

# *JAPAN CHURCH PLANTING CHECKLIST*



The following table has been prepared as a free download and a guide to common issues in setting up a Church or Ministry in Japan. Every effort has been made to ensure they are accurate. They include tables on

Legal - Taxation – Employment – Property – and Business / Banking

Global Church Solutions are advisors to a large number of Churches and have been involved in establishing, restructuring, re-engineering and advising Christian organizations in Japan, Malaysia, Singapore, Indonesia, Vietnam, Thailand, United States, New Zealand and Australia, where we are based.

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# JAPAN CHURCH PLANTING CHECKLIST



1	LEGAL	Application	Information Source
1.0	What legal structures are available in the country of Church Plant? 1. Company 2. Not profit legislation 3. Charitable Trust 4. Un-incorporated	No No No Yes-no legal coverage	Available, but not for Churches see note below A Church Registration process is available but extreme compliance
1.1	Are there rules for foreign owned or governed organizations?	Yes	
1.2	Are there rules for foreign Board members?	Yes	
1.3	Do any Religious laws apply?	Yes	Japan is very suspect of religious organizations.
1.4	What tax law or exemptions apply?	Income Tax Exemption	Available after application to Inland Revenue.
1.5	Does the Country have a master registry of Charities?	No	
1.6	Known accounting / legal advisors	Note. No commercial arrangement applies.	
	COMMENTS		Japanese law is complex and has two types of companies, equivalent to a family or private company and a large scale company. Entry point pf capital for the private company at Feb 08 is a capital of Aus\$30,000. The objectives need to be extremely precise. A company can take up to 6 months to get approval. There is little flexibility and masses of red tape.

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<b>2</b>	<b>TAXATION</b>	Application	Information Source
2.1	Do all organizations have to register for a unique number etc	No	
2.2	Are religious organizations exempt of Corporate Tax automatically or do we apply?	No	Accounts have to filed annually to the Tax Office, and include the separation of religious and trading activity. (eg book/tape sales). Tax usually payable on these
2.3	Do they have GST, VAT, or Sales Tax ?	Yes	A sales tax on trading activity such as English lessons, book sales, ticketed events
2.4	What employments taxes apply?	Deductions at source	Employer has to deduct employees tax and remit to Tax Office at pre-determined rates
2.5	What taxes apply to non-national employees?	Deductions at source	Employer has to deduct employee tax and remit to Tax Office at pre-determined rates. Different rates for non-residents
2.6	What withholding Taxes apply to overseas payments etc	None	Australian Tax Office – Double Country Taxation Agreements
2.7	Can a Church undertake for profit activities under the legal entity of the Church?	No	A sales tax on trading activity such as English lessons, book sales, ticketed events
2.8	Do capital gains or normal taxation apply to Churches on sale of property?	Yes	Assets tax exists on property held. A church on registration can be exempted of these. Registration is difficult and has strong compliance requirements.
	Employment taxes see Employment Section		

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<b>3</b>	<b>EMPLOYMENT</b>	Application	Information Source
3.1	What process is needed to employ someone?	Various	Registration with Tax Office as employer. Compulsory employment of nationals criteria apply
3.2	What documentation is required?	Tax Office and Visa	
3.3	Do you have to register as an employer?	Yes	
3.4	What employment taxes and insurances are required? 1. Employee Tax (PAYG) 2. Workers Compensation 3. Health insurance 4. Superannuation / Pension 5. Non residents Taxes	YES YES YES YES YES	Schedules supplied by ATO Compulsory, exemptions for start ups Variable between employee and employer Compulsory
3.5	Are there special exemptions or deferrals for employment insurances and taxes?	YES	Start up provisions and thresholds apply, but information difficult to source.
3.6	When are various dates that taxes payable to Tax offices?	Quarterly	
3.7	What visa's apply for non-nationals?	Visitors (three months) Residency	On arrival at airport On application. Up to three months delay. Cannot work.
3.8	Do you need documents other than a visa?	YES	Giajun (foreigners) Card
3.9	What security provisions are needed for working with children	NO	



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5	<b>BUSINESS AND BANKING</b>	Application	Information Source
5.1	Can a not for profit set up its own bank account?	YES / NO	Extremely difficult. Most have accounts in the name of an individual "trading as"
5.2	Does the account need to be attached to an individual person. If so can that person be a foreigner?	YES NO	Often an issue of Bank reservation.
5.3	Can foreigners be signatories/	Yes, but very rare. Cash society	Will need proof of identity and proof of residence and gaijun (Foreigners) card
5.4	What procedure is needed to establish an account where a foreigner is involved	Documentation,	Will need proof of identity and proof of residence and gaijun (Foreigners) card
5.5	What type pf facilities do they allow <ul style="list-style-type: none"> <li>• Cheque accounts</li> <li>• Saving &amp; term deposits</li> <li>• Foreign Currency Accounts</li> <li>• Internet banking</li> <li>• Credit card banking service</li> <li>• Non branch deposits?</li> </ul>	NO YES NO for charities NO NO YES	Usually available, dependant on local bank regulations.
5.6	Can you have credit cards attached to the account?	NO	An alternative is to use the post office, under the name of a local
5.7	Are there restrictions on payments to overseas?	NO	But difficult to manage.
5.8	ATM's – are there hours of operation and can you use multi-bank sites?	YES	Generally do not operate after 9pm.
	COMMENTS		Japanese banking is extremely regulated and difficult to work through. It is a "must" to work with a local. Regulations and processes are extremely slow and arduous.