



APAC corporate secretarial newsletter

As businesses expand their operations into new countries, it brings a wealth of opportunities but also creates compliance risks. With its economies driving global growth, Asia Pacific (APAC) is an inviting region for multinational corporations seeking expansion. Each jurisdiction in the region has its own rules and regulations so getting compliance right is a challenge faced by businesses of all sizes. To minimize these challenges, our APAC corporate secretarial newsletter provides information on how to ensure compliance on an international scale and helps businesses gain comprehensive insights into the business landscape across APAC.

[Australia](#) [Hong Kong](#) [Indonesia](#) [Korea](#) [Philippines](#) [Taiwan](#) [Vietnam](#)
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Corporate secretarial annual assurance package

In managing corporate secretarial compliance across multiple countries, you will face different filing formats, deadlines, and reporting requirements. It can also be problematic and inefficient using multiple local providers and hiring specialists in country.

How can we help you?

Mazars offers a comprehensive corporate secretarial annual assurance package that is seamless and efficient. By centralizing your company secretarial services with one experienced firm, you retain greater control over the various regulations required to comply across multiple countries. We have a consistent package which covers the mandatory filings in each country with a retainer offering a discount on one-off services required when you have a corporate action that gives rise to a filing.

For more information, please visit our [Global Corporate Secretarial Services](#).



Australia

2022 updates

Director Identification Numbers

- From November 2021, new and existing Directors of Australian companies need to apply for Director ID Numbers and verify their identity as part of the new statutory requirements which assists regulators to track and combat illegal company phoenix activities. Existing company directors had until 30 November 2022 to apply for a DIN. New directors need to apply for this before appointment.

For more information, go to:

- [Mazars in Australia website](#)
- [Latest news](#)



China

2022 updates

Inspection service of individual income tax payment certificates for the registration of equity transfer

- Starting from 20 December 2022, when individuals are required to transfer their equity interests for registration of change of shareholders, they must first go through tax declaration with Shanghai administration of taxation before going through registration of change with Shanghai administration of market and regulation.
- Shanghai is not the first city to require individuals to pay taxes before transferring shares. Qingdao, Tianjin, Guangxi, Shenzhen, Hunan, Guangdong, Beijing, Hubei, Anhui, Chongqing, Lanzhou, and Sichuan have all issued relevant regulations.
- This was issued by the Shanghai administration of market and regulation and Shanghai administration of taxation on 28 November 2022

For more information, go to:

- [Mazars in China website](#)



2022 updates

New inspection regime to enhance privacy rights of directors and other officers under the Companies Ordinance

- Background

- Commencement of new inspection regime

The balance between the privacy rights of directors and other officers and the right of the public to access them through searches has been a vexed issue for years.

Provisions of the Companies Ordinance (Cap. 622) (“CO”) to enhance protection of personal information while keeping up the transparency and usefulness of the Companies Register were passed by the Legislative Council in July 2012. They however had not been fully affected.

It was announced in 2021 that the promulgation of the provisions of the CO to withhold the protected information will be done in three phases.

The phased approach will allow the Companies Registry (“CR”) to upgrade its IT system progressively. Phase 1 and phase 2 of the new inspection regime have already come into force.

- Passage of Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Bill 2022

On 24 June 2022, the Hong Kong Government gazetted the Amendment Bill, introducing changes to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (“AMLO”). The Amendment Bill seeks to reinforce Hong Kong’s status as an international financial centre (1) by enhancing its regulatory regime for combating money laundering and terrorist financing and (2) by formulating a comprehensive and balanced regulatory framework for virtual asset activities to protect investors.

- Highlights

- New inspection regime

The “protected information” refers to:

- the usual residential address (“URA”) of a company’s individual director; and
 - the full identity card or passport number (“IDN”) of any individuals such as director, company secretary, authorised representative and liquidator contained in any part of the document submitted to the CR for registration as required by the CO.

○ Phase 1 – commenced on 23 August 2021

A Hong Kong company may replace the URA of individual directors with their correspondence address. It may also replace the full IDN of individual directors and company secretaries with a partial IDN on the company's own registers for public inspection.

There was a grace period until the next annual return date under related regulations (or the earlier of a new entry or changes to the register relating to the directors) where the registered office can be taken as the correspondence address for directors.

For company secretaries, the correspondence address has always been required, and no additional work is required.

Phase 1 is not applicable to non-Hong Kong companies registered under Part 16 of the CO (i.e., branches) at the CR.

○ Phase 2 – commenced on 24 October 2022

The URA and full IDN of directors on the index of Directors on the Companies Register maintained at the CR are replaced with the correspondence address and partial IDN for public inspection.

The URA and full IND of any individuals contained in documents filed for registration on or after 24 October 2022 is not provided for public inspection.

As a recap,

- URA of directors and full IDN of the relevant individuals are still required to be reported to the CR; and
- the protected information on the documents registered at the CR before 24 October 2022 will still be available for public inspection.

To facilitate the implementation of phase 2 of the regime, the CR has revised 26 specified forms which pertain to the reporting of protected information for use from 24 October 2022.

If a director selects to use an address other than the company's registered office address as his correspondence address, a prescribed form reporting his correspondence address should be filed with the CR.

"Specified persons" may apply to the CR for access to protected information for the purpose of the performance of their functions specified in section 12 of the Companies (Residential Addresses and Identification Numbers) Regulation (Cap. 622N) (the "Regulation"). The said "specified persons" are: -

- a data subject (i.e., the person to whom the protected information on the relevant document relates);
- a person who is authorized in writing by a data subject to obtain the information;
- a member of the company;
- a liquidator;
- a trustee in bankruptcy;

- a public officer or public body provided in section 2 of the Regulation;
- a person specified in the Schedule to the Regulation;
- a solicitor or foreign lawyer;
- a certified public accountant (practising);
- a financial institution or Designated Non-Financial Business and Profession.

Passage of Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Bill 2022

- The Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Bill 2022 was passed by the Legislative Council on 7 December 2022.
- The amended AMLO introduces (1) a licensing regime for virtual asset service providers and (2) a two-tier registration regime for dealers in precious metals and stones.
- There are also a number of amendments, relevant to the Trust or Company Service Providers (“TCSPs”), which include: -
 - amending the technical definition of “politically exposed person” (“PEP”) to align with the FATF requirements;
 - facilitating a risk-based approach in determining the degree of customer due diligence (“CDD”) that former PEPs are subject to;
 - supporting the use of technology by clarifying that a recognized digital identification system can be used for the purposes of CDD and satisfying the additional requirements where a customer is not physically present for identification purposes;
 - clarifying that, where a trust is concerned, a beneficial owner includes trustees, beneficiaries, and class(es) of beneficiaries.
- The amended AMLO regarding the registration regime for dealers in precious metals and stones will take effect on 1 April 2023. The other amendments will come into effect on 1 June 2023.

2023 expected updates

- Details of the amended Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO)
- Commencement of phase 3 of the new inspection regime

For more information, go to:

- [Mazars in Hong Kong website](#)
- [Latest news](#)



2022 updates

Appointment and Qualification of Directors

- The Ministry of Corporate Affairs (MCA) issued a notification dated 1 June 2022 of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 effective from 1 June 2022.
 - The amendment signifies that when a person is being appointed as a director in a company incorporated in India and who is a national of a country sharing borders with India must seek security clearance and consent from Ministry of Home Affairs, Government of India. Further it classifies that the clearance and consent will also be required before applying for Director Identification Number (DIN).
 - National examples: China, Bangladesh, Pakistan, Bhutan, Nepal, Myanmar, and Afghanistan.
 - Reference: [The Gazette of India](#)
- The Ministry of Corporate Affairs (MCA) issued a notification dated 10 June 2022 of the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2022 effective from 10 June 2022.
 - This amendment is pertaining to Independent Directors. Under the Companies Act, 2013, there are provisions that a company can choose an Independent Director from a databank of persons who are eligible and willing to act as Independent Directors. The Central Government has notified the Indian Institute of Corporate Affairs (IICA) as an agency to create and maintain this databank. This databank contains names, addresses, and qualifications of persons who are eligible and willing to act as Independent Directors. Databank of Independent Directors aims to provide single-point access to the companies to search Independent Directors as per their needs and criteria.
 - Every individual who wishes to be appointed as Independent Director needs to register his name in the databank for a period of one year or five years or for lifetime.
 - Once the name is registered, the Independent Director needs to give online proficiency self-assessment test within two years of registration, failing which the name will be removed from the databank.
 - The name will be restored by paying Rs 1000/- and the same will be stored in a separate restored category. If the person fails to pass the test even after restoration of his name within a year, the name will be removed and would be required to apply fresh. The exemptions of not giving test is mentioned in the circular as attached herewith.
 - Reference: [The Gazette of India](#)

Removal of Names of Companies from the Register of Companies

- The Ministry of Corporate Affairs (MCA) issued a notification dated 9 June 2022 of the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2022 effective from 9 June 2022.
- Striking off the name of a company is an alternative mechanism for closing the operations of the company. The Registrar of Companies ('ROC') can issue a notice to strike off the company name from the Register of Companies for certain reasons. The company can also apply for the ROC to strike off its name from the Register of Companies by filing form STK-2. The ROC will send a notice to the company and its directors of the intention to remove the company name/strike-off company name from the Register of Companies by sending form STK-1 and if there is a reasonable cause to believe that:
 - the company fails or does not commence business within one year of incorporation.
 - the company is inoperative or does not carry any business for two preceding financial years and has not filed any application within such period for getting the status of a dormant company under Section 455 of the Act.
- This amendment signifies about that the Registrar (if he finds it necessary after examining the application made in form STK-2) to call for further information or direct the applicant to remove the defects and re-submit the complete Form within 15 days from the date of such information, failing which the Registrar shall treat Form as invalid in the e-record, and shall inform the applicant. The Form STK-5 / Form No. STK – 5A is the notice published by Registrar for removal of name from the register.
- Reference: [The Gazette of India](#)

NFRA Amendment Rules 2022

- The Ministry of Corporate Affairs (MCA) issued a notification dated 17 June 2022 of the National Financial Reporting Authority Amendment Rules, 2022 effective from 17 June 2022.
- The National Financial Reporting Authority (NFRA) is a body constituted under the provisions of Section 132 of the Companies Act, 2013. The constitution of this authority is effective from 1st October 2018. The aim of the Central Government in this regard appears to be:
 - Setting up of a separate and independent regulatory body to assist in the framing and enforcement of legislation relating to accounting & auditing and
 - Improving investor and public confidence in the financial reporting of an entity.
- The Companies covered by NFRA: -
 - Companies whose securities are listed on any stock exchange in India or outside India;
 - Unlisted Public Companies having
 - Paid up Capital is Rs. 500 CR or More; OR
 - Turnover is Rs. 1000 CR or More; OR
 - Aggregate of Outstanding Loans, Debentures and Deposit is Rs. 500 CR or More in immediately preceding F.Y.

- Insurance companies, Banking companies, Companies engaged in the generation of supply of electricity;
- Companies governed by any special Act like Reserve Bank of India under Reserve Bank of India Act, 1934; State Bank of India under State Bank of India Act, 1955; Life Insurance Corporation of India under incorporated under Life Insurance Corporation Act, 1956; Unit Trust of India under The Unit Trust of India Act, 1963;
- Associate/subsidiary of the aforesaid company/body corporate incorporated outside India, income/net worth of which is more than 20% of the consolidated income/net worth of the aforesaid company/body corporate.
- Any Company, Body Corporate or Person referred to NFRA by the Central Government; Once a Company/Body Corporate covers under the NFRA Rules, will be covered by NFRA for 3 more years such Company/Body Corporate falls outside NFRA Rules in later stage.
- Supposedly, the need for this authority arose as a response to various corporate scams in recent times. The Ministry of Corporate Affairs has released an official order that talks about the amendment of audit rules. The ministry aims to rationalise the penalty provisions relating to contraventions designed for proper compliance.
- Reference: [The Gazette of India](#)

Companies (Incorporation) Third Amendment Rules 2022

- The Ministry of Corporate Affairs (MCA) issued a notification dated 18 August 2022 of the Companies (Incorporation) Third Amendment Rules, 2022 effective from 18 August 2022.
- These rules were established by the government to ensure a clear procedure for the physical verification of registered addresses. It clarifies that under the new guideline, ROC will physically inspect a company's registered office in the presence of impartial witnesses. During the physical verification, the Registrar will also need to take a photo of the registered office of the firm. ROC will validate the Office's existence by comparing it to copies of the supporting documents collected during the physical proof, which have been officially validated from the owner of the building. A thorough report with detailed information, such as location details and pictures, will be prepared after completion of the verification. If the Registered Office is determined to be incapable of accepting all notices, ROC will notify the Company and all Directors.
- Reference: [The Gazette of India](#)

Amendment of the Companies (CSR Policy) Rules, 2014 of the Companies Act, 2013

- The Ministry of Corporate Affairs (MCA) issued a notification dated 20 September 2022 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 effective from 20 September 2022.
- The government has asked companies having any amount in their unspent corporate social responsibility accounts to set up a CSR committee. To this effect, the government has amended rules governing corporate social responsibility (CSR), according to an official notification issued by the Ministry of Corporate Affairs. The said amendments have also revised the format for the annual report on CSR activities to be included in the board's report.

Under the CSR rules, amounts remaining unspent in a financial year relating to an ongoing project as well as any unutilised surplus arising from the CSR activities are required to be deposited by the company in a special bank account called the 'Unspent Corporate Social Responsibility Account'.

The amended rules now provide that a company will have to comply with CSR related obligations, including constituting a CSR committee so long as there is any unspent amount in its Unspent Corporate Social Responsibility Account.

Prior to the amendment, CSR rules capped the expenditure of impact assessment that could be counted towards CSR obligations of a company to 5 per cent of its CSR expenditure or Rs 50 lakh, whichever is lower. This limit has now been increased to the higher of 2 per cent or Rs 50 lakh, which will enable companies to undertake comprehensive impact assessment for large scale CSR projects and account for the same towards their CSR obligation. Apart from this, the government has released a new format for the annual report on CSR activities which is to be included in the board's report for the financial year commencing on or after April 2020.

- Reference: [The Gazette of India](#)

Companies (Acceptance of Deposits) Amendment Rules, 2022

- The Ministry of Corporate Affairs (MCA) issued a notification dated 29 August 2022 of the Companies (Acceptance of Deposits) Amendment Rules, 2022 effective from 29 August 2022.
- The purpose of the MCA for the implementation of this particular amendment was to amend to rules of acceptance of deposits to bring transparency and enhance the role and responsibilities of statutory auditors. This will enhance the responsibility of deposit rules compliance from directors to include statutory auditors. The ministry also notified new forms for reporting details of deposits. Companies are now required to file a return of deposits by 30 June yearly as per audited figures. Companies will also have to report loans or advances from directors, shareholders, promoters or banks and financial institutions, which are referred to as exempted deposits.

- Reference: [The Gazette of India](#)

Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022

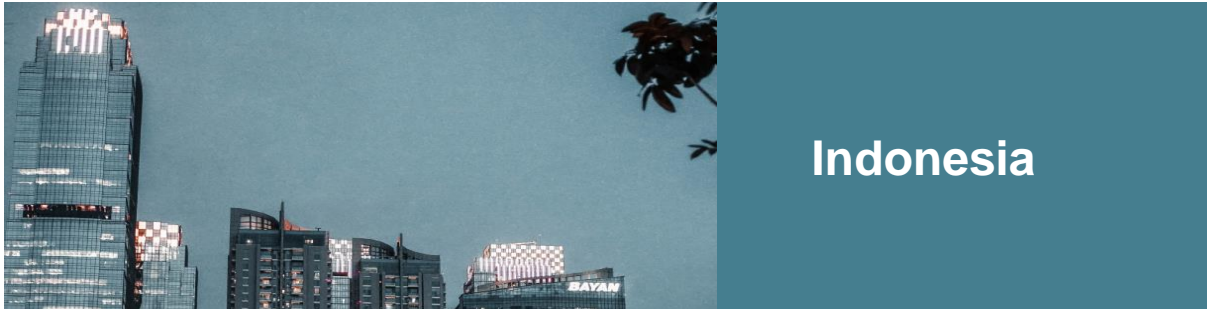
- The Ministry of Corporate Affairs (MCA) issued a notification dated 29 August 2022 of the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022 effective from 29 August 2022.
- Due to this amendment, E-Form DIR-3 KYC and web-form DIR-3-KYC-WEB has been substituted and format of the same has been provided on the MCA Website. The amendment resulted in additional details which needs to be provided in Form DIR-3. Applicant now needs to provide Area/Locality, District and Jurisdiction of police station under the head Present/Permanent residential address.

Further, under the head Verification and Certificate by practising professional in Form DIR-3 KYC amendment has been made in point (v) where additional liability has been added on applicant as well as certifying professional under Section 447.

- Reference: [The Gazette of India](#)

For more information, go to:

- [Mazars in India website](#)
- [Latest news](#)



2022 updates

Indonesia Omnibus Law

- Indonesia regulatory environment in 2022 can be seen as a follow-up to the 2020 implementation of Indonesian Omnibus Law to which the government still focused in establishing the implementing rules to invest and doing business in Indonesia. These implementing rules have been relatively scattered between sectors despite of the previous effort from the government to compile the regulation under the Omnibus Law.
- Implementation in practice includes a stricter enforcement to business players for their compliance in doing business in Indonesia such as the need for business players to perform reporting to the relevant Ministries having supervision role and authority over their business activity in Indonesia as well as requirements for business players to perform self-re-assessment of their business in Indonesia and ensure that all required registration or approval have been properly obtained.
- Despite the increasing efforts from the government for business players to comply with the implementation of Indonesia Omnibus Law, issues can be frequently encountered which can be seen at the practice level. While the Indonesia government has implemented various systems at ministry level to facilitate ease of doing business (EoDB) and compliance in Indonesia, in practice these systems still encounter technical errors and cause difficulties for business players to satisfy the required compliance. The aftermath of COVID-19 pandemic is also still apparent to which government consultation channel has not yet fully recovered to facilitate business players in fulfilling their compliance requirements and needs.
- Also following the aftermath of COVID-19, digital business ecosystem continues to be built in Indonesia, with the significant increase in presence of business players. Some notable regulatory corridor that has been placed and enforced in Indonesia is for electronic services providers to be registered in Indonesia if their services are being used in Indonesia regardless of whether they have legal presence or not in Indonesia. Significant action has been taken by government such as blocking services and websites to ensure compliance and security. Development can also be seen in terms of data security to which Indonesia government had issued Personal Data Protection Act in the last quarter of 2022.

For more information, go to:

- [Mazars in Indonesia website](#)
- [Doing Business in Indonesia,](#)
- [Latest news](#)



2022 updates

Electronic Book Preservation Law

- Since 1 January 2022, the revised procedures for the electronic storage of books and documents have implemented. For example, a prior approval from the local tax authority was required for the preservation of electronically prepared national tax-related books and records in the form of electromagnetic records, but this prior approval system has been abolished.

Civil Code

- Since 1 April 2022, the age of majority under the Civil Code has been lowered from 20 years old to 18 years old. This is the first revision of the age of majority since the Civil Code was enacted in 1896.

Companies Act and Commercial Registration

- Major changes have taken into effect since 1 September 2022:
 - The system for the electronic provision of materials for the shareholders meetings has been implemented.
 - The registration at the location of the company's branch offices has been abolished.
 - Upon the request by a company representative director (whose residential address is a commercial registration matter) who is a victim of domestic violence has been able to hide the residential address in the corporate registry.
 - The scope/timing of the use/registration of former family names have been expanded.

Immigration

- Since March 2022, those who have an Individual Number Card (My Number Card) can apply for residence procedures such as renewal/status change procedures, online. (This is not applicable to "Diplomat" and "Temporary Visitor".)
- Since 1 June 2022, to promote the acquisition of permanent residency, the necessary documents for a guarantor (Japanese or permanent residents) have been more simplified. (Before this, a guarantor needs to submit the tax payment certificate/residential certificate/certificate of employment, etc.)

2023 planned updates

Use of technology and telecommunications

- From 1 April 2023, digital money/smartphone payment applications will be included as one of the payroll options, if the consent of a worker is obtained and if certain requirements (e.g., presenting multiple payroll options) are met.
- The revision of the Telecommunications Business Act is expected to be made. For example, information search service/SNS service providers will be required to submit a notification to the Minister for Internal Affairs and Communications. Those service providers will need to follow the regulations imposed under the said law. Moreover, with a focus on internet businesses, the regulations on cookies will be established, etc.

Overtime regulations

- From 1 April 2023, for small and medium-sized companies, the premium rate of pay for overtime work in excess of 60 hours per month will be changed from 25% to 50%. If overtime work in excess of 60 hours (per month) is made during the late-night hours (22:00 – 5:00), the overtime premium will become 75% (the overtime work in excess of 60 hours: 50% + the late-night work: 25%).

Invoice system

- From 1 October 2023, the qualified invoice-based method (the invoice system) will be implemented. This will affect the consumption tax aspects of the companies/individual business owners in Japan.

For more information, go to:

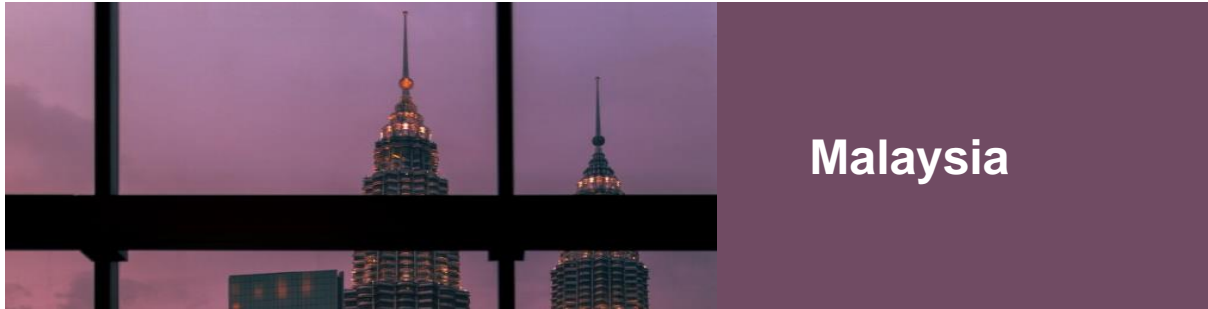
- [Mazars in Japan website](#)
- [Latest news](#)



No updates

For more information, go to:

- [Mazars in Korea website](#)
- [Latest news](#)



2022 updates

Revised Guidelines on Company Names

- Suruhanjaya Syarikat Malaysia (“SSM”) had on 6 December 2022 issued the revised Guidelines on Company Names in which applicable for registration of name for incorporation, registration of a foreign company and change of company name. This guideline has put in more detailed information to facilitate applicants who wish to make a reservation name for the purpose of incorporation a company or changing its existing name.
- The highlighted part in the new guideline as follows:
 - The reuse of the company name which has been dissolved through the act of striking off or court order/voluntary winding up is allowed subject to the availability of the name: -
 - (i) after seven (7) years from the date of dissolution through striking off the company under subsection 555(1) of the Companies Act 2016; or
 - (ii) after two (2) years from the date of dissolution by court order/voluntary winding up under subsection 535(1) of the Companies Act 2016.
 - The reuse of a dissolved Limited Liability Partnership name is allowed after two (2) years from the date of dissolution under section 52 of the Limited Liability Partnerships Act 2012.
 - The reuse of a company or Limited Liability Partnership’s previously used name is permitted subject to:
 - (i) if the previous name is no longer in use and the period has exceeded twelve (12) months, the name can be used without a letter of consent;
 - (ii) if the period for the non-usage of the previous name is still within twelve (12) months, a letter of consent must be included.
- For further details, go to [Guidelines on Company Names \(issued on 6 December 2022\)](#)

For more information, go to:

- [Mazars in Malaysia website](#)
- [Latest news](#)



Philippines

2022 updates

Company Formation: Update on the concept of “Doing Business”

- As a general rule, no foreign corporation shall be permitted to transact or do business in the Philippines unless it secures a license from the SEC.
- The term “doing business” in the Philippines include:
 1. Soliciting orders, service contracts, opening offices, whether called "liaison" offices or branches;
 2. Appointing representatives or distributors domiciled in the Philippines or who, in any calendar year stay, in the country for a period or periods totalling one hundred eighty (180) days or more;
 3. Participate in the management, supervision or control of any domestic business, firm, entity, or corporation in the Philippines; and
 4. Any other act or acts that imply a continuity of commercial dealings or arrangements and contemplate to that extent the performance of acts or works, or the exercise of some of the functions normally incident thereto.
- The phrase "doing business" does not include:
 1. Mere investment as a shareholder by a foreign entity in domestic corporations duly registered to do business, and/or the exercise of rights as such investor;
 2. Have a nominee director or officer to represent its interest in such corporation;
 3. Appoint a representative or distributor domiciled in the Philippines which transacts business in its own name and for its own account.
- Where the corporation enters into a single agreement or engaged in some other isolated business, act or transaction within a particular state, with no intention to repeat the same or make such state a basis for the conduct of any part of its corporate business, such corporation cannot be said to be doing business or transacting business within the state, within the meaning of the usual statutory provisions regulating the transaction of business by foreign corporations.
- What constitutes “doing” or “engaging in” or “transacting” business is judged in the light of their peculiar circumstances, while most take into consideration the main business activity of that foreign company.

- The true test, however, seems to be whether the foreign company is continuing a body or substance of the business or enterprise for which it was organized or whether it has substantially retired from it and turned it over to another. Basically, it deals with whether there is a continuity of commercial dealings and arrangements, and contemplates, to that extent, the performance of acts or works in the exercise of some of the functions normally incident to, and in progressive prosecution of, the purpose and object of its organization.
- Once the corporation has determined that the activity it intends to do falls under the category of “doing business” it has to decide its mode of entry.
- In 2022, almost all of corporate secretarial wins, prospect and inquiries came from foreign companies wanting to do business in the Philippines. This may have been brought about by the strength of the US dollar and the new laws that the Philippine government enacted that made foreign investments attractive. These laws, which were mostly to align government policy on “Ease of Doing Business”, include the Revised Corporation Law in 2019, Amendments to the Foreign Investment Act and Retail Trade Liberalization Act, both in 2021.

Revised Corporation Code

- Numerous changes were introduced in the revised code, some of which were discussed in Mazars Philippines’ website:
 - [Corporate Term](#)
 - [Disqualification of Directors](#)
 - [Incorporators](#)

Modes of Entry

- Despite these changes, foreign corporations can enter the Philippine market through domestic subsidiary of a foreign company, branch office, representative office, regional operating headquarters, and regional area headquarters.

1. The Domestic Subsidiary

This is a regular Philippine corporation whose shares are 60-100% owned by a foreign company. Its structure is similar to that of a regular corporation whose incorporators and directors range from 2-15, its capitalization subject to foreign equity requirements and limitations, among others. It has its own Articles of Incorporation and By-Laws. Its foreign corporate shareholder will need to submit proof of existence from its home country. Upon approval of its application, the SEC will issue a Certificate of Incorporation.

2. The Branch Office and Representative Office

These are the foreign corporations themselves that opens a company in the Philippines. Because of this, its corporate structure does not change. It does not have incorporators or board of directors or shareholders in the Philippine entity, but it is represented by a Resident Agent. The law provides for specific rules with regard to a Resident Agent. While the nature of a branch office and a representative office are the same, its business activity differ. For a branch office, it is engaged in income-generating activities. On the other hand, a representative office is limited to information dissemination and promotion of the company’s

products and services, act as communication centre between interested parties and head office, customer support to existing and future clients. Upon approval of its application, the SEC will issue a License allowing the branch or representative office to do business in the Philippines.

3. Regional Operating Headquarters (ROHQ) and Regional Area Headquarters (RHQ)

The nature of these corporate entities is similar to that of a branch and representative office except that the ROHQ and RHQ engages in international trade with affiliates, subsidiaries or branch offices in the Asia-Pacific Region and other foreign markets. It will be required to list the companies that fall in its group. The ROHQ's business activity is income-generating, while that of an RHQ is limited to acting as a supervisory, communications and coordinating centre for its group in the region. Upon approval of its application, the SEC will also issue a License.

The Foreign Investments Act

- Foreign investment refers to an equity investment made by a non-Philippine national in the form of foreign exchange and/or other assets actually transferred to the Philippines and duly registered with the Bangko Sentral ng Pilipinas.
- Investment in the Philippines can either be through a domestic market enterprise or an export market enterprise. The former refers to an enterprise which produces goods for sale or renders services to the domestic market entirely or if exporting a portion of its output, fails to consistently export at least 60% thereof. The latter refers to an enterprise where a manufacturer, processor, or service (including tourism) enterprise exports 60% or more of its output or wherein a trader purchases products domestically and exports 60% or more of such purchases.
- Identifying the particular enterprise is required at the time of company set up due to the specific documentary requirements and disclosures needed in the SEC application.

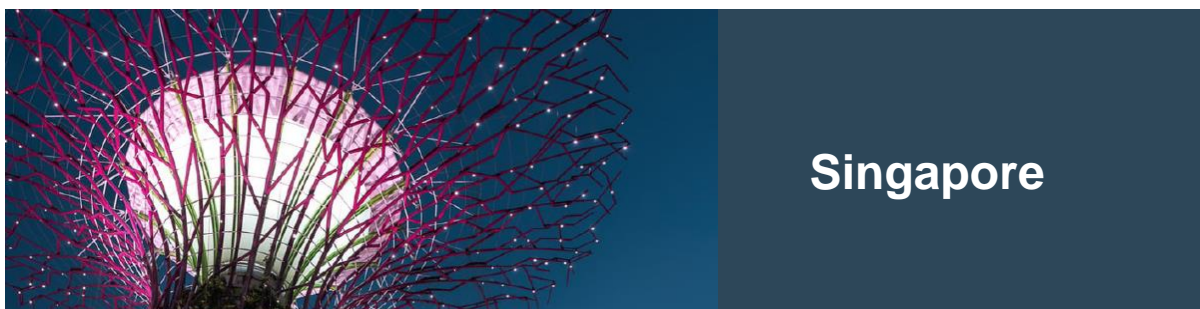
The Retail Trade Law

- Philippine legislation defines retail trade as any act, occupation or calling of habitually selling direct to the general public merchandise, commodities or goods for consumption. Business activities that do not fall under retail include:
 - (a) Sales by a manufacturer, processor, labourer, or worker, to the general public the products manufactured, processed or produced by him if his capital does not exceed One hundred thousand pesos (PHP 100,000.00);
 - (b) Sales by a farmer or agriculturist selling the products of his farm;
 - (c) Sales in restaurant operations by a hotel owner or innkeeper irrespective of the amount of capital: Provided, That the restaurant is incidental to the hotel business; and
 - (d) Sales which are limited only to products manufactured, processed, or assembled by a manufacturer through a single outlet, irrespective of capitalization.
- Under the old law, there were 3 categories of investment, most popular of which was Category A wherein enterprises with paid-up capital of less than USD 2,500,000.00 are reserved exclusively to corporations wholly owned by Philippine nationals.

- However, this amount was revised when the amended law allowed a foreign retailer a minimum of PHP 25,000,000.00 paid up capital on the following conditions:
 1. The foreign retailer's country of origin does not prohibit the entry of Filipino retailers.
 2. In the case of foreign retailers engaged in retail trade through more than 1 physical store, the minimum investment per store must at least be PHP 10,000,000.00 per store.
- This minimum paid up capital is required to be maintained in the Philippines at all times unless the foreign retailer intends to repatriate its capital and cease operations.
- Incident to the last two laws was the government's issuance of the [12th Foreign Investment Negative List in 2022](#) which enumerates the allowable percentages of foreign equity in specific business activities.

For more information, go to:

- [Mazars in Philippines website](#)
- [Latest news](#)



2022 updates

Changes to rules for foreigners aiming to work in Singapore from Ministry of Manpower (MOM)

- Primarily, the Singapore government has adopted the policy of encouraging well-qualified and skilled foreigners who can contribute to the country’s economy to join the workforce in Singapore. EP and S Pass holders can subsequently apply for permanent residence in Singapore, supported by six months’ pay slips and three years of tax assessments.
- Another permanent residence scheme exists whereby foreigners with entrepreneurial ability and substantial financial resources may invest in Singapore under the Global Investor Programme administered by the Singapore Economic Development Board (EDB).
- Organisations seeking to hire foreign talent, or foreign nationals looking to establish businesses in Singapore must obtain the necessary approval from the relevant authority prior to the commencement of employment.
- Beginning 1 September 2022, the duration for employers to advertise jobs under the Fair Consideration Framework (FCF) has been reduced from 28 days to 14 days.
- Types of work passes
 - For Professionals

Types	Description
Employment Pass	For foreign professionals, managers, and executives. Candidates need to earn at least \$5,000 a month.
Entrepreneur Pass (EntrePass)	For foreign entrepreneurs who are keen to start and operate a business in Singapore that is venture-backed or possesses innovative technologies.
Personalized Employment Pass	For high-earning existing Employment Pass holders or overseas foreign professionals. The PEP offers greater flexibility than an Employment Pass.
Overseas Networks & Expertise Pass	For top talent in business, arts and culture, sports, science and technology, and academia and research.
Tech.Pass	For tech entrepreneurs, leaders, or technical experts from around the world to perform frontier and disruptive innovations in Singapore. This pass is administered by the Economic Development Board

- For skilled and semi-skilled workers

Types	Description
Work Permit	For semi-skilled foreign workers from approved countries or territories to work in Singapore
S Pass	For skilled workers. Candidates need to earn at least \$3,000 a month.

- Passes for family of Employment Pass and S Pass holders

Types	Description
Dependant's Pass	Legally married spouse or unmarried children under 21 years of eligible Employment Pass or S Pass holders.
Long-Term Visit Pass	For a common-law spouse, stepchild or handicapped child of an Employment Pass or S Pass holder.

- Permanent Residence status

Types	Description
Permanent Residence	Employment Pass or S Pass holders may apply for the Singapore Permanent Residence status (PR) through the Immigration and Checkpoints Authority (ICA). The application will be assessed based on ICA's PR criteria. Entrepreneurs and innovators can also apply for PR status through the Global Investor Programme (GIP).

- Find out more about each work pass [here](#)

New requirements to strengthen corporate governance regime and bring closer alignment with international standards

- On 4 October 2022, the Accounting and Corporate Regulatory Authority (ACRA) implemented new requirements to strengthen Singapore's corporate governance regime, upholding Singapore's commitment to combatting money laundering, terrorism financing and other threats to the integrity of the international financial system.
- The new updates are made following the passing of the Corporate Registers (Miscellaneous Amendments) Act 2022 on 10 January 2022. This move is in line with international standards set by the Financial Action Task Force, of which Singapore is a member.
- The following requirements will take effect from 4 October:
 - Maintaining Registers of Nominee Shareholders
 - Companies (including foreign companies) are required to maintain a Register of Nominee Shareholders (RONS) at their registered office or at the registered office of their appointed Registered Filing Agent. Companies must set up their RONS by **5 December 2022**.
 - To assist companies in the setting up and maintenance of the RONS, ACRA has developed and published [a new guidance document for the RONS](#) today.

- Identification of Registrable Controllers
 - Companies and Limited Liability Partnerships (LLPs) which are unable to identify a registrable controller who has a significant interest in or significant control, are required to identify individuals with executive control as their registrable controller(s).
 - For companies, directors with executive control and the Chief Executive Officer must be identified as its registrable controller(s).
 - For LLPs, partner(s) with executive control must be identified as its registrable controller(s).
 - Companies and LLPs which were previously unable to identify a registrable controller are now required to record the prescribed particulars of individuals with executive control in their existing Register of Registrable Controllers (RORC) by **5 December 2022**. They must lodge the same information with the ACRA central register (ACRA central RORC) within 2 business days after any updates to their own RORC.
- Changes brought by RONS
 - In the previous regime, a member can hold shares on behalf of another person (i.e., the Nominator) and the Nominator is not required to be identified. This has been an area of concern as the Nominator is the actual shareholder with ultimate control. With the introduction of RONS, this area of concern is addressed.

For more information, go to:

- [Mazars in Singapore website](#)
- [Latest news](#)



Taiwan

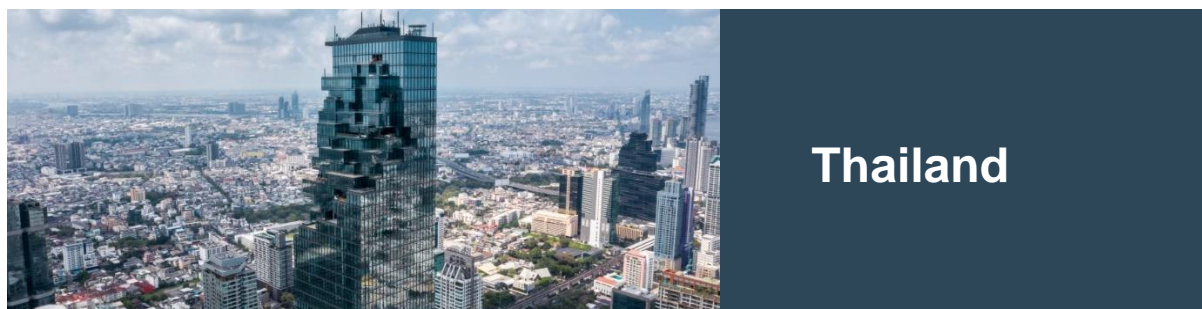
2023 planned updates

Amendments to Provisions of the Regulations Governing Taxation Registration related to Companies

- On 8 August 2022, the amended regulation of Governing Taxation Registration were published by the Ministry of Finance, to be effective on 1 January 2023. The key amendments related to companies are as followed:
 - For profit-seeking enterprises which the sales volume of the month reaching the threshold (NT\$80,000 for goods and NT\$40,000 labour services), it is necessary to apply to the local taxation agency to include the registration items i.e., domain name, network address and user account number. It is also required to clearly disclose the name of the profit-seeking enterprise and its Unified Business Number on the prominent position of the online sales page and the related application software. The online platform business operator shall be obliged to keep the necessary transaction records of its members.
 - From 1 January 2023, business entities which newly apply for tax registration and have engaged in online sales at the time of establishment should follow the new regulation.
 - The business entities completed the tax registration after 1 January 2023 but then began to engage in online sales, or completed the tax registration before 31 December 2022 and started to engage in online sales after 1 January 2023, or have completed tax registration before 31 December 2022 and are still engaged in online sales, should apply for the change of registration within the prescribed period and register the existing networks and disclose the tax registration information. In addition, business entities which have completed tax registration before 31 December 2022 and are still engaged in online sales by 1 January 2023 will have sufficient time to follow the new regulations. The buffer period will be from 1 January to 30 April 2023. It could be exempted from penalty if the business entities comply with the new regulation during the buffer period.
 - Business entities shall provide the original proof for charging fees on the online platforms, applications, or other electronic services. From 1 January 2023, the necessary transaction records and identification information for billing shall be included in the proof of evidence.

For more information, go to:

- [Mazars in Taiwan website](#)



2022 updates

Changing company information through the DBD e-filing system

- The Department of Business Development (“DBD”) has launched a new channel for requesting changes in registered company information through the DBD e-filing system. A limited company or registered partnership which has a username and password to access the DBD e-filing system can ask to change company information through the system from 4 April 2022 onward. They can ask to have the following items changed:
 - name and family name;
 - marital status;
 - specimen signature;
 - principal office or branch office address;
 - telephone number;
 - URL and email address;
 - business objectives; and
 - English name of the company.
- In addition, companies can submit evidence of share payments through the electronic system.
- Reference: [The Department of Business Development](#)

Amendments to provisions of the Civil and Commercial Code related to limited companies

- On 8 November 2022, amended provisions of the Civil and Commercial Code (“CCC”) were published in the Royal Gazette, to be effective on 7 February 2023. The key amendments related to limited companies are as follows:

Issues	References	Amendments
1. Minimum number of promoters for establishing a limited company	Section 1097	<ul style="list-style-type: none"> • At least two persons subscribing to the Memorandum of Association can establish a new limited company.
2. Reasons for requesting the court to order a limited company to be dissolved	Section 1237	<ul style="list-style-type: none"> • A company can ask the court to order it to be dissolved if the number of shareholders is reduced to one, or for any other reasons affecting the existence of the company’s business.

Issues	References	Amendments
3. E-meeting of the Board	Section 1162/1 (New added)	<ul style="list-style-type: none"> A director can attend a meeting of the board of directors without needing to be present in person unless the Articles of Association of the company stipulate otherwise.
4. Notice of shareholders' meetings being called	Section 1175	<ul style="list-style-type: none"> Notice of a shareholders' meeting being called must be sent by registered mail with return receipt. For a shareholder holding a bearer share certificate, notice must be published in a local newspaper or through electronic media in addition to being sent by registered mail with return receipt.
5. Minimum number of attendees of shareholders' meetings	Section 1178	<ul style="list-style-type: none"> At least two shareholders or their proxies must attend shareholders' meetings.
6. Prescribed period for paying dividends to shareholders	Section 1201	<ul style="list-style-type: none"> The CCC will now specifically state that dividends must be paid out within one month of a company declaring dividends. As a result, there will be penalties imposed by the Act Prescribing Offences Related to Registered Partnerships, Limited Companies, Associations, and Foundations, 2499 B.E. (1956) if a company fails to comply with this requirement.
7. Amalgamation / merger	Section 1238 to Section 1243	<ul style="list-style-type: none"> The amended CCC will allow amalgamation to take place in the following cases: <ol style="list-style-type: none"> (1) Where two or more limited companies are combined to form a new limited company. (2) Where one or more limited companies are merged into an existing limited company and such merged companies cease to be legal entities A period for creditor to object such amalgamation is reduced to one month from the date receiving the notice of the company.

For more information, go to:

- [Mazars in Thailand website](#)
- [Latest news](#)



Vietnam

No updates

For more information, go to:

- [Mazars in Vietnam website](#)
- [Latest news](#)

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