

International Assignment Services Alert

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PwC Japan Tax Newsletter

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Japan Announces Revised Immigration Laws, Including Additional Penalties

Revised immigration laws were enacted as of July 15, 2009 with corresponding procedural changes expected within three years by cabinet order.

There are benefits introduced in the revised laws but also strict penalties for offenders (including imprisonment and/or deportation for certain offences).

In addition, it is already known that as of April 2010, the regional immigration bureau will start requesting certificates of tax payments and Japanese social insurance coverage issued by the local authorities at the time of applications for either an extension of period of stay or a change of residence status.

Local employment insurance authorities have already begun requesting list of foreign national employees from employers. Therefore, it is recommended that employers review the current status of their foreign national assignees and employees at this time to ensure they are compliant.

The major changes related to foreign residents living and working in Japan are as follows:

1. The current Alien Registration Card will be replaced by a new Residence Card (“zairyu card”)
2. The maximum period of stay will be extended from three years to five years
3. The Re-entry Permit will no longer be required if in each travel period the foreign resident returns to Japan within one year

The above changes will be applicable to foreign residents who hold an immigration status allowing them to remain in Japan for over three months.

Residence Card

The current Alien Registration Card will be abolished, and a new Residence Card system will be implemented by the Immigration Bureau of the Ministry of Justice. The Residence Card will be issued by Regional Immigration offices and Immigration Inspection office at the airport. The contents of the new card will be similar to the current Alien Registration Card including information such as name, nationality, address, type of immigration status, date of expiry, place of work, work restrictions and a photograph but an IC chip will be added to the new card as an anti-forgery measure.

If there is a change to any one of the items listed on the card, it must be reported within 14 days to the regional immigration office. Changes in home address must also be reported within 14 days to the local government office. The local authority will maintain residence information using the same system as is currently in place for Japanese nationals.

Duration of Stay and Re-entry Permit

As one of the improved benefits, the maximum period of stay will be extended from three years to five years. Accordingly, the maximum valid period for a Re-entry Permit will also be extended to five years. However, a Re-entry Permit will only be required if a foreign resident travels away from Japan for a period exceeding one year.

These benefits are made possible due to the anticipated centralization of control to be imposed by the Immigration Bureau with the implementation of the new Residence Card system.

Enforcement of Penalties

Although penalties already exist in the Immigration Control and Refugee Recognition Act, the penalties available under this Act are not enforced regularly. Under the revised immigration laws, further penalties are included and expected to be enforced.

The three main categories of penalties and the reasons for imposing them are listed below:

1. Revocation of Status of Residence

- Individual obtained the status of residence with a false or fraudulent application
- Failure to report a change of marital status within six months except under unavoidable circumstances; this would be applicable for the residents whose status is “spouse of Japanese national”, “spouse of permanent resident” or “dependent”
- Failure to report a new home address within 90 days or reporting a falsified address

2. Deportation

- Individual is found in possession of a forged Residence Card
- Individual abetted illegal employment
- Imprisonment due to forged documents or breach of duties with respect to the Residence Card

3. Imprisonment or Fines

- Failure to report information as required by law / false reporting (subjected to imprisonment up to one year or a fine up to JPY 200,000)
- Failure to report a new address within 14 days (subjected to a fine up to JPY 200,000)

- Individual or organization considered to have encouraged illegal employment (subject to imprisonment up to three years or a fine up to JPY 3,000,000)

Bottom Line

While the timing and further details on implementation will be announced in the next three years, it is important for both employers and employees to ensure compliance for foreign national residents in accordance with the revised immigration laws starting now.

If you have any questions regarding the revised immigration laws and how they may impact you or your company, please contact one of the PwC contacts listed below.

For more information, please consult your international assignment services representative or contact any of the following members listed below:

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