

The Mipro's Guide to Starting a Business in Japan

~Statuses of Residence~

外国人のための起業ガイドブック
(在留資格編)



To readers:

The Mipro's Guide to Starting a Business in Japan explains the matters, listed by subject, that are necessary for foreign nationals to start up a business in Japan as a business owner.

This guidebook on statuses of residence introduces the categories of statuses of residence that foreign nationals need to obtain to engage in business in Japan and the relevant procedures.

The following categories of statuses of residence are presumed when a foreign national operates a corporation, such as a company.

(i)	A foreign national operates a corporation to which he/she himself/herself makes a capital contribution of 5 million yen or more and holds 50% and over of its ownership.	Investor/Business Manager
(ii)	A foreign national operates a corporation to which another foreign national makes a capital contribution of 5 million yen or more and holds 50% and over of its ownership.	Investor/Business Manager
(iii)	A foreign national operates a Japanese corporation that is affiliated with a foreign company, such as a subsidiary of a foreign company. (cases other than those falling under (ii) above)	Intra-company Transferee Specialist in Humanities/ International Services
(iv)	A foreign national operates a corporation that a Japanese national holds 50% and over of its ownership.	Specialist in Humanities/ International Services

Note) The Immigration Bureau of Japan, Ministry of Justice determines applicable statuses of residence.

As shown above, the statuses of residence necessary for engaging in business differ by form of capital contributions and other factors.

Conditions for permission are specified for each of the statuses of residence and the necessary documents differ.

Therefore, when considering who is to be the representative and executives of the corporation, from whom and how much you may collect capital contributions, or from whom you may ask for cooperation in the business, or when making concrete business plans, you need to bear in mind the necessity to obtain a proper status of residence.

For the purpose of providing information to help you start up a business in Japan, this guidebook mainly explains the status of residence of "Investor/Business Manager," while somewhat referring to the statuses of "Intra-company Transferee" and "Specialist in Humanities/International Services."

The system for Points-based Preferential Immigration Treatment for Highly Skilled Foreign Professionals started in May 2012. This is a system under which foreign nationals with highly advanced abilities and qualification (Highly Skilled Foreign Professionals; HSFP) are evaluated and granted points according to their academic background, business experience, annual income, and the like, and those who earn more points than a prescribed level can enjoy preferential immigration treatment. For details, see "4. Points-based Preferential Immigration Treatment for Highly Skilled Foreign Professionals." When you intend to apply for the status of residence of "Investor/Business Manager," etc., it is recommended to check whether or not you fall under the category of HSFP.

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1 Activities in Japan and Statuses of Residence

When you start up a business in Japan, you need to provide notification of the establishment of a stock company or other type of corporation and report the commencement of business to a tax office. However, there is a relatively large number of businesses that do not require business permits, such as the business to develop and sell computer software, which is free from any restrictions on business activities.

However, foreign nationals have to obtain a status of residence corresponding to the details of the activities they are going to engage in. Therefore, you need to make preparations properly.

(1) Categories of Statuses of Residence

Statuses of residence are classified into 27 categories, and the authorized activities differ by category.

They are roughly divided into three, i.e., statuses that permit the holder to work, statuses that do not permit the holder to work, and statuses with no activity restrictions. Statuses with no activity restrictions include those of “Permanent Resident,” “Spouse or Child of Japanese National or Permanent Resident,” and “Long-Term Resident” (see p.4. Table : List of Statuses of Residence).

Table : List of Statues of Residence
(based on the provisions of the Ordinance for Enforcement of the Immigration Control and Refugee Recognition Act enacted on July 9, 2012)

Status	Term of residence	Permission to work
Statues permitting work		
Diplomat	Duration of diplomatic mission	Permitted within the scope of the status
Official	5 years, 3 years, 1 year, 3 months, 30 days or 15 days	Permitted within the scope of the status
Professor	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Artist	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Religious Activities	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Journalist	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Investor/ Business Manager	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Legal/ Accounting Services	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Medical Services	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Researcher	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Instructor	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Engineer	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Specialist in Humanities/ International Services	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Intra-company Transferee	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status
Entertainer	3 years, 1 year, 6 months, 3 months, or 15 days	Permitted within the scope of the status
Skilled Labor	5 years, 3 years, 1 year, or 3 months	Permitted within the scope of the status

Statues principally not permitting work		
Technical Intern Training	1 year, 6 months, or a period specified by the Minister of Justice	Not permitted
Cultural Activities	3 years, 1 year, 6 months, or 3 months	Not permitted
Temporary Visitor	90 days or 30 days, or a unit period not more than 15 days	Not permitted
Student	4 years and 3 months, 4 years, 3 years and 3 months, 3 years, 2 years and 3 months, 2 years, 1 year and 3 months, 1 year, 6 months, or 3 months	Permitted, if permission to engage in activities outside the scope of the status is obtained
Trainee	1 year, 6 months, or 3 months	Not permitted
Dependent	5 years, 4 years and 3 months, 4 years, 3 years and 3 months, 3 years, 2 years and 3 months, 2 years, 1 year and 3 months, 1 year, 6 months, or 3 months	Permitted, if permission to engage in activities outside the scope of the status is obtained
Designated Activities	5 years, 4 years, 3 years, 2 years, 1 year, 6 months, 3 months, or a period specified by the Minister of Justice	Permitted on a case-by-case basis

Statues without restrictions on activities in Japan		
Permanent Resident	Indefinite	No restrictions on working
Spouse or Child of Japanese National	5 years, 3 years, 1 year, or 6 months	No restrictions on working
Spouse or Child of Permanent Resident	5 years, 3 years, 1 year, or 6 months	No restrictions on working
Long-Term Resident	5 years, 3 years, 1 year, 6 months, or a period specified by the Minister of Justice	No restrictions on working

(2) Business Start-up and Statuses of Residence

Foreign nationals are allowed to engage in activities in Japan within the scope authorized under the respective statuses of residence.

Therefore, when a foreign national intends to start up a business, he/she must first confirm whether his/her current status of residence allows that.

In most cases, a foreign national who intends to start up a business undergoes procedures for obtaining the status of residence of "Investor/Business Manager," but the necessary procedures differ depending on his/her current status of residence.

- (i) When the current status of residence is "Permanent Resident," "Long-term Resident," "Spouse or Child of Japanese National," or "Spouse or Child of Permanent Resident"
 - ➔ No special procedures are necessary. The relevant person can start up a business.

- (ii) When the current status of residence allows employment, such as "Specialist in Humanities/ International Services" or "Engineer"
 - ➔ The relevant person needs to apply for a change of his/her status of residence to "Investor/ Business Manager."

- (iii) When the current status of residence is "Student"
 - ➔ When the relevant person intends to start up business while being a student: The relevant person needs to apply for permission to engage in activity other than that permitted under the status of residence previously granted.
 - ➔ When the relevant person intends to start up a business upon graduation: The relevant person needs to apply for a change of his/her status of residence to "Investor/Business Manager."

- (iv) When the relevant person has no status of residence (living outside of Japan) or his/her current status of residence is "Temporary Visitor"
 - ➔ The relevant person needs to apply for the issuance of a certificate of eligibility for the status of residence of "Investor/Business Manager."

*See p.7. 2. (2) for the details of the procedures.

2 Procedures concerning the Status of Residence

(1) Change of the Status of Residence

A foreign national who resides in Japan already has some kind of status of residence, but when he/she intends to start up his/her own business in Japan, he/she needs to apply for permission to change his/her current status of residence to “Investor/Business Manager.”

For changing the status of residence, the relevant person needs to prepare an application form for permission of change of the status of residence by entering the necessary information and attaching an ID photo (4cm × 3cm) and submitting it, together with other necessary documents specified by the Immigration Bureau of Japan, to the Regional Immigration Bureau that has jurisdiction over his/her address or the location of the relevant company.

When the change is permitted, the person must pay a fee of 4,000 yen with a revenue stamp.



According to the statistics compiled by the Ministry of Justice, the number of foreign nationals who newly entered Japan with the status of residence of “Investor/Business Manager” was 838, and the total number of foreign residents with said status of residence was 11,778 as of the end of 2011. Such numbers were 4,658 and 67,854 for the status of residence of “Specialist in Humanities/International Services,” and 5,348 and 14,636 for the status of residence of “Intra-company Transferee” (see the White Paper, 2012 *Immigration Control*).

Furthermore, according to the *Employment of Foreign Students in Japanese Companies in 2011* released in July 2012 by the Immigration Bureau of Japan, Ministry of Justice, 9,143 foreign students filed an application for change of their status of residence and 8,586 of them were granted permission, of which 291 were permitted to change their status of residence to “Investor/Business Manager.”

The number of foreign students who were permitted to change their status of residence to “Investor/Business Manager” increased from 275 in 2010 to 291 in 2011, but accounted for only 3.4% of the total number of foreign residents who changed their status of residence in 2011. Changing the status of residence from “Student” to “Investor/Business Manager” is still rare.

Application form for permission of change of status of residence:

<http://www.immi-moj.go.jp/english/tetuduki/kanri/shyorui/02-format.html>

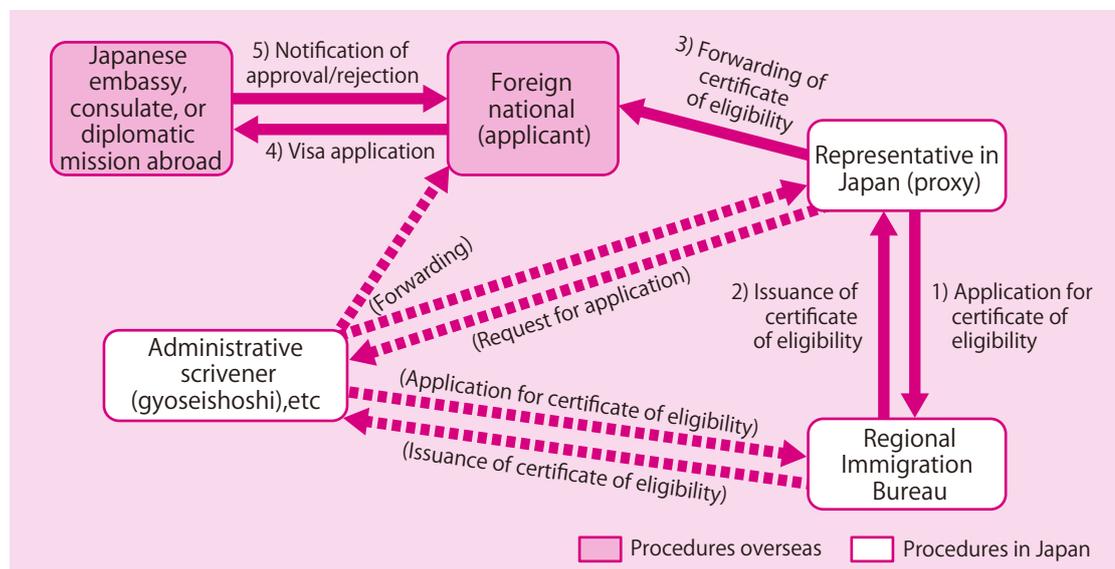
Q I am working at a company and my status of residence is “Specialist in Humanities/International Services.” However, I am now thinking of starting up a business myself, and intending to change my status of residence to “Investor/Business Manager.” What should I do first to establish a company or to change my status of residence?

A An application for change of the status of residence to “Investor/Business Manager” shall be filed after you have established a company. Therefore, you must fully examine the requirements for obtaining the status of residence of “Investor/Business Manager” before establishing a company and making a business plan. Otherwise, you may not be able to obtain said status of residence even though you have established a company. When you plan to start up a business, you must make preparations sufficiently, including quitting your present job.

(2) Initial Application for Status of Residence (Application for Issuance of Certificate of Eligibility)

Foreign nationals may obtain a visa for entering Japan by directly filing an application at an overseas Japanese Consulate, but in many cases, a Japanese organization accepting a foreign national or the foreign national visiting Japan him/herself files an application for issuance of certificate of eligibility at a Regional Immigration Bureau that has jurisdiction over the location of said organization or the scheduled place of residence, receives the issuance, and then obtains a visa at an overseas Japanese Consulate.

The foreign national him/herself or his/her business partner and other relevant person who has his/her residency in Japan (proxy) can apply for issuance of a certificate of eligibility. The application procedures are outlined below. An administrative scrivener (gyoseishoshi), etc. can also take the procedures. According to information on the website of the Immigration Bureau of Japan, Ministry of Justice, it generally takes one to three months from filing an application to receiving the issuance of a certificate.



Note) Certificate of eligibility: A certificate issued in advance by each Regional Immigration Bureau governed by the Ministry of Justice for the purpose of proving that a foreign national conforms to the conditions for landing, at the time of an examination, such as that the activities that he/she intends to engage in while in Japan are not false but are activities falling under those authorized under any of the statuses of residence (excluding the status of residence of “Temporary Visitor”) based on the Immigration Control and Refugee Recognition Act.

Application form for issuance of certificate of eligibility:

<http://www.immi-moj.go.jp/english/tetuduki/kanri/shyorui/01-format.html>

(3) Renewal of Status of Residence

Statuses of residence of “Investor/Business Manager,” “Intra-company Transferee,” and “Specialist in Humanities/International Services” are permitted for a designated period of time (5 years, 3 years, 1 year, or 3 months).

Therefore, before the designated period expires, the relevant person must file an application for the renewal of the period of stay. An application may be filed as early as two months before the expiration date.

Immigration Procedures Guidebook:

<http://www.immi-moj.go.jp/english/tetuduki/index.html>

3 Outline of Statuses of Residence by Category

The status of residence of “Investor/Business Manager” is the most common when establishing a company and starting up a business as a business owner, but that of “Intra-company Transferee” or “Specialist in Humanities/International Services” may also be applicable in some cases, depending on the form of capital contributions and relations with foreign companies.

These three categories will be explained below, regarding respective authorized activities, conditions for permission, documents necessary for filing an application, and other matters, so that you may ascertain which status of residence is appropriate for you and whether you conform to the relevant conditions.

I . The Status of Residence of “Investor/Business Manager”

Holding the status of residence of “Investor/Business Manager” represents the intention to make investments and engage in business management in Japan. This status of residence is for foreign nationals who satisfy certain requirements concerning business size, working conditions, and business experience, and who intend to engage in investments and business management or perform managerial work for that business.

(1) Authorized Activities in Japan (see “Appended Table 1-2 of the Immigration Control and Refugee Recognition Act” below)

- (i) To commence and operate a business in Japan
Activities to make a considerable amount of investments and operate the business in Japan
- (ii) To make investments in a business in Japan and operate it
Activities to make a considerable amount of investments in a business already operated in Japan and participate in the operation of the business
- (iii) To operate a business on behalf of a foreign national who has commenced said business in Japan
Activities to operate a business on behalf of a founder of said business who resides overseas
- (iv) To operate a business on behalf of a foreign national who has made investments in said business in Japan
Activities to operate a business on behalf of an investor of said business who resides overseas
- (v) Activities to perform managerial work for the business operated or invested in by any of the foreign nationals (i) to (iv) above
- (vi) Activities to perform managerial work for the business operated by a Japanese national on behalf of a foreign national who operates or makes investments in the business and falls under any of (i) to (iv) above

Appended Table 1-2 of the Immigration Control and Refugee Recognition Act

Authorized Activities

"Investor/Business Manager"
Activities to commence the operation of an international trade or other business, to invest in an international trade or other business and to operate or manage said business, or to operate or manage an international trade or other business on behalf of foreign nationals (including foreign juridical persons; hereinafter the same shall apply in this section) who have commenced such operations or who have invested in such a business (except for activities to engage in the operation or management of a business which is prohibited without the legal qualifications listed in the right-hand column of the "Legal/Accounting Services" section in this table).

(2) Outline of the Conditions for Permission (see the Ministerial Ordinance on Criteria below)

In order to obtain the status of residence of "Investor/Business Manager," all of the following requirements need to be satisfied.

- (i) An appropriate office is secured in Japan (requirements concerning offices)
 - Using a room of a condominium on a short-term lease is not deemed to have secured an appropriate office.
- (ii) The business has a considerable capacity to ensure stable and continuous operation (requirements concerning business size)
 - A considerable capacity refers to the capacity to employ at least 2 full-time employees residing in Japan or the capacity to make investments of 5 million yen or more.
- (iii) When intending to engage in business management in Japan, the relevant person must have at least 3 years' experience in business operation and/or management (including any period he/she has spent studying business operation and/or management at the post-graduate level) and must receive no less remuneration than would a Japanese national for comparable work (requirements concerning academic background, etc. of managerial personnel).

Ministerial Ordinance to Provide for Criteria Pursuant to Article 7, paragraph (1), item (ii) of the Immigration Control and Refugee Recognition Act

The Criteria to be Satisfied by Foreign Nationals Intending to Engage in Activities Permitted under the Status of Residence of “Investor/Business Manager”

- (i) In cases where the applicant intends to commence the operation of international trading or any other business, he/she must fulfill all of the following requirements.
 - (a) The facilities to be used as the office for the relevant business must be located in Japan.
 - (b) The business concerned must have the capacity to employ at least 2 full-time employees in Japan (excluding foreign nationals residing in Japan under a status of residence listed in the left-hand column of Appended Table I of the Immigration Control Act) in addition to those who operate and/or manage the business.
- (ii) In cases where the applicant intends to invest in international trading or any other business in Japan and to engage in the operation of such business, or in cases where the applicant intends to engage in the management of international trading or any other business on behalf of a foreign national (including a foreign juridical person; hereinafter the same shall apply in this section) who has begun such operations in Japan or who has invested in such a business in Japan, he/she must fulfill all of the following requirements.
 - (a) The office for the relevant business must be located in Japan.
 - (b) The business concerned must have the capacity to employ at least 2 full-time employees in Japan (excluding foreign nationals residing in Japan under the status of residence listed in the left-hand column of Appended Table I of the Immigration Control Act) in addition to those who operate and/or manage the business.
- (iii) In cases where the applicant is to engage in the management of international trading or any other business in Japan, he/she must have at least 3 years’ experience in business operation and/or management (this includes any period he/she has spent studying business operation and/or management at the post-graduate level) and must receive no less remuneration than would a Japanese national for comparable work.

Q I heard that as a result of the revision to laws, people can establish a company with a stated capital of 1 yen in Japan. On the other hand, in order to obtain the status of residence of “Investor/Business Manager,” investments of 5 million yen or more are required. Does this mean that foreign nationals are not allowed to establish a company unless they have prepared a stated capital of 5 million yen or more?

A The minimum stated capital for establishing a company and statuses of residence have no direct connection. Therefore, any person, irrespective of his/her nationality, may establish a company with a stated capital of 1 yen, but in order to obtain the status of residence of “Investor/Business Manager,” a foreign national needs to prepare a stated capital that satisfies the requirements of “making investments of 5 million yen or more.” Otherwise, the person may face the situation where he/she was able to establish a company but is unable to obtain a proper status of residence.

A foreign national who has a status of residence with no restrictions on employment or work, such as “Permanent Resident” and “Long-Term Resident,” may establish a company with 1 yen and operate a business.

(3) Necessary Documents

When applying for the issuance of a certificate of eligibility or for permission of change of the status of residence for the purpose of obtaining the status of residence of “Investor/Business Manager,” the applicant needs to prepare documents required under Ordinances of the Ministry of Justice and submit them to the Regional Immigration Bureau that has jurisdiction over his/her planned domicile or the location of the organization into which he/she is to be accepted. As required documents vary depending on organization categories, the applicant must check the category that his/her organization belongs to before preparing application documents.

Organization categories are classified into four as follows.

Category 1

Companies listed on Japanese securities exchanges, mutual companies engaging in insurance business, foreign national or local governments, and public interest corporations approved by the national or local governments of Japan

Category 2

Organizations and individuals whose amount of withholding tax stated in the table of the total withholding tax on employment income in the information returns for total table (records of withholding for employment income, etc.) for the previous year is 15 million yen or more

Category 3

Organizations and individuals which have submitted the information returns for total table (records of withholding for employment income, etc.) for employees for the previous year (excluding those falling under Category 2)

Category 4

Organizations and individuals which do not fall under any of Categories 1 to 3

Most cases where foreign nationals intend to make investments and establish a company in Japan may fall under Category 4. Necessary documents for cases falling under Category 4 are as follows.

Necessary documents common for all cases (Categories 1 to 4)

1. One copy of an application form for permission of change of the status of residence or an application form for issuance of certificate of eligibility
2. One ID photograph (4cm × 3cm)
 - *An ID photograph taken within 3 months prior to the application, showing a clear front view of the applicant’s face without a hat, with a plain background
 - *Write the applicant’s name on the back of the photograph and attach it to the photo column on the application form.
3. A self-addressed envelope (with stamp(s) worth 380 yen (for the recorded delivery purpose)) (this is not necessary when applying for permission of change of the status of residence)

Documents separately necessary for cases falling under Category 4

*For necessary documents for each of the cases falling under categories 1 to 3, see the following web page of the Ministry of Justice: http://www.moj.go.jp/ONLINE/IMMIGRATION/ZAIRYU_HENKO/shin_henko10_05.html (Japanese)

4. One copy of a document, such as the shareholder registry, that shows the amount of investments
5. Any of the following documents that show the details of the applicant's activities
 - (1) When assuming the office of an executive officer of a Japanese corporation
One copy of the articles of incorporation that define executive compensations or the minutes of the shareholders meeting where executive compensations were determined (or in the case of a company with a compensation committee, the minutes of the compensation committee meeting)
 - (2) When working at a foreign corporation's branch office in Japan or assuming the office of an executive officer of an organization other than a company
One copy of a document of the applicant's organization that shows his/her status (assigned duties), period, and amount of compensations to be paid (such as a letter of dispatch or personnel transfer notice)
 - (3) When being employed as a manager in Japan
One copy of a document clarifying working conditions that is to be issued to workers based on Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of said Act (such as an employment contract)
6. When being employed as a manager in Japan, a document proving that the applicant has at least 3 years' experience in business operation and/or management (including any period he/she has spent studying business operation and/or management at the post-graduate level)
 - (1) One copy of the applicant's resume that shows the organization where he/she had engaged in the relevant duties, the details of the activities, and the period
 - (2) One copy of a document proving the period during which he/she had engaged in the relevant duties (including a school certificate indicating the period during which he/she had spent studying business operation and/or management at the post-graduate level)
7. Any of the following documents that show the details of the business
 - (1) One copy of a brochure detailing the history, executive officers, organization, business details (including major business partners and business achievements) of the applicant's place of employment
 - (2) One copy of any other document equivalent to (1) above prepared by the applicant's place of employment
 - (3) One copy of the certificate of registered matters
8. Documents that show the existence of facilities for the business
 - (1) One certified copy of the real property register
 - (2) One copy of the lease contract
 - (3) One copy of any other document that shows the existence of facilities for the business

9. One copy of financial statements for the latest business year, or one copy of a business plan in the case of starting a new business
10. Any of the following documents that show the reasons for being unable to submit the information returns for total table (records of withholding for employment income, etc.) for employees for the previous year
 - (1) In the case of an organization exempted from withholding tax
 - One copy of the certificate for exemption from withholding tax for a foreign corporation or any other document to show that tax withholding is not necessary
 - (2) In the case of an organization other than those falling under (1) above
 - (i) One copy of a notification on the establishment of a salary-paying office
 - (ii) Either of the following
 - a. One copy of a statement of collected income tax for employment income and retirement income for the latest three months (copied statement with a receipt date stamp)
 - b. When the special provision for due dates is applied, one copy of a document to show that the organization has received approval

Other documents

The applicant's resume (see p.32. 7. Reference Materials 7-1)

In cases other than intending to engage in business management, the submission of documents to show the applicant's academic background and business experience is not required. However, such documents are sometimes effective in explaining the stability and continuity of the business, and applicants often attach their resume to their application form.

Reasons for application (see p.33. 7. Reference Materials 7-2)

Reasons for intending to start business in Japan are to be stated in the form for the reasons for application. In additions to such reasons, supplementary explanations on the details of the attached documents may also be included.

(4) The Status of Residence of “Investor/Business Manager” and Establishment of a Company

(i) Proof of having made a considerable amount of investments

As explained above, the status of residence of “Investor/Business Manager” is granted for activities to make investments and operate a business in Japan.

Therefore, in order to obtain this status of residence, an applicant needs to prove that he/she has made a considerable amount of investments. Instead of explaining his/her plan to make investments in the future, the applicant must prove his/her past investments.

There are several patterns for making investments and operating a business, but when one intends to make investments and operate a business by him/herself, the following is the requisite.

(a) Establish a company by making a capital contribution of 5 million yen or more

Upon the establishment, the relevant person must acquire the majority of the company’s voting rights and acquire a controlling interest.

(b) Assume the office of the manager, such as the representative director, of the established company

The articles of incorporation and the letter of consent of incorporators prepared at the time of establishing the company may be used as proof of amounts of capital contributions made by each person for establishing the company. Furthermore, the certificate of registered matters can prove that the relevant person holds the office of the representative director of the company.

It is theoretically possible to make investments of 5 million yen or more and commence private business, thereby obtaining the status of residence of “Investor/Business Manager.” However, such procedures are seldom followed as it is difficult to prepare documents to prove that the person has actually invested 5 million yen or more.

(ii) Procedures for establishing a company to be followed by a foreign national who enters Japan with the status of residence of “Temporary Visitor”

As explained in (i) above, upon obtaining the status of residence of “Investor/Business Manager,” applicants often establish a company. Previously, the following procedures were taken: *entering Japan with the status of residence of “Temporary Visitor”* ➔ *making an alien registration and seal registration* ➔ *obtaining a seal registration certificate* ➔ *establishing a company* ➔ *filing an application for issuance of certificate of eligibility.*

However, the residence management system was altered on July 9, 2012, and foreign nationals are no longer allowed to enter Japan with the status of residence of “Temporary Visitor” and register their seal and address in Japan for the purpose of establishing a company.

On the other hand, as conditions for permitting the establishment of a company, at least one representative director of the company must have an address in Japan and the company must be able to submit a seal registration certificate.

Taking these two conditions into account, a foreign national who intends to establish a company in Japan now has to consider an option to have any person, a Japanese or foreign national, who has his/her residency in Japan (who can officially prove his/her address in Japan) assume the office of the representative director, together with him/herself to jointly establish a company.

In such cases, when the representative director who has an address in Japan is a foreign national, attention should also be paid to the status of residence of that person so that he/she should not end up engaging in any activity other than that permitted under the status of residence previously granted. There will be no problem with regard to foreign nationals who have a status of residence with no restrictions on employment or work, such as “Permanent Resident.”

II. The Status of Residence of “Intra-company Transferee”

This status of residence shall be sought when a foreign national, who has a certain organization in his/her home country, intends to establish an affiliated organization in Japan and dispatch a personnel working for the organization in his/her home country to the affiliated organization in Japan.

(1) Authorized Activities in Japan (see “Appended Table 1-2 of the Immigration Control and Refugee Recognition Act” below)

Authorized activities under this status of residence are activities that i) are engaged in by a personnel who is transferred to a business office in Japan, for a limited period of time, from an overseas business office established by a public or private organization that has a head office, branch office or other business office in Japan, and ii) can be engaged in by people with the status of residence of “Engineer” or “Specialist in Humanities/International Services”

Appended Table 1-2 of the Immigration Control and Refugee Recognition Act

Authorized Activities

“Intra-company Transferee”
Activities on the part of a personnel who is transferred to a business office in Japan for a limited period of time from a business office established in a foreign country by a public or private organization which has a head office, branch office or other business office in Japan, and who engages in the activities listed in the right-hand column of the “Engineer” and “Specialist in Humanities/International Services” sections in this table at this business office.

(Reference)

“Engineer”
Activities to engage in services which require technology and/or knowledge pertinent to physical science, engineering or other natural scientific fields based on a contract with a public or private organization in Japan (except for activities listed in the right-hand column of the “Professor” section in Table (1) and in the right-hand column of the “Investor/Business Manager”, “Medical Services”, “Researcher”, “Instructor”, “Intra-company Transferee” and “Entertainer” sections in this table).

“Specialist in Humanities/International Services”
Activities to engage in services which require knowledge pertinent to jurisprudence, economics, sociology or other human science fields or to engage in services which require specific ways of thinking or sensitivity acquired through experience with foreign culture, based on a contract with a public or private organization in Japan (except for activities listed in the right-hand column of the “Professor”, “Artist” and “Journalist” sections in Table (1), and activities listed in the right-hand column of the “Investor/Business Manager”, “Legal/Accounting Services”, “Medical Services”, “Researcher”, “Instructor”, “Intra-company Transferee” and “Entertainer” sections in this table).

(2) Outline of the Conditions for Permission (see the Ministerial Ordinance on Criteria below)

(i) Organization to which the relevant person belongs

Organizations in Japan include not only private companies but also government-affiliated agencies of foreign countries. However, the status of residence of "Diplomat" or "Official" may be applicable, depending on the details of the activities.

(ii) Relation between an organization in one's home country and that in Japan

This status of residence generally covers transferees within a single company but also covers those who are temporarily transferred to group companies. Group companies in this case refer to the parent company, subsidiary companies, and affiliated companies prescribed in Article 8 of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963).

Types of job transfer are as follows.

- (1) Transfer between the head office and a branch office of a single company
- (2) Vertical transfer among the parent company, a subsidiary company and a sub-subsidiary company
- (3) Parallel transfer among subsidiary companies
- (4) Transfer to an affiliated company

(iii) Details of the activities

Authorized activities are limited to those that foreign nationals are permitted to engage in with the status of residence of "Engineer" or "Specialist in Humanities/International Services."

In the case of job transfer from the parent company in one's home country for the purpose of engaging in business operation and/or management of a subsidiary company in Japan, the relevant person may have the status of residence of "Investor/Business Manager."

(iv) A business office in Japan

The business office in Japan needs to be one where the business is deemed to be operated properly, as well as stably and continuously.

(v) Duties before the transfer

The relevant person needs to have been engaged in duties corresponding to those engaged in with the status of residence of "Engineer" or "Specialist in Humanities/International Services" for at least 1 year immediately prior to the transfer, for which the application is filed, at the head office, branch office or other business office in a foreign country.

(vi) Remuneration

The relevant person needs to receive no less remuneration than would a Japanese national for comparable work.

(vii) Permitted periods of stay

The periods of stay permitted under the status of residence of "Intra-company Transferee" are 5 years, 3 years, 1 year, or 3 months. These periods may be renewed.

Ministerial Ordinance to Provide for Criteria Pursuant to Article 7, paragraph (1), item (ii) of the Immigration Control and Refugee Recognition Act

The Criteria to be Satisfied by Foreign Nationals Intending to Engage in Activities Permitted under the Status of Residence of "Intra-company Transferee"

The applicant must fulfill all of the following requirements.

- (i) The applicant must have been employed at the main office, branch office, or other office outside of Japan for at least 1 year immediately prior to his/her transfer to Japan, during which time he/she was engaged in duties which fall under the categories of "Engineer" or "Specialist in Humanities/International Services" as listed in the right-hand column of Appended Table I (2) of the Immigration Control Act.
- (ii) The applicant must receive no less remuneration than would a Japanese national for comparable work.

(3) Necessary Documents

When applying for the issuance of a certificate of eligibility or for permission of change of the status of residence for the purpose of obtaining the status of residence of “Intra-company Transferee,” the applicant needs to prepare documents required in accordance with the category of his/her place of employment in Japan.

The applicant may be required to submit any other reference documents for proof in some cases.

Those who file an application may also voluntarily submit other documents if they are effective in the explanations of the business operator or the applicant.

Cases where foreign nationals are transferred to a company newly established in Japan generally fall under Category 4. In such cases, the documents to be submitted are as follows (see p.11. 3. I. (3) for definitions of the categories).

Necessary documents common for all cases (Categories 1 to 4)

1. One copy of an application form for permission of change of the status of residence or an application form for issuance of certificate of eligibility
2. One ID photograph (4cm × 3cm)
 - *An ID photograph taken within 3 months prior to the application, showing a clear front view of the applicant’s face without a hat, with a plain background
 - *Write the applicant’s name on the back of the photograph and attach it to the photo column on the application form.
3. A self-addressed envelope (with stamp(s) worth 380 yen (for the recorded delivery purpose)) (this is not necessary when applying for permission of change of the status of residence)

Documents separately necessary for cases falling under Category 4

*For necessary documents for each of the cases falling under categories 1 to 3, see the following web page of the Ministry of Justice: http://www.moj.go.jp/ONLINE/IMMIGRATION/ZAIRYU_HENKO/shin_henko10_12.html (Japanese)

4. Any of the following documents that show the details of the applicant's activities (including the details of the activities, period, status, and remuneration)
 - (1) In the case of transfer within the same corporation
 - (i) One copy of a written transfer order
 - (ii) One copy of an appointment letter, etc.
 - (2) In the case of transfer to another corporation
One copy of a document clarifying working conditions that is to be issued to workers based on Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of said Act
 - (3) With regard to executive officers or other persons who do not fall under the category of workers, the following documents need to be prepared.
 - (i) In the case of a company, one copy of the articles of incorporation that defines executive compensations or the minutes of the shareholders meeting where executive compensations were determined (or in the case of a company with a compensation committee, the minutes of the compensation committee meeting)
 - (ii) In the case of an organization other than a company, one copy of a document of the applicant's organization that shows his/her status (assigned duties), period, and amount of compensations to be paid
5. Any of the following documents that show the relation between the business office where the applicant worked before the transfer and the business office after the transfer
 - (1) In the case of transfer within the same corporation
A certificate of registered matters of a branch office of the foreign corporation or any other document to show that said corporation has a business office in Japan
 - (2) In the case of temporary transfer to a Japanese corporation
One copy of a document to clarify the capital ties between the Japanese corporation and the foreign corporation from which the applicant is transferred
 - (3) In the case of temporary transfer to a foreign corporation that has a business office in Japan
 - (i) One copy of a certificate of registered matters of a branch office of the foreign corporation or any other document to show that said corporation has a business office in Japan
 - (ii) One copy of a document to clarify the capital ties between said foreign corporation and the corporation from which the applicant is transferred
6. Documents proving the applicant's business experience
 - (1) One copy of the applicant's resume that shows the organization where he/she had engaged in the relevant duties, the details of the activities, and the period
 - (2) One copy of a document of the foreign organization where the applicant had worked immediately prior to the transfer (if there is any period he/she had resided in Japan with the status of residence of "Intra-company Transferee" within a year immediately prior to the transfer, including an organization in Japan where he/she had worked during said period) that shows the details of the duties that he/she had engaged in during the last one year, his/her status, and amount of remuneration
7. Any of the following documents that show the details of the business
 - (1) One copy of a brochure detailing the history, executive officers, organization, business details (including major business partners and business achievements) of the applicant's place of employment
 - (2) One copy of any other document equivalent to (1) above prepared by the applicant's place of employment
 - (3) One copy of the certificate of registered matters

8. One copy of financial statements for the latest business year, or one copy of a business plan in the case of starting a new business
9. Any of the following documents that show the reasons for being unable to submit the information returns for total table (records of withholding for employment income, etc.) for employees for the previous year
 - (1) In the case of an organization exempted from withholding tax
 - One copy of the certificate for exemption from withholding tax for a foreign corporation or any other document to show that tax withholding is not necessary
 - (2) In the case of an organization other than those falling under (1) above
 - (i) One copy of a notification on the establishment of a salary-paying office
 - (ii) Either of the following
 - a. One copy of a statement of collected income tax for employment income and retirement income for the latest three months (copied statement with a receipt date stamp)
 - b. When the special provision for due dates is applied, one copy of a document to show that the organization has received approval

III. The Status of Residence of “Specialist in Humanities/International Services”

This status of residence shall be sought when a foreign national intends to be a manager of business that a Japanese national commenced by making capital contributions.

Furthermore, in the case where a person has already been operating a business in Japan and intends to newly hire foreign nationals for the purpose of having them engaged in international transactions, this status of residence shall be sought.

(1) Authorized Activities in Japan (see “Appended Table 1-2 of the Immigration Control and Refugee Recognition Act” below)

Activities to engage in duties in the field of humanities based on a contract concluded with public or private organization in Japan are authorized under this status of residence.

Interpreters, translators, designers, language teachers employed by private companies, and those engaged in international transactions are specific examples of those covered by this status of residence.

Appended Table 1-2 of the Immigration Control and Refugee Recognition Act Authorized Activities

“Specialist in Humanities/International Services”
Activities to engage in services which require knowledge pertinent to jurisprudence, economics, sociology or other human science fields or to engage in services which require specific ways of thinking or sensitivity acquired through experience with foreign culture, based on a contract with a public or private organization in Japan (except for activities listed in the right-hand column of the “Professor”, “Artist” and “Journalist” sections in Table (1), and activities listed in the right-hand column of the “Investor/Business Manager”, “Legal/Accounting Services”, “Medical Services”, “Researcher”, “Instructor”, “Intra-company Transferee” and “Entertainer” sections in this table).

(2) Outline of the Conditions for Permission (see the Ministerial Ordinance on Criteria below)

1. Difference in the conditions for permission depending on activities covered by this status of residence

Under this status of residence, (i) services that require knowledge in the field of humanities (humanities-related services) and (ii) services that require specific ways of thinking or sensitivity acquired through experience with foreign culture (international services) are permitted.

Conditions for permission differ depending on the category of services. International transactions fall under the category of international services.

2. Conditions concerning academic background and business experience for humanities-related services

The applicant needs to fulfill either of the following requirements.

- (1) He/she has graduated from university or has acquired an equivalent education, majoring in the subject related to knowledge necessary for performing duties he/she intends to engage in.
- (2) He/she has at least 10 years' experience in the relevant duties.

3. Conditions concerning academic background and business experience for international services

When the applicant intends to engage in translation, interpretation, language instruction, public relations, overseas transactions, fashion or interior design, product development, or other similar duties, he/she must have at least 3 years' experience in the relevant duties, but this shall not apply to cases where the applicant who has graduated from university is to engage in translation, interpretation, or language instruction.

4. Remuneration

The applicant needs to receive no less remuneration than would a Japanese national for comparable work.

Ministerial Ordinance to Provide for Criteria Pursuant to Article 7, paragraph (1), item (ii) of the Immigration Control and Refugee Recognition Act

The Criteria to be Satisfied by Foreign Nationals Intending to Engage in Activities Permitted under the Status of Residence of "Specialist in Humanities/International Services"

The applicant must fulfill all of the following requirements; provided, however, that this shall not apply to cases where the applicant intends to engage in duties related to representation associated with the proceedings in an international arbitration case as provided in Article 58-2 of the Special Measures Act on the Handling of Legal Business by Foreign Lawyers (Act No. 66 of 1986).

- (i) In cases where the applicant intends to engage in duties that require knowledge in the humanities, he/she must fulfill any of the following requirements with regard to said duties, and have the necessary knowledge.
 - (a) The applicant must have graduated from university or have acquired an equivalent education, majoring in the subject related to such knowledge.
 - (b) The applicant must have completed a specialized course of study at a vocational school in Japan, majoring in the subject related to such knowledge (limited to cases fulfilling the requirements designated by the Minister of Justice, in a public notice, concerning the completion of such courses).
 - (c) The applicant must have at least 10 years' experience (including the period of time spent majoring in the subject related to such knowledge at a university, college of technology (koto senmon gakko), senior high school, during a course of study in the latter part of secondary school (chuto kyoiku gakko), or during a specialized course of study at a vocational school (senshu gakko)).
- (ii) In cases where the applicant intends to engage in duties that require ways of thinking or sensibilities that have their foundations in a foreign culture, he/she must fulfill all of the following requirements.
 - (a) The applicant must engage in translation, interpretation, language instruction, public relations, overseas transactions, fashion or interior design, product development, or other similar duties.
 - (b) The applicant must have at least 3 years' experience in the relevant duties; provided, however, that this shall not apply to cases where the applicant who has graduated from university is to engage in translation, interpretation, or language instruction.
- (iii) The applicant must receive no less remuneration than would a Japanese national for comparable work.

(3) Necessary Documents

When applying for the issuance of a certificate of eligibility or for permission of change of the status of residence for the purpose of obtaining the status of residence of “Specialist in Humanities/ International Services,” the applicant needs to prepare documents required in accordance with the category of his/her place of employment in Japan.

The applicant may be required to submit any other reference documents for proof in some cases.

Those who file an application may also voluntarily submit other documents if they are effective in the explanations of the business operator or the applicant.

Cases where foreign nationals are to work at a company newly established in Japan generally fall under Category 4. In such cases, the documents to be submitted are as follows (see p.11. 3. I. (3) for definitions of the categories).

Necessary documents common for all cases (Categories 1 to 4)

1. One copy of an application form for permission of change of the status of residence or an application form for issuance of certificate of eligibility
2. One ID photograph (4cm × 3cm)
 - *An ID photograph taken within 3 months prior to the application, showing a clear front view of the applicant’s face without a hat, with a plain background
 - *Write the applicant’s name on the back of the photograph and attach it to the photo column on the application form.
3. A self-addressed envelope (with stamp(s) worth 380 yen (for the recorded delivery purpose)) (this is not necessary when applying for permission of change of the status of residence)
4. With regard to those who have graduated from a professional training college and have obtained the title of “technical associate” or “advanced technical associate,” one copy of a document proving that the relevant person has been granted a title of technical associate or advanced technical associate

Documents separately necessary for cases falling under Category 4

*For necessary documents for each of the cases falling under categories 1 to 3, see the following web page of the Ministry of Justice: http://www.moj.go.jp/ONLINE/IMMIGRATION/ZAIRYU_HENKO/shin_henko10_11.html (Japanese)

5. Any of the following documents that show the details of the applicant's activities
 - (1) When concluding a labor contract

One copy of a document clarifying working conditions that is to be issued to workers based on Article 15, paragraph (1) of the Labor Standards Act and Article 5 of the Ordinance for Enforcement of said Act (such as an employment contract)
 - (2) When assuming the office of an executive officer of a company, which is a Japanese corporation

One copy of the articles of incorporation that defines executive compensations or the minutes of the shareholders meeting where executive compensations were determined (or in the case of a company with a compensation committee, the minutes of the compensation committee meeting)
 - (3) When being transferred to a foreign corporation's branch office in Japan or assuming the office of an executive officer of an organization other than a company

One copy of a document of the applicant's organization that shows his/her status (assigned duties), period, and amount of compensations to be paid
6. Documents to show the applicant's academic background, business experience, and other career
 - (1) One copy of the applicant's resume that shows the organization where he/she had engaged in the relevant duties, the details of the activities, and the period
 - (2) One copy of a graduation certificate of university, etc. or any other document to prove that he/she has acquired an equivalent education
 - (3) One copy of a document proving the period during which he/she had engaged in the relevant duties (including a certificate issued by the relevant school that shows the period during which he/she had majored in the subject related to the relevant technology or knowledge at a university, college of technology, senior high school, or during a specialized course of study at a vocational school)
7. Any of the following documents that show the details of the business
 - (1) One copy of a brochure detailing the history, executive officers, organization, business details (including major business partners and business achievements) of the applicant's place of employment
 - (2) One copy of any other document equivalent to (1) above prepared by the applicant's place of employment
 - (3) One copy of the certificate of registered matters
8. One copy of financial statements for the latest business year, or one copy of a business plan in the case of starting a new business
9. Any of the following documents that show the reasons for being unable to submit the information returns for total table (records of withholding for employment income, etc.) for employees for the previous year
 - (1) In the case of an organization exempted from withholding tax

One copy of the certificate for exemption from withholding tax for a foreign corporation or any other document to show that tax withholding is not necessary
 - (2) In the case of an organization other than those falling under (1) above
 - (i) One copy of a notification on the establishment of a salary-paying office
 - (ii) Either of the following
 - a. One copy of a statement of collected income tax for employment income and retirement income for the latest three months (copied statement with a receipt date stamp)
 - b. When the special provision for due dates is applied, one copy of a document to show that the organization has received approval

(1) Outline of the System

This is the system to facilitate the acceptance of highly skilled foreign professionals, who are expected to contribute to Japan's economic growth and creation of new demand and employment. Targeting foreign nationals who satisfy the requirements for the statuses of residence that permit employment and work in Japan (hereinafter referred to as 'a work qualification'), their authorized activities are classified into the following three categories: Academic research activities; Advanced specialized/technical activities; and Business management activities. According to the characteristic features of each category of the activities, evaluation will be made based on points set for items, such as academic background, business experience, and promised annual salary. Foreign nationals whose total points reach a certain level are recognized as highly skilled foreign professionals and are granted preferential immigration treatment.

Their status of residence will be "Designated Activities."

(2) Calculation of Points

According to characteristic features of the applicants' activities, those scoring 70 or more in total by adding up points for each item as mentioned above are recognized as highly skilled foreign professionals (see p.26. 4. (6)).

(3) Commencement of the System

Regional Immigration Bureaus started to accept applications for preferential immigration procedures filed for highly skilled foreign professionals, their family members and domestic servants on May 7, 2012. Applications for a 5-year period of stay came to be accepted on July 9, 2012.

(4) Preferential Treatment

(i) **Permission for multiple purposes of activities during the stay in Japan**

Instead of applying the conventional work qualification, a highly skilled foreign professional is permitted to engage in activities that fall into the scope of multiple residence statuses, as well as in business management, while effectively utilizing his/her advanced abilities and skills.

(e.g.) Academic research activities: Activities to engage in research, research guidance, or education under a contract with a Japanese public or private organization, or activities to additionally operate a business related to said activities on his/her own

(ii) **Grant of the 5-year period of stay**

(iii) **Relaxation of requirements for grant of the permission for permanent residence in line with the history of staying in Japan** (the permanent residence will be granted to those having stayed in Japan for around 5 years)

The permanent residence will be granted to a foreign national if he/she has been engaging in the activities as a highly skilled professional for about 5 years consecutively.

A foreign national who has been engaging in the activities as a highly skilled professional for 4 years and 6 months or longer consecutively, his/her application for permanent residence will be accepted.

(iv) **Preferential processing of immigration and stay procedures**

Examinations for a highly skilled foreign professional are scheduled to be completed within 10 business days.

(v) **Permission for a spouse of a highly skilled foreign professional to work**

In the case where a spouse living together with a highly skilled foreign professional intends to engage in activity that falls into the scope of statuses of residence, with the purpose of working under a contract with a Japanese public or private organization (such as "Instructor," "Engineer," "Specialist in Humanities/International Services," etc.), the spouse will be allowed to work longer than 28 hours a week, even if the requirements of such statuses of residence (such as academic background) are not satisfied.

(vi) **Permission for bringing a parent of a highly skilled foreign professional under certain conditions**

Generally, a foreign national who resides in Japan with a work qualification is not permitted to bring one of his/her parents. However, a highly skilled foreign professional, who satisfies certain conditions, is permitted to bring one of his/her own or his/her spouse's biological parents for the purpose of bringing up his/her own or his/her spouse's biological child aged under three.

(vii) **Permission for a domestic servant employed by a highly skilled foreign professional under certain conditions**

A highly skilled foreign professional, who satisfies certain conditions, is permitted to bring a domestic servant he/she had employed in his/her home country or to employ a domestic servant on such grounds as having a child younger than thirteen.

(5) Procedures to Obtain the Status of Residence as a Highly Skilled Foreign Professional

(i) Those intending to newly enter Japan

The applicant shall submit a point calculation form and an explanatory document simultaneously upon filing an application for the issuance of certificate of eligibility for a work qualification, which will be examined for the recognition as a highly skilled foreign professional.

If it is confirmed, as a result of the examination, that the applicant may enter Japan with a work qualification and that the total number of his/her points is above the prescribed level, a certificate of eligibility indicating a category of authorized activities as a highly skilled foreign professional is issued.

(ii) Those already residing in Japan with a work qualification, such as with a status of residence of “Investor/Business Manager”

The applicant shall file an application for permission of change of the status of residence to “Designated Activities” by attaching a point calculation form and an explanatory document. If it is confirmed, as a result of the examination, that the total number of his/her points is above the prescribed level, permission to change the status of residence is granted.

(iii) Those already residing in Japan with a status of residence other than a work qualification, such as a status of residence of “Student” or “Spouse or Child of Japanese National”

The applicant shall first file an application for the issuance of certificate of eligibility for a work qualification, which will be examined for the recognition as a highly skilled foreign professional, by attaching a point calculation form and an explanatory document. If it is confirmed, as a result of the examination, that the applicant may reside in Japan with a work qualification and that the total number of his/her points is above the prescribed level, a certificate of eligibility indicating a category of authorized activities as a highly skilled foreign professional is issued. After the certificate of eligibility is issued, the applicant shall file an application for permission of change of the status of residence to “Designated Activities.”

(6) List of Points for Academic Background, etc. to be Recognized as a Highly Skilled Professional

(in the case of business management activities that fall under a work qualification for “Investor/Business Manager”)

Item	Requirements	Points
Academic background	A person who has obtained a doctor’s or master’s degree	20
	A person who has graduated from university or has acquired an equivalent education (excluding a person who has obtained a doctor’s or master’s degree)	10
Business experience Work experience (limited to experience related to the operation or management of business)	At least 10 years	25
	At least 7 years	20
	At least 5 years	15
	At least 3 years	10
Annual income	At least 30 million yen	50
	At least 25 million yen	40
	At least 20 million yen	30
	At least 15 million yen	20
	At least 10 million yen	10
Special additional points	A person who is to be employed at an organization that receives support measures for promoting innovation from the government of Japan (support measures separately specified by public notice)	10
	A person who is to be accepted as a representative director or representative executive officer	10
	A person who is to be accepted as a director or executive officer	5
	A person who has obtained a degree at an institution of higher education in Japan	5
	A person who has passed Level N1 of the Japanese Language Proficiency Test or has been recognized to have the equivalent proficiency by another test, or who has graduated from university in a foreign country, majoring in the Japanese language	10

Applicants with annual income below the minimum level will not be recognized as highly skilled foreign professionals.

Age bracket	Minimum annual income level
Younger than 30	3.4 million yen
30 or older but younger than 35	4.4 million yen
35 or older but younger than 40	5 million yen
40 or older	6 million yen

Q At present, I do not have a status of residence that permits employment and work in Japan. I heard that a new system, the Points-based Preferential Immigration Treatment for Highly Skilled Foreign Professionals, was introduced. If I fall under the category of highly skilled foreign professionals, may I obtain the status of residence as such and work in Japan?

A It is not that a status of residence of “Highly Skilled Foreign Professionals” was newly set up, but the new system intends to grant preferential treatment in immigration procedures to foreign nationals who have the conventional statuses of residence in the specified three categories, such as Business management activities, and who fall under the category of highly skilled foreign professionals.

Therefore, in the process of examining applications for statuses of residence, whether the relevant people satisfy the criteria for their current statuses of residence is first examined and then whether they fall under the category of highly skilled foreign professionals is examined. If a foreign national falls under the category of highly skilled foreign professionals, he/she is granted the status of residence of “Designated Activities” and can enjoy preferential treatment as a highly skilled foreign professional. If a foreign national does not fall under the category of highly skilled foreign professionals, he/she is granted the relevant current status of residence.

FAQ on the Points System for Highly Skilled Foreign Professional

http://www.immi-moj.go.jp/newimmiact_3/en/pdf/faq_e.pdf

5 Appendix

《When two foreign nationals establish a company through a joint investment, will the status of residence of “Investor/Business Manager” be granted to both of them?》

Q Two foreign nationals plan to make a capital contribution of 5 million yen each to jointly establish a stock company, with both of them assuming the office of representative directors. Will the status of residence of “Investor/Business Manager” be granted to both of them?

A The “Clarification of the Criteria for Granting the Status of Residence of ‘Investor/Business Manager’ (when two or more foreign nationals operate a business through a joint investment),” which was released by the Immigration Bureau of Japan, Ministry of Justice on March 30, 2012, states as follows:

- (1) When reasonable grounds can be found for each of the foreign nationals to engage in the operation or management of the business, in light of the business size, work load, and other circumstances
- (2) When each of the foreign nationals has made a considerable amount of investments
- (3) When the details of the duties to be performed by each of the foreign nationals for the operation or management of the business are clarified
- (4) When each of the foreign nationals is to receive a considerable amount of remuneration for their duties for the operation or management of the business

When these conditions are satisfied, there is a possibility that the status of residence of “Investor/Business Manager” may be granted to all of these foreign nationals.

Please refer to cases where the status of residence of “Investor/Business Manager” was granted.

Case 1

Foreign nationals A and B invested 5 million yen each and established Company X to engage in the business of importing sundry articles to Japan. A is an expert specialized in international trade, well-versed in customs clearance procedures and other matters concerning import and export business, while B is an expert in quality management and inventory control of imported goods, as well as in accounting. A and B will make judgments on the business performance of Company X from the aspect of affairs concerning international trade and concerning accounting and management of imported goods, respectively, and will determine the company’s management policy through consultations as joint partners. Remuneration will be paid from operating revenue at ratios depending on their investment amounts.

Case 2

Foreign nationals C and D invested 6 million yen and 8 million yen, respectively, and established Company Y to engage in a transport service business in Japan. After determining service territories in advance, C and D operate the transport service business separately in the areas they are in charge of. The overall company’s management policy will be determined by C and D through consultations, and remuneration will be paid from operating revenue at ratios depending on their investment amounts.

《Will the status of residence of “Investor/Business Manager” be granted to a foreign national who intends to start business as a sole proprietor?》

Q A foreign national is planning to start business as a sole proprietor, instead of establishing a stock company or other type of corporation. Will the status of residence of “Investor/Business Manager” be granted to him/her?

A Under the current criteria, the status of residence of “Investor/Business Manager” shall be granted when a foreign national has commenced a business by making a considerable amount of investments. Therefore, the relevant foreign national needs to prove the fact that he/she has made such investments.

A considerable amount of investments refers to either of the following:

- (i) Employing at least 2 Japanese nationals or Permanent Residents, or
- (ii) Investing 5 million yen or more

The relevant person may prove the fact mentioned in (i) above by indicating the business plan, employment contract, or employees’ residence certificates.

However, it will be relatively difficult, though not impossible, for a foreign national who intends to start a business as a sole proprietor to specifically prove the fact mentioned in (ii) above, unless he/she has spent 5 million yen or more for preparing a store or other equipment.

The criteria employed by the Immigration Bureau of Japan do not state that the status of residence of “Investor/Business Manager” will not be granted unless the relevant foreign national establishes a company. Therefore, foreign nationals who intend to start a business as a sole proprietor may also be granted said status of residence, but they need to pay attention to how to prove the fact of having made a considerable amount of investments in writing.

《In what manner can a foreign national prove the fact that he/she has invested 5 million yen or more when filing an application for the status of residence of “Investor/Business Manager”?》

Q In what manner can a foreign national prove the fact that he/she has invested 5 million yen or more when he/she files an application for the status of residence of “Investor/Business Manager”?

A The relevant person needs to prepare a document with which the amount of investment made by each investor can be confirmed.

When the relevant person has established a company, he/she should prepare copies of the articles of incorporation, the letter of consent of incorporators, shareholder registry, minutes of the shareholders meeting, and written application for share subscription, as well as the certificate of registered matters for the corporation.

Furthermore, the relevant person needs to clarify the relationship between the investor(s) and the manager(s) of the corporation with these documents.

When having commenced business as a sole proprietor, the relevant person should prove the investor(s) and their respective investment amounts with such documents as written estimates or receipts of the expenses required for the remodeling of a store, etc.

《A foreign national, who has been residing in Japan with the status of residence of “Student,” has obtained permission to engage in activity other than that permitted under the status of residence previously granted and started up business. In order to continue the business even after graduation, what procedures should he/she follow?》

Q A foreign national, while being enrolled in a Japanese university with the status of residence of “Student,” has obtained permission to engage in activity other than that permitted under the status of residence previously granted, established a stock company with a stated capital of 1 million yen, and has been operating a business.

He/she is coming close to graduating from the university, but is intending to continue the business even after graduation. What procedures should he/she follow with regard to his/her status of residence?

A The status of residence that permits making investments and operating a business in Japan is “Investor/Business Manager.”

Therefore, one option is to take procedures to change the status of residence from “Student” to “Investor/Business Manager” before the expiration of the valid period for the former status of residence.

In that case, the relevant person needs to make a further investment of at least 4 million yen to increase the total investment amount to 5 million yen or more.

As documents to prove the investment of 5 million yen or more, the relevant person should prepare copies of the articles of incorporation and the letter of consent of incorporators prepared at the time of establishing the company for proving the initial investment of 1 million yen, while preparing copies of the minutes of the shareholders meeting concerning the capital increase, written application for share subscription, and the company’s deposit book in which the deposit of the increased amount is recorded, as well as the certificate of registered matters for the corporation for proving the additional investment of 4 million yen.

An application for change of the status of residence should be filed with some leeway, by around two or three months prior to the expiration of the status of residence of “Student.”

6 Websites of Relevant Organizations

Organization	URL	Outline
Immigration Bureau of Japan, Ministry of Justice (Japanese)	http://www.moj.go.jp/nyuukokukanri/kouhou/nyukan_index.html	Various immigration procedures
Ministry of Justice	http://www.moj.go.jp/ENGLISH/index.html	Immigration related laws and regulations
Immigration Bureau of Japan	http://www.immi-moj.go.jp/english/index.html	Alien registration and immigration inspections, etc.

7 Reference Materials

7-1 Resume (example)

Resume

Name: _____ Gender: _____
 Date of birth: YY MM DD
 Nationality: _____

Date	Academic background and business experience
	Academic background
	(School names and majors)
	Business experience
	(Company names and details of assigned duties)
	Rewards and punishments

YY MM DD

The above statement is true and correct.

Signature _____

7-2 Reasons for Application (example)

Reasons for Application

(Prepared on YY/MM/DD)

To the Director of the Tokyo Regional Immigration Bureau

Address

(Signature)

Name (in English)

Name (in Katakana)

*A foreign national from a country that uses kanji and has the custom of using seals may write down his/her name in kanji and affix his/her seal instead of giving a signature.

Examples of the content

- (i) Explanation of the applicant's company
The amount of stated capital, major business purposes, constitution of officers, how the applicant has prepared for the business he/she intends to start, etc.
- (ii) Explanation of the details of the business
Characteristics of a line of goods, estimated sales in Japan, cooperative companies in Japan, partnership with foreign companies, etc.
- (iii) Relationship between the applicant's career and the business he/she intends to start
- (iv) The reasons why the applicant has decided to start this business

Additionally, the applicant should state that he/she needs to obtain the relevant status of residence in order to engage in these activities.

7-3 HSFP Point Calculation Form

Reference
For certificate for status of residence

HSFP Point Calculation Form (Advanced Specialized / Technical Activities)

I have calculated my points as follows based on Article 3 of the Public Notice of the Ministry of Justice “Concerning the specification of the activities listed in the right hand column (only the part pertaining to d.) of Appended Table 1-(5) of the Immigration Control and Refugee Recognition Act pertaining to highly skilled foreign professionals, etc. pursuant to the provisions of Article 7, paragraph (1), item (ii) of said Act.”

		Check	Points
Academic background	Doctor’s degree	<input type="checkbox"/>	30
	Master’s degree or professional degree	<input type="checkbox"/>	20
	Have graduated from university or have acquired an education equivalent thereto	<input type="checkbox"/>	10
Business experience	At least 10 years	<input type="checkbox"/>	20
	7 to 10 years	<input type="checkbox"/>	15
	5 to 7 years	<input type="checkbox"/>	10
	3 to 5 years	<input type="checkbox"/>	5
Annual income	Younger than 30		
	Aged 30 to 34		
	Aged 35 to 39		
	40 or older		
	At least 10 million yen	<input type="checkbox"/>	40
	9 to 10 million yen	<input type="checkbox"/>	35
	8 to 9 million yen	<input type="checkbox"/>	30
	7 to 8 million yen	<input type="checkbox"/>	25
Age	6 to 7 million yen	<input type="checkbox"/>	20
	5 to 6 million yen	<input type="checkbox"/>	15
	4 to 5 million yen	<input type="checkbox"/>	10
	—	<input type="checkbox"/>	5
Achievements	Younger than 30	<input type="checkbox"/>	15
	Aged 30 to 34	<input type="checkbox"/>	10
	Aged 35 to 39	<input type="checkbox"/>	5
	Have made at least one patented invention	<input type="checkbox"/>	15
Have conducted research funded by a foreign government at least three times	<input type="checkbox"/>		
Have published at least three theses in academic journals listed in the academic journal database	<input type="checkbox"/>		
Have conducted other types of research activities recognized by the Minister of Justice	<input type="checkbox"/>		
Qualifications	Have acquired a Japanese national license (occupational licensing or licensing for exclusive use of titles), or have passed any of the tests specified by the IT public notice or have acquired any of such qualifications (have passed and acquired only one qualification)	<input type="checkbox"/>	5
	Have acquired a Japanese national license (occupational licensing or licensing for exclusive use of titles), or have passed any of the tests specified by the IT public notice or have acquired any of such qualifications (have passed and acquired multiple qualifications)	<input type="checkbox"/>	10
Special additional points	The applicant’s organization receives support measures for promoting innovation	<input type="checkbox"/>	10
	Have graduated from university or have completed a graduate school course in Japan	<input type="checkbox"/>	5
	Have Japanese language proficiency equivalent to Level N1 of the Japanese Language Proficiency Test, or have graduated from university in a foreign country, majoring in the Japanese language	<input type="checkbox"/>	10
Total			

(Note) The age is as of the time of filing an application for a landing permit.

The above statement is true and correct.

Signature of the applicant or an agent specified by the Ordinance of the Ministry of Justice based on Article 7-2 of the Immigration Control and Refugee Recognition Act / Prepared on YY/MM/DD

YY MM DD

Reference
For certificate for status of residence

HSFP Point Calculation Form (Business Management Activities)

I have calculated my points as follows based on Article 3 of the Public Notice of the Ministry of Justice "Concerning the specification of the activities listed in the right hand column (only the part pertaining to d.) of Appended Table 1-(5) of the Immigration Control and Refugee Recognition Act pertaining to highly skilled foreign professionals, etc. pursuant to the provisions of Article 7, paragraph (1), item (ii) of said Act."

		Check	Points
Academic background	Doctor's, master's or professional degree	<input type="checkbox"/>	20
	Have graduated from university or have acquired an education equivalent thereto	<input type="checkbox"/>	10
Business experience	At least 10 years	<input type="checkbox"/>	25
	7 to 10 years	<input type="checkbox"/>	20
	5 to 7 years	<input type="checkbox"/>	15
	3 to 5 years	<input type="checkbox"/>	10
Annual income	At least 30 million yen	<input type="checkbox"/>	50
	25 to 30 million yen	<input type="checkbox"/>	40
	20 to 25 million yen	<input type="checkbox"/>	30
	15 to 20 million yen	<input type="checkbox"/>	20
	10 to 15 million yen	<input type="checkbox"/>	10
Title	Representative director, representative executive officer, or executive member with the representative right	<input type="checkbox"/>	10
	Director, executive officer, or executive member	<input type="checkbox"/>	5
Special additional points	The applicant's organization receives support measures for promoting innovation	<input type="checkbox"/>	10
	Have graduated from university or have completed a graduate school course in Japan	<input type="checkbox"/>	5
	Have Japanese language proficiency equivalent to Level N1 of the Japanese Language Proficiency Test, or have graduated from university in a foreign country, majoring in the Japanese language	<input type="checkbox"/>	10
Total			

The above statement is true and correct.

Signature of the applicant or an agent specified by the Ordinance of the Ministry of Justice based on Article 7-2 of the Immigration Control and Refugee Recognition Act / Prepared on YY/MM/DD

YY MM DD

Inquiries for Trading and Starting Businesses:

TEL. 03-3989-5151 FAX. 03-3590-7585

Open : Weekdays 10:30 AM – 4:30 PM

URL : <http://www.mipro.or.jp/>

In compiling this Guidebook, MIPRO paid full attention and endeavored to provide accurate information based on the latest data. However, when you actually undergo the relevant procedures, you are recommended to confirm the necessary documents and matters at a competent public agency or consult with an administrative scrivener or other expert.

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外国人のための起業ガイドブック
(在留資格編)

