

GMS Flash Alert



Immigration Edition

2019-110 | July 1, 2019

Japan - New Immigration Services Agency, Stricter Screening Process

New Japanese immigration regulations went into effect on 1 April 2019. The new regulations introduce two new work visas, "Specified Skilled Worker (i)" and "Specified Skilled Worker (ii)." They also upgrade the Immigration Bureau by creating the Immigration Services Agency to handle an anticipated influx of foreign workers.

The overall workforce of the new Immigration Services Agency has increased to more than 5,000 ministry staff and immigration officers, with the latter expected to help the country boost screening for inbound tourist and work visa applications ahead of the 2020 Tokyo Olympics and Paralympics.¹ The new work visa statuses were introduced to open the door to blue-collar foreign workers, in addition to the currently accepted highly skilled foreigners, to address serious labor shortages in 14 industries including agriculture, construction, hospitality, nursing, and shipbuilding.

The government expects to grant specified skilled worker visas to as many as 340,000 blue-collar workers over the next five years. In addition, they expect to grant technical trainee visas to more than 100,000 individuals per year. The recent government overhaul of immigration policy has already resulted in a surge of inbound visa applications in all resident visa statuses. The number of foreign employees in Japan reached more than 1.46 million in 2018, an increase of 14.2% from the previous year.²

WHY THIS MATTERS

Employers need to be aware of this historic immigration reform's effect on existing residence status visas and plan accordingly. The large number of visa applications has resulted in stricter screening processes and delays and refusals of existing resident visa applications for categories such as "business manager," "intra-company transferee," and "engineer/specialist in humanities/international services," which have been the standard work visa types for inbound international assignees.

Employers will need to account for the longer immigration timeline in their business plans.

Screening Process Impacts

The level of screening for visa applications varies according to the size of the host company in Japan. In particular, visa applications for individuals working for companies with withholding tax on earned income of JPY 15 million (approx. USD140,000) or less in the previous fiscal year and/or newly established companies are subject to longer and tougher screening processes. Based on KPMG Japan's recent experience, the processing time for a Certificate of Eligibility (CoE) for a business manager visa application in a newly established company in Japan currently takes approximately 6 months or more from the date of filing at the Immigration Service Agency.

Recently, there has also been a striking number of permanent residency application refusals. In the month of March 2019 alone, there were 35,533 total applications for permanent residency filed with the authorities throughout Japan but only 2,898 of those applications were approved and 2,152 were refused. The number of application refusal cases are increasing in all residency statuses according to the Japanese authorities.³

New Work Visa Status

The new work visa has two categories, and both require an applicant to be sponsored by a Japanese company. To qualify, applicants must prove that they possess the required skills and sufficient knowledge or work experience in the relevant industry by providing evidence that they have passed a number of tests including a Japanese language exam.⁴

- Specified Skilled Worker (i):
 - Applicants must have considerable knowledge or experience in the field of industry they are applying for and must immediately begin their employment within that industry;
 - Duration of stay is limited up to five years in total including an extension of an individual's Japanese Residence Card;
 - Applicants are not allowed to bring their family members to Japan.
- Specified Skilled Worker (ii):
 - Applicants may change their status from Specific Skilled Worker (i) to Specified Skilled Worker (ii) by passing an exam specified by the competent ministry concerned for each industry or have a proficient level of skills in the field of the applicable industry;
 - No limitation on the duration of stay;
 - Applicants may be able to bring their family members to Japan if they meet certain requirements.

FOOTNOTES:

- 1 For news coverage, [click here](#), and in Japanese, [click here](#).
- 2 See "[Record 1.46 Million Foreign Workers in Japan](#)" on nippon.com website.
- 3 See the [official statistics of Japan](#) (in Japanese) on e-Stat website.
- 4 Specified skilled worker [flyer](#) on Ministry of Foreign Affairs of Japan website.

JPY 1 = EUR .0082

JPY 1 = USD .0092

JPY 1 = GBP .0073

JPY 1 = TWD 0.29

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in Japan:



Yuichi Miyahara
Tel. +81 03 62296282
Yuichi.Miyahara@jp.kpmg.com



Paul Cherrone
Tel. +81 03 62296249
Paul.Cherrone@jp.kpmg.com



Mayu Kato
Tel. +81 03 6229 6469
Mayu.Kato@jp.kpmg.com

* Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.

The information contained in this newsletter was submitted by the KPMG International member firm in Japan.

© 2019 KPMG Tax Corporation, a tax corporation incorporated under the Japanese CPTA Law and a member firm of the JPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. NDPPS 530159

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com>.