

# Japan Subsidiary Governance Quick-Check

12 questions for foreign companies operating a subsidiary in Japan

For each question, mark **Yes**, **No**, or **Not sure**. This is a general awareness tool covering common governance gaps in newly formed or growing Japan subsidiaries — it is not a full implementation resource.

| QUESTION                                                                                                                                                 | Y                        | N                        | ?                        | QUESTION                                                                                                                                    | Y                        | N                        | ?                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>1 Delegated authority</b> — Is it documented, in writing, who is authorized to approve key decisions for your Japan entity?                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>7 Control ownership</b> — Does each key financial or operational control have one named, accountable owner?                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>2 Approval thresholds</b> — Are monetary thresholds defined for when local approval is enough versus when HQ approval is required?                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>8 Headquarters reporting</b> — Does HQ receive a regular report that highlights decisions and exceptions, not only data?                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>3 Banking and payment controls</b> — Is there a defined approval process for payments and for changes to bank signatories or accounts?                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>9 Exception escalation</b> — Is there a written escalation path for exceptions or unusual transactions, separate from routine approvals? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>4 Contract approval</b> — Is contract approval separated from negotiation, with a named approver for customer and vendor agreements?                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>10 Evidence retention</b> — Is evidence of key approvals and control activities retained and easy to locate if requested?                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>5 Expense approval</b> — Are expense and reimbursement claims reviewed by someone other than the submitter?                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>11 Periodic governance review</b> — Has your governance and authority structure been reviewed within the last 12 months?                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>6 Conflict-of-interest handling</b> — Is there a documented process for identifying and reviewing related-party or conflict-of-interest transactions? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>12 Management override</b> — If management overrides a normal approval step, is that override documented and reviewed afterward?         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## HOW TO READ YOUR RESULTS

Mostly "Yes": your Japan entity has documented the governance basics covered here. Any "No" or "Not sure" answers point to a specific, addressable gap rather than a general problem.

## IF YOU HAVE SEVERAL "NO" OR "NOT SURE"

This is common shortly after incorporation. It usually means authority, approvals, or control ownership have not yet been put in writing — the specific gap the Starter Kit is built to address.

Ready to put this into practice? The **Japan Subsidiary Governance Starter Kit** includes the full governance checklist, a delegated authority framework, internal control templates, and an implementation guide.

**View the Starter Kit — US\$79**

<https://www.cfos.tokyo/japan-subsidary-governance/>