

## Initial Tax Notifications /Filings

The following document provides details of the documents that are necessary to be filed with the taxation authorities immediately after start up of a new entity. These documents are usually referred to as “**Initial Tax Filings**”. There are filings required to be made to both the National Tax Office (Table A) and the Metropolitan Tax Office (Table B). ProWorks can provide all the necessary filings and Tables A and B below are for your information.

**Please answer the 4 questions at the bottom of this document to enable us to complete the necessary filings on your behalf.**

**Table A: Filings to National Tax Office**

|   | Applications:  | Deadlines (Principle)   | Obligatory        | Remarks  | Q No.     |
|---|--|---|-------------------|--|-----------|
| 1 | Tax report on establishment of a foreign corporation to the local, regional and national tax offices<br>(外国普通法人となった旨の届出書)      | Within 2 months of Branch formation   | YES               | Must be filed. This is a report for a Branch only in addition to the report below which must also be filed.                    | N/A       |
| 2 | Tax report on establishment of KK, LLC, Gomei, Goshi or Branch to the local, regional and national tax offices<br>(法人設立・設置届出書) | Within 2 months of KK, LLC, Gomei, Goshi or Branch formation  | YES               | Must be filed.   | N/A       |
| 3 | Application to file Blue Tax Return<br>(青色申告の承認申請書)  | Within 3 months of the incorporation and on or prior to the last day of the financial year in which the incorporation date falls. | NO, but advisable | Allows for carry back of net loss in the business year to the previous year or carry forward of losses for 7 succeeding years. | N/A       |
| 4 | Report on commencement of salary payments for withholding tax purposes<br>(給与支払事務所等の開設届出書)                                     | Within 1 month of commencement of salary payments   | NO, but advisable | This document must be filed when salary payments are due to commence therefore advisable to file initially.                    | <b>Q1</b> |
| 5 | Application for making withholding tax payments on a semi-annual basis<br>(源泉所得税の納期の特例の承認に関する申請書)                              | None, but if necessary, by the end of the previous month when making tax payments on a semi-annual basis                          | NO, but advisable | If this application is not made, payroll W/H tax payments must be made to the local tax office by the 10th of each month.      | N/A       |
| 6 | Application for one month extension of filing the corporate tax return<br>(申告期限の延長の特例の申請書)                                     | Within 45 days of the next day of the fiscal year end   | NO, but advisable | If the tax return filing is likely to be delayed for some reason then this application is required to be made.                 | N/A       |

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**Table A: Filings to National Tax Office (continued)**

|   | Applications:   | Deadlines (Principle)   | Obligatory           | Remarks   | Q No..  |
|---|---|---|----------------------|---|---------|
| 7 | Reports of a new enterprise<br>(法人(設立時)の事業概況書)  | Filed together with '1' above   | YES                  |   | N/A     |
|   | Report on depreciation method for depreciable assets<br>(減価償却資産の償却方法の届出書)                           | Before the due date for filing of the 1st fiscal year tax return  | NO, but if any, MUST | Must be filed if there will be any depreciable assets.<br>(NB: Once elected, the method cannot be changed for 3 years.)   | Q2 & Q3 |
|   | Tax report on inventory valuation method<br>(棚卸資産の評価方法の届出書)   | Before the due date for filing of the 1st fiscal year tax return  | NO, but if any, MUST | Must be filed if there will be any inventory.<br>(NB: Once elected, the method cannot be changed for 3 years.)  | Q4      |
| 8 | Tax report that corresponds to a new established company of consumption tax<br>(消費税の新設法人に該当する旨の届出書) | Before the 1st fiscal year-end for newly established companies with a paid-up share capital of 10 million yen or more | YES                  | For newly established entities, sales in the first business year and second business year are exempt from consumption tax. A tax exempt enterprise may wish to become a taxable enterprise and filing must be made before the end of the fiscal year. | N/A     |
|   | Application for remitting dividends as per the (US) Japan treaty rate                               | Before effecting dividend or royalty payment  | NO, but advisable    | This must be filed to benefit from the treaty benefits of lower withholding taxes on repatriation of dividends and royalties.   | N/A     |

**Table B: Filings to Metropolitan Tax Office**

|   | Applications:  | Deadlines (Principle)  | Obligatory        | Remarks  | Q No. |
|---|--|--|-------------------|--|-------|
| 1 | Tax report on establishment of KK to the local, regional and national tax offices<br>(法人設立・設置届出書)<br>or Tax report on commencement of business<br>(事業開始等申告書) | Within 2 months of KK, LLC, Gomei, Goshi or Branch formation | YES               | Must be filed.   | N/A   |
| 2 | Application for one month extension of filing the corporate tax return.<br>法人税に係る確定申告書の提出期限の延長の処分等の届出書(2部提出)   | Before the fiscal year-end                                   | NO, but advisable | If the tax return filing is likely to be delayed for some reason then this application is required. NB Any payment of actual tax must be made within two months after the fiscal year end. | N/A   |
| 3 | Application for one month extension of filing the enterprise tax return.<br>申告書の提出期限の延長の承認申請書(二)(2部提出)   | Before the fiscal year-end                                   | NO, but advisable | If the tax return filing is likely to be delayed for some reason then this application is required. NB Any payment of actual tax must be made within two months after the fiscal year end. | N/A   |

**Note: The question numbers below relate to the numbers in the right hand column of the above checklist.**

| Q No. | Questions   | Response |
|-------|---|----------|
| Q1    | When and how many people will the entity commence salary payments to?   |          |
| Q2    | Please select one of the following two depreciation methods:<br>a) straight line method (定額法) or b) declining balance method (定率法)?   |          |
| Q3    | Please list a sample of the kinds of depreciable assets the company is planning to hold, for example: Leasehold Improvements, Property, Tools, Equipment, Computers etc.  |          |
| Q4    | If it is applicable to your business initially or in the future, please select one of the following two inventory calculation methods: FIFO (先入先出法による原価法) or LIFO (後入先出法による原価法). Please select an alternative method if FIFO or LIFO are not be used. |          |