



Japan Expense Reimbursement Procedure

This guide outlines the rules and conditions for reimbursing business-related expenses in Japan. All reimbursements must comply with Japanese tax rules, local accounting standards, and Native Teams' internal policies.

General principles

- Employees may be reimbursed for business-related expenses incurred while performing their duties.
- Reimbursements for transportation, lodging, and other necessary travel costs are recognised as business expenses and are generally non-taxable to the employee if properly documented and justified.
- Meals or daily allowances require careful handling; if structured as a lump sum without a clear business travel context, they may be treated as taxable income.

Eligible expenses

The following business-related expenses are eligible for reimbursement:

- ◆ **Travel expenses** – Including trains, buses, flights, taxis, and lodging.
- ◆ **Commuting allowances** – Within statutory conditions.
- ◆ **Per diem / daily allowance** – For meals and incidental expenses during business travel.
- ◆ **Work-related purchases** – Office supplies, professional development materials, and software.
- ◆ **Client entertainment** – Business meals or entertainment with clients.
- ◆ **Relocation** – Business relocation or moving costs.

Reimbursement conditions



1. Transportation and travel

- **Public transport (trains/buses):** Japanese tax rules allow a special exception for local public transport expenses up to ¥30,000, where a formal invoice may not be required, provided the details are recorded in the books.
- **Taxis and flights:** The ¥30,000 exception does not apply. Valid receipts or invoices are mandatory for all taxi fares and aeroplane tickets.
- **Personal vehicle use:** There is no mandated statutory mileage rate. Companies may establish reasonable internal rates (e.g., per kilometre) or reimburse actual fuel/maintenance costs with proper documentation.
- **Accommodation:** Hotel costs must be reasonable, documented, and directly related to business travel.



2. Per diem / daily allowance

- To be treated as non-taxable, allowances must be supported by a company travel policy and be reasonable for the travel context.
- Clear rules must be established to avoid them from being reclassified as taxable salary.



3. Client entertainment and meals

- **Attendance:** For any meals or dinners with clients, employees must provide the number of participants.
- **Tax classification:** Meals exceeding ¥10,000 per person may be classified as “entertainment expenses,” which are subject to specific tax limitations under Japanese rules.

⚠ Documentation requirements

To ensure compliance and non-taxable treatment, all requests must be supported by:

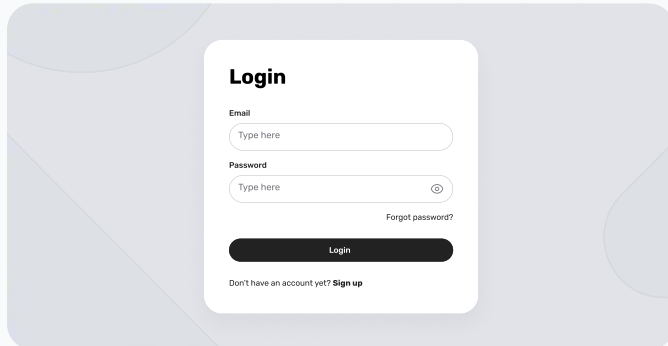
- **Original receipts or invoices:** Required for all expenses (except local transit under ¥30,000).
- **Business purpose:** A clear description of what the expense was for and why it was work-related.
- **Specific details:** Dates of travel, names of travellers, and destinations where applicable.
- **Claim form:** A completed expense reimbursement form submitted by the designated deadline.

Special considerations

- **Documentation exceptions:** While local transit under ¥30,000 has flexible documentation rules, keeping records of the route and purpose is still necessary for accounting.
- **Entertainment limits:** The ¥10,000 per person threshold for client meals is a critical marker for tax classification in Japan.
- **Lump sum risks:** Avoid paying round-sum allowances without a specific travel context, as these are highly likely to be treated as taxable income by authorities.

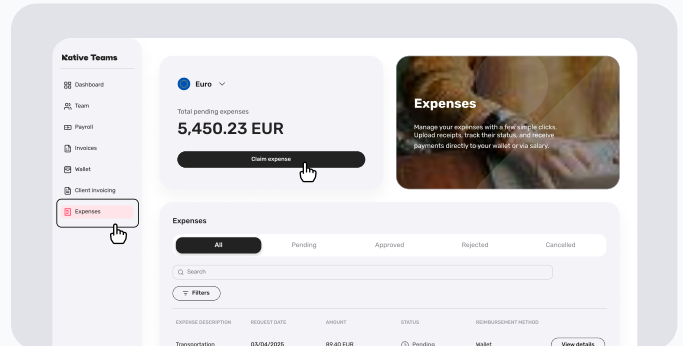
Expense Submission Process

Submitting via **Native Teams** Platform



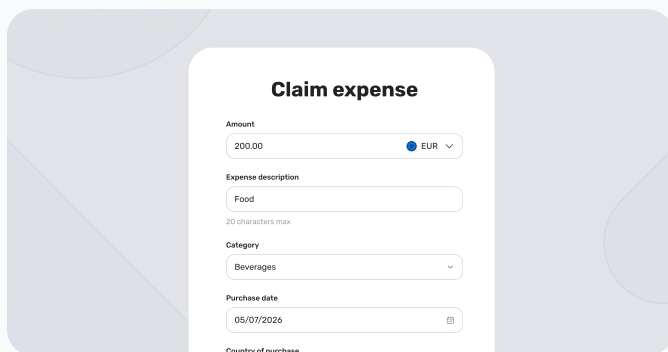
STEP 1

Log in to your Native Teams account.



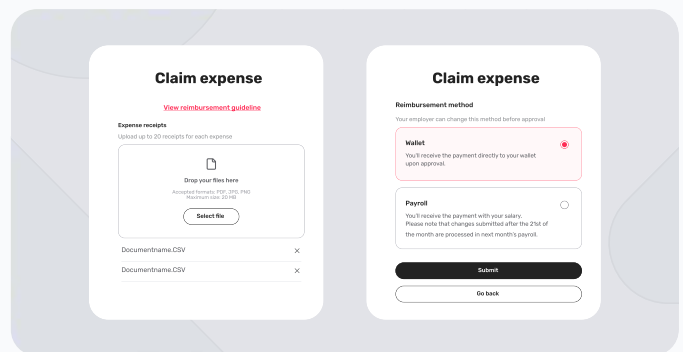
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



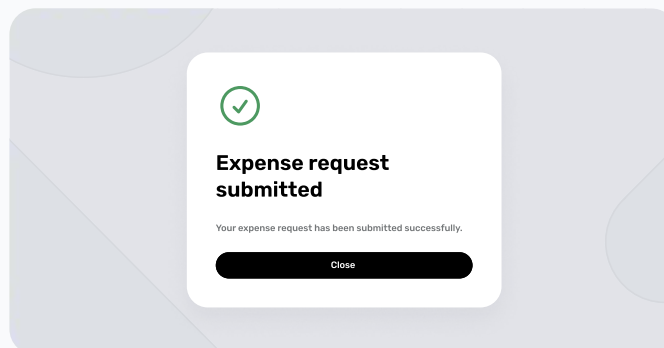
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.

Native Teams legal entity - Japan

◆ **Entity name:** Native Teams Japan G.K.

◆ **Registration number:** 01 10-03-020465

◆ **Registered address:** Daiwa Shibuya Square 6F, 16-28 Nampeidai, Shibuya-ku, Tokyo, 150-0036 Japan

Native Teams

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