

# Setting up your Own Office

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# Options For Foreign Companies

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- Representative office
- Branch office
- Subsidiary KK corporation (Japan specific)
- Wholly Foreign Owned Enterprise (China)  
/Wholly Owned Subsidiary (India)

# Representative/Liaison Office

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- Simplest form of business structure
  - Usually one person with assistant
  - Established in preparation for future expansion into branch or subsidiary
- Functions:
  - Advertising
  - Market research
  - Monitor activities of distributors/agents handling parent company's products
  - Cannot sell or conduct any “real business”
    - cannot generate any profits

# Branch Office

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- ❑ Requires some form of registration process.
- ❑ Usually must appoint an official representative responsible for local operations.
- ❑ Branch offices can earn income and remit to parent company.
- ❑ Can often export and import goods, act as a buying or selling agent, carry out research work, etc.

# Subsidiary Corporation

## Kabushiki Kaisha (KK)

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- A KK is similar to US public corporation, though not always listed on the stock market.
  - Often wholly owned
- Advantages:
  - Easier to arrange local financing, lease office space, attract local employees
  - Prestige
  - Indicates long-term commitment
  - Limited liability
- Requirements
  - Three directors; at least one must reside in Japan.
- A new alternative to KK came out in May 2006 called “Godo Kaisha” (GK), but this form is not as established and very few companies are GK.