different corporation A copy of a document specifying the working conditions issued to workers pursuant to Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of the same Act (3) For executives and those who do not fall under the category of workers <ol style="list-style-type: none"> (1) In the case of a company, a copy of the articles of incorporation specifying the director's compensation or a copy of the minutes of the shareholders meeting that determined the director's compensation (for a company with a Compensation Committee, the minutes of the Committee) (2) In the case of an organization which is not a company, a copy of a document of the organization to which the applicant belongs that specifies the position (assigned services), period, and amount of compensation to be paid
<ol style="list-style-type: none"> 6. Any of the following materials indicating the relationship between the establishment where the applicant worked before the transfer and the establishment after the transfer <ol style="list-style-type: none"> (1) In the case of a transfer within the same corporation A certificate of registered matters of a branch office of a foreign corporation or any other material certifying that the corporation has an establishment in Japan (2) In the case of an assignment to a Japanese corporation A copy of a material clarifying the investment relationship between the Japanese corporation and the foreign corporation from which the applicant has been assigned (3) In the case of an assignment to a foreign corporation that has an office in Japan <ol style="list-style-type: none"> (1) A certificate of registered matters of a branch office of the relevant foreign corporation or any other material certifying that the corporation has an office in Japan (2) A copy of a material clarifying the capital relationship between the relevant foreign corporation and the corporation from which the applicant has been assigned

7. A document certifying the applicant's background
 - (1) A curriculum vitae specifying the organizations in which the applicant engaged in the relevant services and details and period of the services
 - (2) A document from the foreign organization where the applicant worked immediately prior to the transfer (including the organization in Japan where the applicant worked for a period of time within one year immediately prior to his/her transfer, if the applicant has lived in Japan with the status of residence of "Intra-company Transferee") which specifies the details of services the applicant engaged in the last one year and his/her position and compensation
8. Any of the following materials that clarify the details of the business
 - (1) A brochure describing the company's history, directors, organization, and business (including major clients and transaction results)
 - (2) A document equivalent to (1) above, prepared by the company, etc.
 - (3) A certificate of registered matters
9. A copy of the statement of accounts for the most recent fiscal year
A business plan for new business (if applicable)
10. Any of the following materials clarifying the reason that the table of total statutory records, such as the withholding tax certificate of employment income of the employees for the previous year, cannot be submitted
 - (1) For organizations exempted from withholding at the source
A certificate of exemption from withholding at the source of a foreign corporation or any other material certifying that withholding at the source is not required
 - (2) For other organizations
 - (1) A copy of notification of establishment of salary-paying office
 - (2) Any of the following materials
 - A A statement of income tax collected from employment income or retirement income, etc., for the last three months (a copy of the statement with the receipt date)
 - B A copy of a material certifying that the special due date has been approved (if applicable)

(Note) The "applicant" means a foreign national who wishes to enter or live in Japan. Certificates issued in Japan must be submitted within three months from the date of issue. Other materials may be required in the course of regulatory examination.

Source (Ministry of Justice)

http://www.moj.go.jp/ONLINE/IMMIGRATION/ZAIRYU_NINTEI/shin_zairyu_nintei10_13.html

<Reference> (Immigration Services Agency of Japan)

<https://www.isa.go.jp/en/applications/index.html>

Materials to be submitted and other details related to an "application for extension of period of stay" and "application for change of status of residence" for the status of residence "Intra-company Transferee" can be found on the following websites.

"Application for extension of period of stay"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-3-1.html>

"Application for change of status of residence"

<http://www.moj.go.jp/ONLINE/IMMIGRATION/16-2-1.html>

(4) Status of Residence "Startup Visa" (Foreign Entrepreneurship Promotion Project)

1) Structure of Startup Visa

In December 2018, the Ministry of Economy, Trade and Industry established a new program (commonly known as the "Startup Visa Program") jointly with the Ministry of Justice to facilitate business startup by foreign nationals, based on the "Future Investment Strategy 2018" (Cabinet decision of June 15, 2018).

Under the new program, specified foreign entrepreneurs* can enter and live in Japan for up to one year for startup preparation activities by going through examinations by a local government**, which is the implementing body of the program, and the Immigration Bureau even if they do not meet the requirements for the status of residence "Business Manager." (Their status of residence will be "Designated Activities.")

(*) The term "specified foreign entrepreneurs" refers to those who prepare for business startup based on the "plan for managing and supporting business startup activities of foreign nationals" implemented by a local government in the program.

(**) Local governments having a "plan for managing and supporting business startup activities of foreign nationals" certified by the Minister of Economy, Trade and Industry are subject to the program.

Under the new program, if a foreign national is likely to start a business within one year, he/she will be granted the status of residence "Designated Activities" for up to one year. The status of residence is granted once every six months: when applying for confirmation of the business startup preparation plan and when applying for confirmation of renewal of the plan. If a foreign national satisfies the prescribed criteria within one year from the start of the preparation for the business and continues to live in Japan to manage the business, he/she needs to change his/her status of residence to "Business Manager."

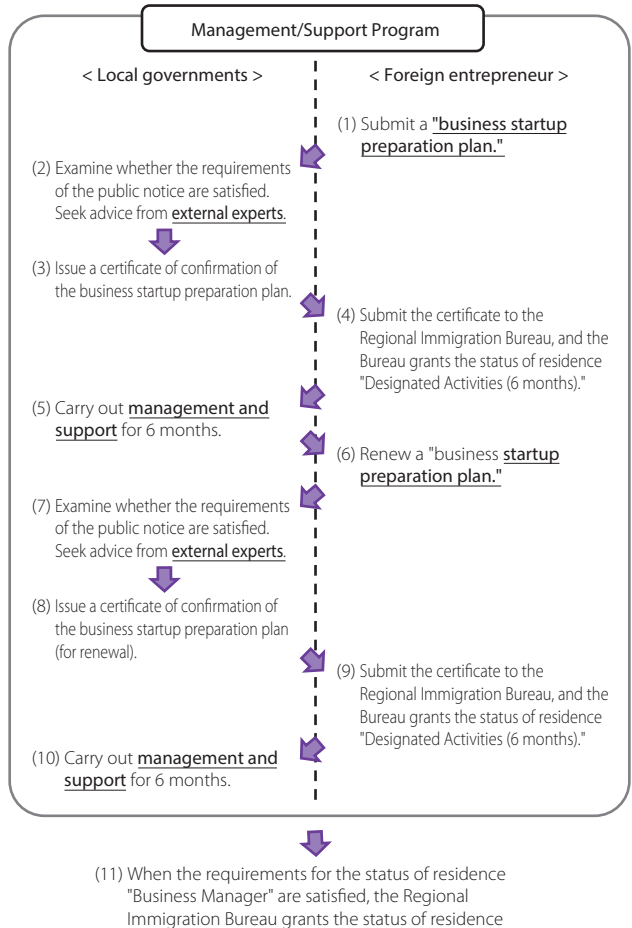
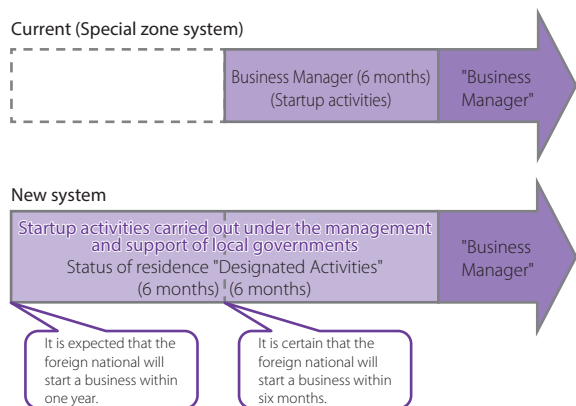
Figure 7 Structure of Startup Visa

Outline of the system for the Foreign Entrepreneurship Promotion Project

• With the aim of attracting foreign entrepreneurs, a system has been launched to allow foreign entrepreneurs who receive startup support from local governments to enter and live in Japan for up to one year in accordance with a public notice issued by the Ministry of Economy, Trade and Industry.
 • The Minister of Economy, Trade and Industry certifies management and support programs of local governments, and the Regional Immigration Bureau grants the status of residence "Designated Activities."

- **Local governments**
Development and implementation of management and support programs and selection of foreign nationals
- **Ministry of Economy, Trade and Industry**
Certification of management and support programs prepared by local governments
- **Regional Immigration Bureau**
Examination of the status of residence (Designated Activities) and adoption judgment, etc.

If the Minister of Economy, Trade and Industry considers **that a local government has a system to implement the following program**, the Minister certifies the program.



Source "Public Notice on Foreign Entrepreneurship Promotion Project" (Ministry of Economy, Trade and Industry)

<https://www.meti.go.jp/policy/newbusiness/startupvisa/index.html>

<Reference>

https://www.meti.go.jp/english/policy/economy/startup_nbp/startup_visa.html

2) Requirements for Status of Residence

According to the "Public Notice on Foreign Entrepreneurship Promotion Project" (Ministry of Economy, Trade and Industry), requirements for the recognition of the status of residence are as follows.

<At the time of application confirmation of the business startup preparation plan> (excerpt)

At the time of application confirmation, the business must fall under all of the following requirements.

- 1) The scale of the business pertaining to startup preparation is likely to fall under any of the following within one year after landing or changing the status of residence.
 - (a) The business is run by at least two full-time employees living in Japan (excluding those who live in Japan under the status of residence listed in the left-hand column of Appended Table 1 of the Immigration Control Act) in addition to those who operate or manage the business.
 - (b) The amount of stated capital or the total amount of contributions is five million yen or more.
 - (c) The scale of the business is equivalent to the scale listed in (a) or (b).
- 2) An establishment for the business pertaining to startup preparation is likely to be secured in Japan within one year after landing or changing the status of residence.
- 3) The applicant falls under any of the following requirements.
 - (a) Having graduated from university or acquired an equivalent or higher education
 - (b) Having completed a specialized course at a special training school in Japan
 - (c) Having at least three years' practical experience in services related to the subject field of the business to start
 - (d) Having engaged in the operation or management of a business related to the relevant field in a foreign country for one year or more
 - (e) The scale of the business pertaining to startup preparation is expected to fall under (a), (b), or (c) in (1) above, and an establishment pertaining to startup preparation is likely to be secured in Japan within six months after landing or changing the status of residence.

<At the time of application confirmation of renewal of the business startup preparation plan> (excerpt)

At the time of application confirmation of renewal, the business must fall under all of the following requirements.

- 1) The scale of the business pertaining to startup preparation is likely to fall under any of the following within six months after extension of the period of stay.
 - (a) The business is run by at least two full-time employees living in Japan (excluding those who live in Japan under the status of residence listed in the left-hand column of Appended Table 1 of the Immigration Control Act) in addition to those who operate or manage the business.
 - (b) The amount of stated capital or the total amount of contributions is five million yen or more.
 - (c) The scale of the business is equivalent to the scale listed in (a) or (b).
- 2) An establishment for the business pertaining to startup preparation is likely to be secured in Japan within six months after extension of the period of stay.

"Points-based System for Highly-Skilled Foreign Professionals" and Status of Residence "Highly Skilled Professional"

After the "Points-based System for Highly-Skilled Foreign Professionals" (Status of residence: "Designated Activities") was introduced in May 2012, a new status of residence "Highly Skilled Professional" was established in 2015 to replace "Designated Activities." These were established to promote the acceptance of foreign nationals with advanced skills and qualifications (highly skilled foreign professionals) who are expected to contribute to Japan's economic growth and the creation of new demand and employment.

(1) Structure of "Points-based System for Highly-Skilled Foreign Professionals"

In this system, activities are classified into three categories: "advanced academic research activities," "advanced specialized/technical activities," and "advanced business management activities." In each category, points are set according to the items, such as "academic background," "professional career," "annual salary," and "research achievements," based on the characteristics of the activities (See Figure 8). Those who acquire a certain score (70 points) or higher are recognized as "highly skilled foreign professionals," and given preferential immigration treatment. Highly skilled foreign professionals who enter Japan for the first time are granted the status of residence "Highly Skilled Professional (i)," and those who have engaged in activities for three years or more under such status of residence are granted the status of residence "Highly Skilled Professional (ii)" with higher privileges.

Figure 8 Points Calculation Standards

	Advanced academic research activities		Advanced specialized/technical activities		Advanced business management activities	
Academic background	Holder of a doctor's degree (excluding professional degrees)	30	Holder of a doctor's degree (excluding professional degrees)	30	Holder of a doctor's degree or a master's degree (Note 7)	20
	Holder of a doctor's degree (including professional degrees)	20	Holder of a doctor's degree (including professional degrees) (Note 7)	20		
	Holder of a bachelor's degree or acquisition of an education equivalent thereto or higher (excluding holders of a doctor's degree or master's degree)	10	Holder of a bachelor's degree or acquisition of an education equivalent thereto or higher (excluding holders of a doctor's degree or master's degree)	10	Holder of a bachelor's degree or acquisition of an education equivalent thereto or higher (excluding holders of a doctor's degree or master's degree)	10
	Holder of doctor's degrees, master's degrees or professional degrees in multiple areas	5	Holder of doctor's degrees, master's degrees or professional degrees in multiple areas	5	Holder of doctor's degrees, master's degrees or professional degrees in multiple areas	5
Professional career (practical experience) (Note 1)			10 years or more	20	10 years or more	25
	7 years or more	15	7 years or more	15	7 years or more	20
	5 years or more	10	5 years or more	10	5 years or more	15
	3 years or more	5	3 years or more	5	3 years or more	10
Annual salary (Note 2)	The lower limit of the annual salary to which points are awarded, will differ depending on the age group. For further details, refer to (2).	40-10	The lower limit of the annual salary to which points are awarded, will differ depending on the age group. For further details, refer to (2).	40-10	30 million yen or more	50
					25 million yen or more	40
					20 million yen or more	30
					15 million yen or more	20
					10 million yen or more	10
Age	Up to 29 years of age	15	Up to 29 years of age	15		
	Between 30 and 34 years of age	10	Between 30 and 34 years of age	10		
	Between 35 and 39 years of age	5	Between 35 and 39 years of age	5		
Bonus Point (1) (Research Achievements)	For further details, refer to (3).	25-20	For further details, refer to (3).	15		

Bonus Point (2) (Position)				Representative director or representative executive officer	10
				Director or executive officer	5
Bonus Point (3)			Holder of a Japanese national qualification related to the work (5 points per qualification)	10	
Bonus Point (4)	Work for an organization which receives support measures for the promotion of innovation separately specified by the Minister of Justice in a public notice (Note 3).	10	Work for an organization which receives support measures for the promotion of innovation separately specified by the Minister of Justice in a public notice (Note 3).	10	10
Bonus Point (5)	Employed by a small or medium-sized enterprise whose research and development expenses add up to more than 3% of total revenue.	5	Employed by a small or medium-sized enterprise whose research and development expenses add up to more than 3% of total revenue.	5	5
Bonus Point (6)	Holder of a foreign qualification, etc., related to the work	5	Holder of a foreign qualification, etc., related to the work	5	5
Bonus Point (7)	Acquisition of a degree from a Japanese institution of higher education	10	Acquisition of a degree from a Japanese institution of higher education	10	10
Bonus Point (8)	Acquisition of Level N1 of the Japanese Language Proficiency Test (Note 4), or a person who graduated from a foreign university having majored in Japanese language	15	Acquisition of Level N1 of the Japanese Language Proficiency Test (Note 4), or a person who graduated from a foreign university having majored in Japanese language	15	15
Bonus Point (9)	Acquisition of Level N2 of the Japanese Language Proficiency Test (Note 5) (excluding points acquired through Bonus Points (7) or (8))	10	Acquisition of Level N2 of the Japanese Language Proficiency Test (Note 5) (excluding points acquired through Bonus Points (7) or (8))	10	10
Bonus Point (10)	Work on an advanced project in a growth field (limited to a project recognized by the Minister of Justice)	10	Work on an advanced project in a growth field (limited to a project recognized by the Minister of Justice)	10	10
Bonus Point (11)	Graduation from a university separately specified by the Minister of Justice in a public notice	10	Graduation from a university separately specified by the Minister of Justice in a public notice	10	10
Bonus Point (12)	Completion of the training separately specified by the Minister of Justice in a public notice (Note 6)	5	Completion of the training separately specified by the Minister of Justice in a public notice (Note 6)	5	5
Bonus Point (13)				Investment of 100 million yen or more in the business the person manages	5
	Required score	70	Required score	70	Required score
				Required score	70

(1) Required minimum annual salary
An annual salary of at least 3 million yen is required for advanced specialized/technical activities or advanced business management activities

(2) Annual salary points allocation table				
	Up to 29 years of age	Between 30 and 34 years of age	Between 35 and 39 years of age	40 years of age or above
10 million yen	40	40	40	40
9 million yen	35	35	35	35
8 million yen	30	30	30	30
7 million yen	25	25	25	-
6 million yen	20	20	20	-
5 million yen	15	15	-	-
4 million yen	10	-	-	-

(3) Research achievements		Advanced academic research activities	Advanced specialized/technical activities
Research achievements*	Patented invention: 1 item or more	20	15
	Record of engaging in research using a grant funded by a public agency prior to entry into Japan: 3 items or more	20	15
	Past record of research papers (limited to those for which the applicant is the corresponding author), which appeared in an academic magazine registered in an academic research paper database used by Japanese national organizations: 3 papers or more	20	15
	For items other than the above: in cases where the applicant submits a research record equivalent to the above items (such as a record of winning a distinguished award), the Minister of Justice will determine whether to give points to the applicant on a case-by-case basis, after listening to the opinions of the heads of the relevant administrative organs.	20	15

*In the field of advanced academic research activities, 25 points will be awarded in cases where the applicant falls under two or more of the above.

(Note 1) Limited to practical experience pertaining to the work in which the applicant intends to engage.

(Note 2) *1 Annual amount of compensation from the principal accepting organization.

*2 In the case of transfer from an overseas institution, including the annual amount of compensation received from such institution.

*3 Bonuses are also included in the annual salary.

(Note 3) An additional 10 points will be awarded in cases where the organization employing the applicant is a small or medium-sized enterprise.

(Note 4) Including applicants with equivalent proficiency which was certified through testing (for example, a score of 480 or more in the Business Japanese Language Proficiency (BJT) Test).

(Note 5) Including applicants with equivalent proficiency which was certified through testing (for example, a score of 400 or more in the Business Japanese Language Proficiency (BJT) Test).

(Note 6) In the case of the training in a Japanese institution of higher education, excluding those who acquire points through Bonus Point (7).

(Note 7) An additional 5 points will be awarded in cases where the applicant is the holder of a professional degree in business management (MBA, MOT).

Source "Points-based Preferential Immigration Treatment for Highly-Skilled Foreign Professionals"
(Revised on April 26, 2017) Immigration Bureau, Ministry of Justice

<http://www.moj.go.jp/isa/content/930001655.pdf>

<https://www.isa.go.jp/en/index.html>

(2) Activities of and Preferential Treatment for "Highly Skilled Professional"

Normally, foreign nationals are allowed to engage in activities under a status of residence, but those who live in Japan with the status of residence "Highly Skilled Professional" are allowed to engage in activities that cover multiple statuses of residence, such as research activities at a university and operation of related businesses. There are various other preferential treatments related to the period of stay, spouse's employment, accompanying parents, etc.

	Activity
Highly Skilled Professional (i)	"Highly Skilled Professional (i) (a)" (advanced academic research activities): Activities of engaging in research, research guidance, or education based on a contract entered into with a public or private organization in Japan
	"Highly Skilled Professional (i) (b)" (advanced specialized/technical activities): Activities of engaging in work requiring specialized knowledge or skills in the field of natural science or humanities based on a contract entered into with a public or private organization in Japan
	"Highly Skilled Professional (i) (c)" (advanced business management activities): Activities of engaging in the operation or management of a public or private organization in Japan
	<p><Preferential treatment></p> <p>1) Permission for multiple purposes of activities Even without obtaining a permission to engage in activities outside the scope of the resident status or permission to change the status of residence, foreign nationals with this status of residence are allowed to engage in activities involving multiple statuses of residence. e.g. In the case of "Highly Skilled Professional (i) (a)" (advanced academic research activities) In addition to educational activities at universities and other educational institutions and research activities at private companies' research institutes, etc., foreign nationals with this status of residence are allowed to start and manage a business using educational and research achievements.</p> <p>e.g. In the case of "Highly Skilled Professional (i) (b)" (advanced specialized/technical activities) Foreign nationals with this status of residence are allowed to engage in services that require specialized knowledge and skills in the fields of natural sciences and humanities (e.g. product development as an engineer as well as sales promotion and planning at a company to which the person belongs). In addition to these activities, foreign nationals with this status of residence are allowed to start and manage a business related to these activities.</p> <p>e.g. In the case of "Highly Skilled Professional (i) (c)" (advanced business management activities) In addition to the operation and management of a company, law firm, auditing firm, etc., foreign nationals with this status of residence are allowed to start and manage a business related to the businesses of the company or firm.</p> <p>2) Uniformly granting the "five years" period of stay, which is the longest under the law The period of stay under a resident status with permission to work is from three months to five years. However, the maximum of five years is uniformly granted to "Highly Skilled Professional" (the period can be extended).</p> <p>3) Easing of requirements for permanent residence In principle, a period of stay in Japan necessary to obtain a permanent residence permit is at least 10 years, but the period for "Highly Skilled Professional" is shortened to three years or one year, depending on the activity results.</p>

- 4) Easing of working conditions for the spouse of a highly skilled foreign professional
 If a spouse who is staying in Japan under the status of residence "Dependent" intends to work, he/she can only work within the scope of "activities outside the scope of the resident status" unless he/she satisfies the requirements relating to academic background and professional career, and obtains the applicable status of residence.
 On the other hand, if a spouse enters Japan as a "working spouse of a highly skilled professional," he/she can work even if he/she does not satisfy the requirements relating to academic background and professional career, as long as his/her activities fall under the status of residence "Instructor" or "Engineer/Specialist in Humanities/International Services." Unlike activities outside the scope of the resident status, there are no restrictions on work hours, such as 28 hours per week, and a spouse is allowed to work full time under the status of residence "Designated Activities*."
 (*) The spouse must live with a foreign national living in Japan under the status of residence "Highly Skilled Professional" and receive compensation equivalent to or greater than that for Japanese nationals.
- 5) Permission for parent(s) to accompany the highly skilled foreign professional
 There is no status of residence for the parent(s) of a foreign national living in Japan under a resident status with permission to work. However, the parent(s) of a foreign national living in Japan under the status of residence "Highly Skilled Professional" or his/her spouse's parent(s) are permitted to enter and live in Japan if they fall under any of the following cases.
- If raising a child under seven years of age of a person living in Japan under the status of residence "Highly Skilled Professional" or his/her spouse
 - If assisting a person living in Japan under the status of residence "Highly Skilled Professional" or his/her spouse who is pregnant
- (Note) Certain requirements must be satisfied, such as living with a person who lives in Japan under the status of residence "Highly Skilled Professional" and having a household income (incomes of a person living in Japan under the status of residence "Highly Skilled Professional" and his/her spouse) of eight million yen or more.
- 6) Permission for a domestic worker to accompany the highly skilled foreign professional
 Employment of a foreign domestic worker is only allowed to a limited number of foreign nationals who live in Japan under the status of residence "Business Manager," "Legal/Accounting Services," etc. However, those who live in Japan under the status of residence "Highly Skilled Professional" are allowed to be accompanied by a domestic worker employed in their home country and to employ a foreign domestic worker if they meet the following requirements.
- The annual household income of the person living in Japan under the status of residence "Highly Skilled Professional" is 10 million yen or more.
 - More than 200,000 yen of compensation is planned to be paid per month to a domestic worker
- 7) Preferential processing of entry and residence procedures
 Immigration procedures (application for certificate of eligibility) for "Highly Skilled Professional" will be handled within 10 days from the acceptance of the application in principle (usually two weeks to three months), and residence procedures (application for extension of period of stay, application for change of status of residence) will be handled within five days from the acceptance of the application in principle.

Highly Skilled Professional (ii)	<p>Highly Skilled Professional (ii) is for foreign nationals who have engaged in activities of "Highly Skilled Professional (i)" for three years or more (no classification such as (a), (b), or (c)).</p> <p><Requirements></p> <ul style="list-style-type: none"> • The activities to be carried out fall under any of the following three types ((a), (b), (c)). • The total score (based on academic background, annual salary, etc.) is 70 points or more. • Good behavior and conduct • The foreign national's stay in Japan is recognized as being in the interests of Japan. • Activities to be carried out in Japan by the foreign national are not considered to be inappropriate in terms of the impact on Japanese industry and the lives of the people.
	<p><Preferential treatment></p> <p>1) Permission for multiple purposes of activities In conjunction with the activities of "Highly Skilled Professional (i)," permitted to engage in almost all of the activities of statuses of residence. Specifically, activities permitted under the following statuses of residence can be carried out, in addition to one or more of the activities of "Highly Skilled Professional (i) (a), (b), and (c)." "Professor," "Artist," "Religious Activities," "Journalist," "Legal/Accounting Services," "Medical Services," "Instructor," "Engineer/Specialist in Humanities/International Services," "Entertainer," "Skilled Labor"</p> <p>2) Granted an indefinite period of stay (no further extension of the period of stay is required). (However, unlike "Permanent Resident," if the foreign national has not engaged in activities as a highly skilled professional for six months or more, he/she will be subject to revocation of the status of residence due to failure to engage in the intended activities.)</p> <p>3) Easing of requirements for permanent residence</p> <p>4) Easing of working conditions for the spouse of a highly skilled foreign professional</p> <p>5) Permission for parent(s) to accompany the highly skilled foreign professional</p> <p>6) Permission for a domestic worker to accompany the highly skilled foreign professional</p> <div style="border: 1px solid black; padding: 5px; margin-left: 400px; width: fit-content;"> Preferential treatments for 3) to 6) are the same as those for "Highly Skilled Professional (i)." </div>

(3) Application Method

Application forms and procedures required to live in Japan under the status of residence "Highly Skilled Professional" are as follows.

1) Application Form to be Submitted

- a. Foreign nationals who intend to enter Japan

Application for certificate of eligibility

- b. Foreign nationals who are already living in Japan

Foreign nationals who are living in Japan as highly skilled foreign professionals and intend to extend their period of stay

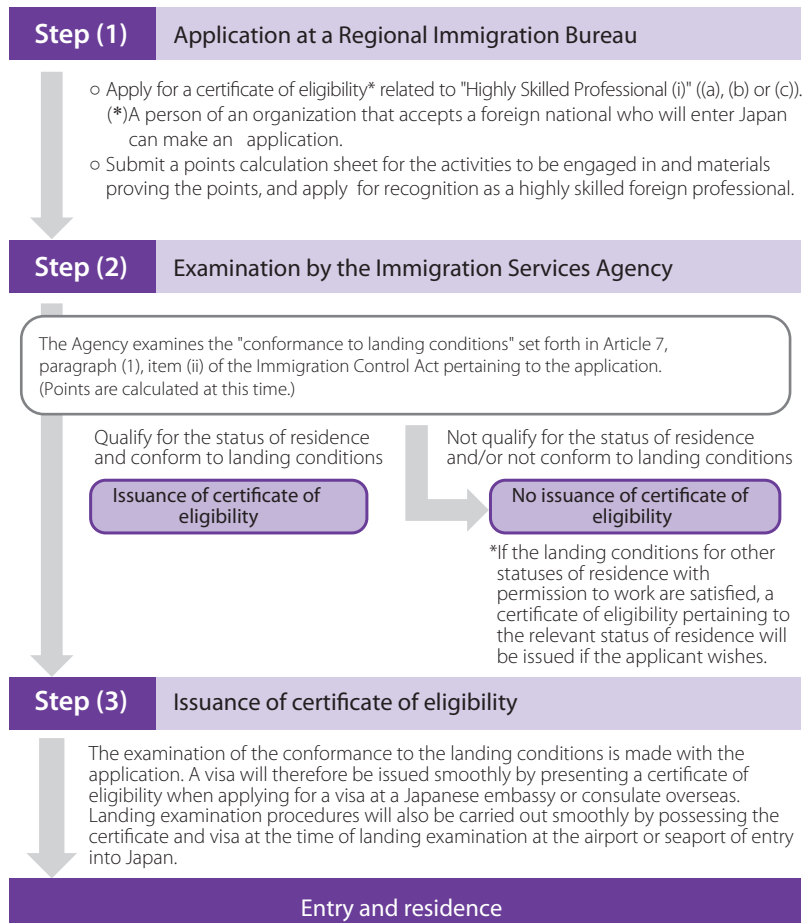
Application for change of status of residence or application for extension of period of stay

2) Application Flow

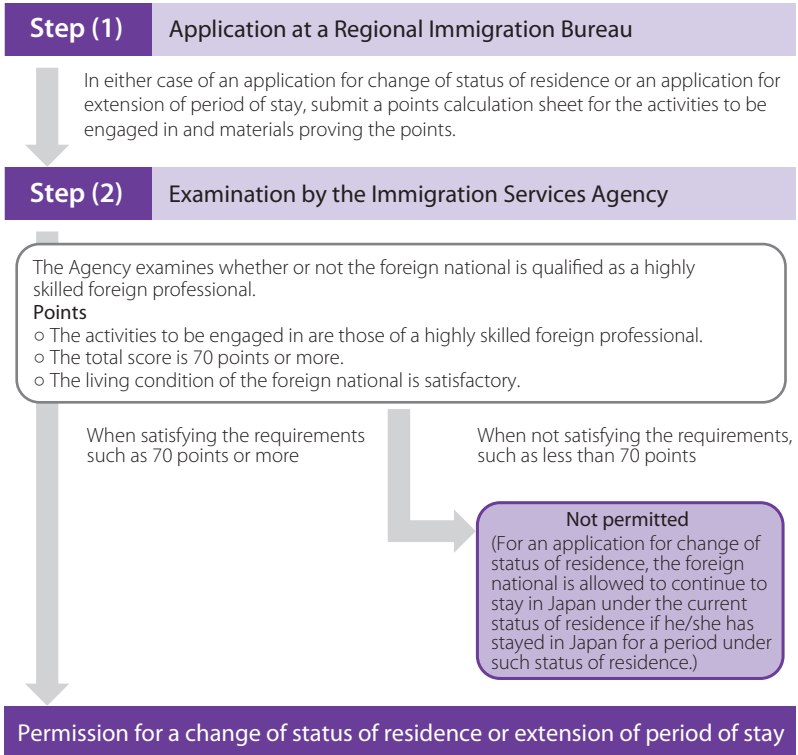
Figure 9 shows the application flow.

Figure 9 Application Flow

- a. Application for certificate of eligibility



b. Application for change of status of residence and application for extension of period of stay



Source "Points-based Preferential Immigration Treatment for Highly-Skilled Foreign Professionals"
(Immigration Services Agency of Japan)

http://www.moj.go.jp/isa/publications/materials/newimmiact_3_index.html

<Reference>

http://www.moj.go.jp/isa/publications/materials/newimmiact_3_procedure_index.html

5 Procedures for Establishing a Business Base and Living in Japan

The general procedures necessary for establishing a business base in Japan (Japanese subsidiary, Japanese branch office), for which a foreign national serves as a representative, and procedures for living in Japan are as follows. (Refer to Figure 4 "Flow of Landing Permission Procedures" as well)

<Procedures in Japan>

1 Enter Japan under the status of residence "Temporary Visitor"



2 Prepare for establishing a business base (surveys, securing properties, etc.)



3 Establish a business base (preparation of articles of incorporation, registration, etc.)



4 Application for certificate of eligibility

The method of application varies depending on whether the foreign national who intends to establish a business base in Japan has already been staying in Japan with an appropriate status of residence at the time of application or does not yet have any status of residence. In principle, the foreign national should appear and apply, but when applying for a certificate of eligibility, he/she generally has not entered Japan, so he/she is not able to go to the Immigration Bureau. In that case, a legal representative will make an application.

Methods to obtain a "certificate of eligibility" are as follows.

- (a) If a foreign national who wishes to obtain the status of residence "Business Manager" is abroad
A legal representative in Japan specified by the Immigration Control Act will apply for and obtain a certificate of eligibility, and send documents to the foreign national abroad.
Where to apply: The Regional Immigration Bureau that has jurisdiction over the place of planned residence/the location of the accepting organization
- (b) If the foreign national is staying in Japan under the status of residence "Temporary Visitor," etc.
The person will apply for a certificate of eligibility while he/she is staying in Japan. If the certificate is issued during his/her short-term stay, he/she will apply for change of status of residence from "Temporary Visitor" to "Business Manager," using the certificate. However, as a general rule, it is not permissible to change the status of residence from "Temporary Visitor" to any other status of residence, so even if a certificate of eligibility is issued, an application for change of status of residence to "Business Manager" may not be accepted. Make sure to make an application in advance in the case where you are required to leave Japan once and return again.



<Procedures outside of Japan>

5 Application for a working visa (Japanese embassy or consulate overseas)

A working visa is granted at a Japanese embassy or consulate overseas by presenting a "certificate of eligibility" obtained in 4 (a) above.*

(*) Foreign nationals having a "certificate of eligibility" can be issued a visa at a Japanese embassy or consulate within the standard processing period (five business days from the day following the acceptance of application). (However, as mentioned above, possession of a "certificate of eligibility" does not guarantee the issuance of a visa.)



<Procedures in Japan>

6 Entry into Japan

Present your passport and visa at the port of landing, submit your "certificate of eligibility," and receive a seal of verification for landing in your passport (a "certificate of eligibility" is valid for three months from the date of issue).

End



MIPRO Trade and Business Startup Consultation Desk

Consulting services for trade & starting business

Consultation available weekdays from 10:30 A.M. to 4:30 P.M.

TEL: 03-3989-5151

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This document has been prepared based on the information as of April 30, 2020 and with the utmost care regarding accuracy. However, when actually starting a business in Japan, please inquire with the relevant public offices concerning necessary documents, matters, etc. or consult with an administrative attorney or other specialists.

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外国人のための起業ガイドブック
(在留資格編)

