



GMS Flash Alert

Immigration Edition

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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

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

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