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# Doing Business in ASEAN



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# Foreword

ASEAN continues to solidify its position as a critical economic bloc in the global landscape.

Its strategic geographic position and thriving industries, ranging from manufacturing to digital services, presents significant opportunities for foreign direct investment (FDI) into Southeast Asia.

Anyone who wishes to do business in ASEAN must first embrace its diversity and dynamism. Its diverse member states, from the highly developed economies of Singapore, Thailand and Malaysia to the emerging markets of Vietnam, Indonesia, and Cambodia, offer a unique blend of opportunities for businesses seeking to expand in a dynamic and increasingly interconnected world.

Over the past decade, the ASEAN Economic Community (AEC) Blueprint 2025 has served as a pivotal framework guiding our region towards deeper economic integration, enhanced connectivity, and inclusive growth. It is imperative that we start looking ahead to chart a course for ASEAN that not only builds on the successes of the past but also addresses emerging challenges and opportunities in an increasingly complex global environment.

Together with our network firms across ASEAN, RSM is well-positioned to help our clients ride the wave of opportunities across the region. With that, we are pleased to bring to you our 3rd edition of our "Doing Business in ASEAN" guide.

This Doing Business in ASEAN guide delves into the key economic drivers, emerging trends, and strategic opportunities within ASEAN. It provides actionable insights for navigating the complexities of the region's markets, helping businesses capitalise on ASEAN's extraordinary growth trajectory. As ASEAN transitions into a new era of economic significance, those who understand and align with these trends will be well-placed to succeed.

## RSM Singapore's ASEAN Desk

To support your journey into ASEAN, our ASEAN Desk specialises in helping businesses spearhead successful expansion into the region. We demystify challenges, highlight obstacles, and provide the clarity needed to identify opportunities and refine strategies. With a network of local advisors and our on-the-ground experience, we ensure your business starts with the momentum needed to operate seamlessly. Leveraging over 35 years of expertise, we offer a comprehensive suite of regional business solutions and advisory services tailored to your unique needs. Your success is our top priority, and we are committed to making your entry into the ASEAN region not just successful but truly transformative.



Why ASEAN?

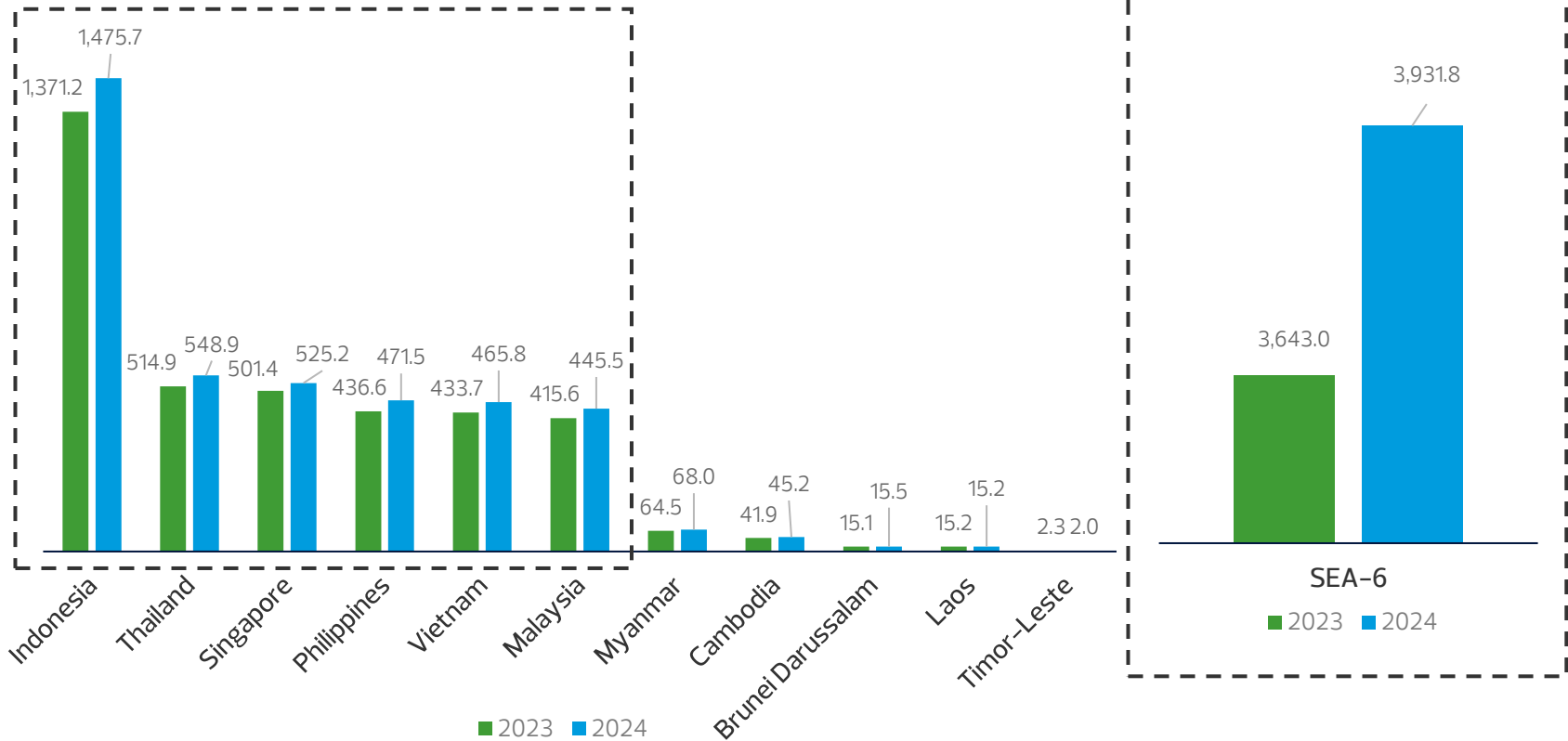


ASEAN

A rising economic powerhouse

ASEAN's strong fundamentals – which includes a young population, its dynamic labour force, rising FDI, and robust GDP growth – continue to drive its economic momentum.

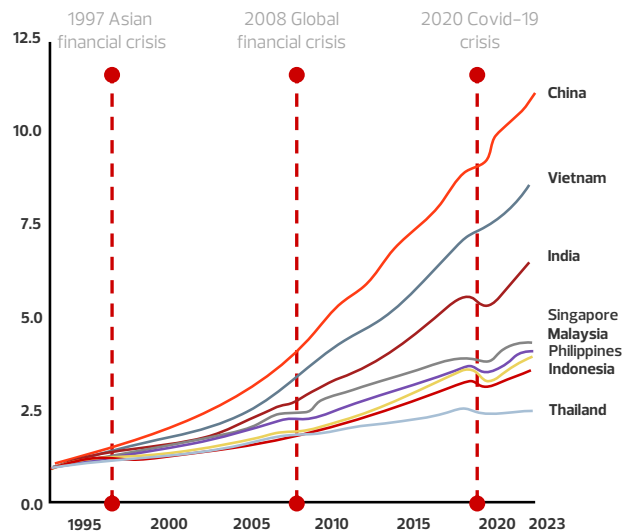
**Real GDP at current price, 2023–2024, (USD bn)**











Source: International Monetary Fund; Twimbit analysis  
 Note: SEA-6 includes Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

# SEA-6 Real GDP has grown 3.8x over the past 30 years (1993 – 2023).

**Real GDP indexed to 1993 (1993–2023)**



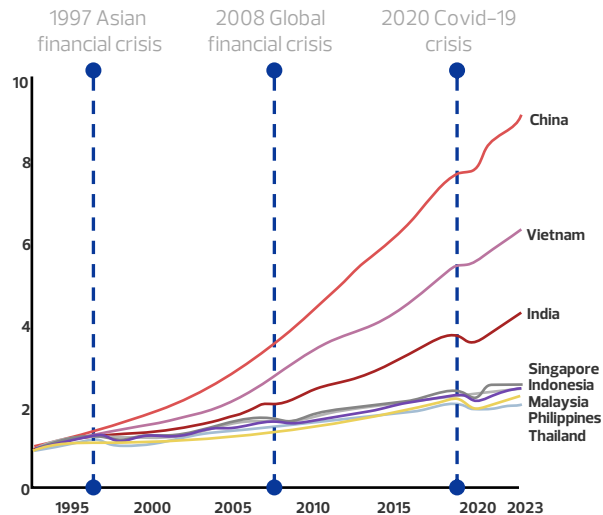
	2023 Real GDP (USD B)	2022–23 change (USD B)	1993–2003 CAGR	2003–2013 CAGR	2013–2023 CAGR	1993–2023 Multiple
<b>Indonesia</b> 	1,371	~65	3.2%	5.7%	4.2%	3.6x
<b>Malaysia</b> 	400	~14	5.4%	5.0%	4.0%	4.1x
<b>Philippines</b> 	437	~23	3.9%	5.4%	4.7%	3.9x
<b>Singapore</b> 	501	~5	5.3%	6.7%	3.0%	4.3x
<b>Thailand</b> 	515	~9	3.6%	4.0%	1.8%	2.5x
<b>Vietnam</b> 	420	~20	7.4%	9.0%	6.0%	8.7x
<b>SEA-6</b>	3,643	~138	4.1%	5.7%	3.9%	3.8x
<b>China</b> 	17,795	~888	9.5%	9.5%	6.0%	11.0x
<b>India</b> 	3,574	~231	6.1%	7.6%	5.7%	6.6x

Source: SEA Outlook 2024–35: Twimbit analysis

Note: SEA-6 includes Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

# GDP per capita has more than doubled in SEA-6, with Vietnam leading the region at 6.3x.

**Real GDP per capita indexed to 1993 (1993–2023)**



	1993–2003 CAGR	2003–2013 CAGR	2013–2023 CAGR	1993–2023 Multiple
<b>Indonesia</b> 🇮🇩	1.6%	3.5%	1.4%	2.0x
<b>Malaysia</b> 🇲🇾	1.6%	4.4%	3.2%	2.5x
<b>Philippines</b> 🇵🇭	2.9%	3.2%	2.8%	2.6x
<b>Singapore</b> 🇸🇬	3.1%	3.8%	2.5%	2.5x
<b>Thailand</b> 🇹🇭	2.4%	3.2%	1.4%	2.0x
<b>Vietnam</b> 🇻🇳	6.0%	7.9%	5.0%	6.3x
<b>SEA-6</b>	2.5%	4.3%	2.8%	2.6x
<b>China</b> 🇨🇳	8.5%	8.9%	5.6%	9.1x
<b>India</b> 🇮🇳	4.1%	6.1%	4.7%	4.3x

Source: SEA Outlook 2024–35: Twimbit analysis  
 Note: SEA-6 includes Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

ASEAN's key GDP growth drivers in 2024 include domestic demand, supply chain diversification and digitalisation.

Country	2024		
	Real GDP growth (%)	GDP at current price (USD bn)	GDP per capita (USD)
Brunei	3.7	15.5	35,100
Cambodia	5.8	45.2	2,600
Indonesia	5.0	1.5	5,300
Laos	4.0	15.2	2,000
Malaysia	4.5	445.2	13,300
Myanmar	1.2	68.0	1,300
Philippines	6.0	471.5	4,100
Singapore	2.4	525.2	88,500
Thailand	2.6	548.9	7,800
Vietnam	6.0	465.8	4,600

### Key factors driving the GDP growth

#### Surge in domestic demand

A rapidly expanding middle class and tech-savvy youth has led to growth in private consumption.

#### Supply chain diversification

Companies are relocating parts of their supply chains to ASEAN countries to reduce reliance on China, boosting FDI.

#### Digital innovation and adoption

ASEAN is set to add ~ USD 1 tn to regional GDP through its booming digital economy by 2030.

Source: International Monetary Fund; An article by Euromoney; Twimbit analysis

## ASEAN is well-positioned to emerge as a rising economic powerhouse.



### World's 4<sup>th</sup> largest economy

The combined GDP of ASEAN nations surpasses that of India, highlighting **ASEAN's position as a formidable economic bloc with increasing global influence.** This comparison underscores ASEAN's growing appeal as a hub for investment and trade, positioning it as a competitive force in the global economy.



### Strategic location

**Proximity to key global markets** and established trade routes provides unparalleled access to international trade, making ASEAN an ideal location for investors looking to tap into high-growth markets and optimise supply chain efficiencies.



### Rapid urbanisation

ASEAN to add **70 mn** people to urban areas between 2015–2025, creating significant opportunities for investors in infrastructure, real estate, and consumer-driven industries as urbanisation fuels demand for goods and services.



### High growth potential

ASEAN's GDP at current prices is set to reach **USD 4.1 tn in 2024**, underscoring the region's robust economic momentum and increasing global significance.

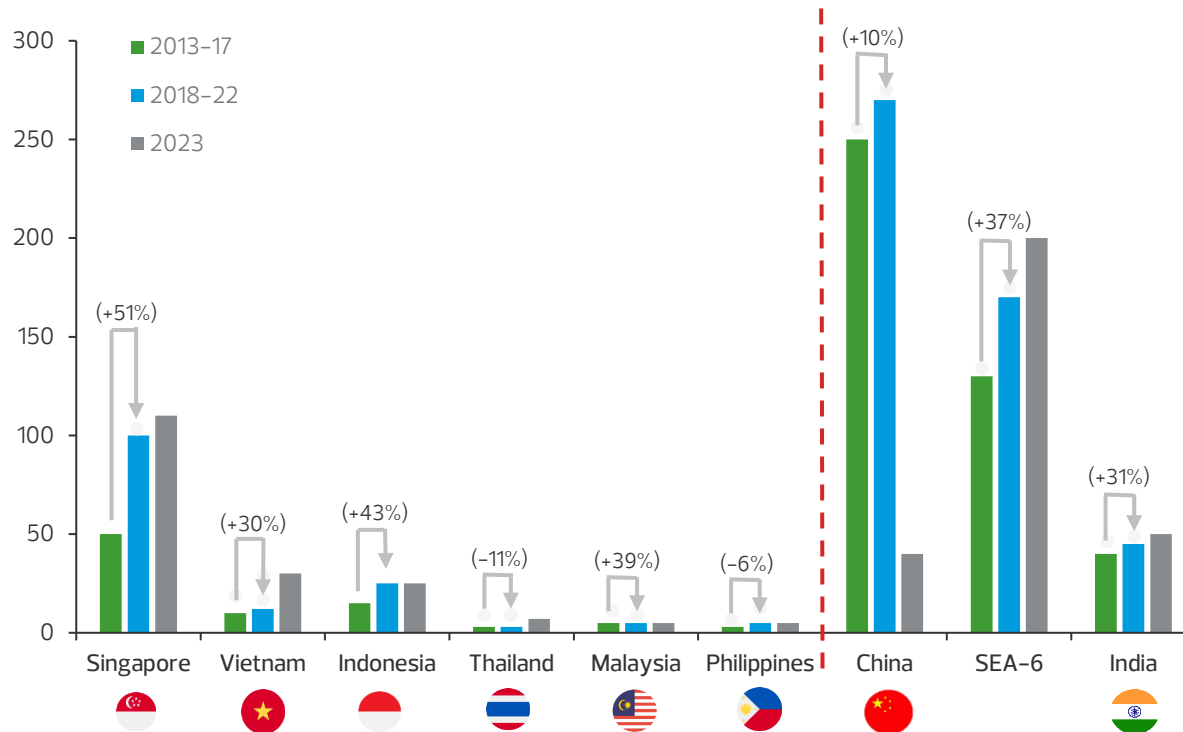
Source: Twimbit analysis

ASEAN remains a top  
recipient of FDI



For the first time in 10 years, in 2023, ASEAN has attracted more FDI inflows than China.

Average annual net FDI inflows, 2013–23, (USD bn)

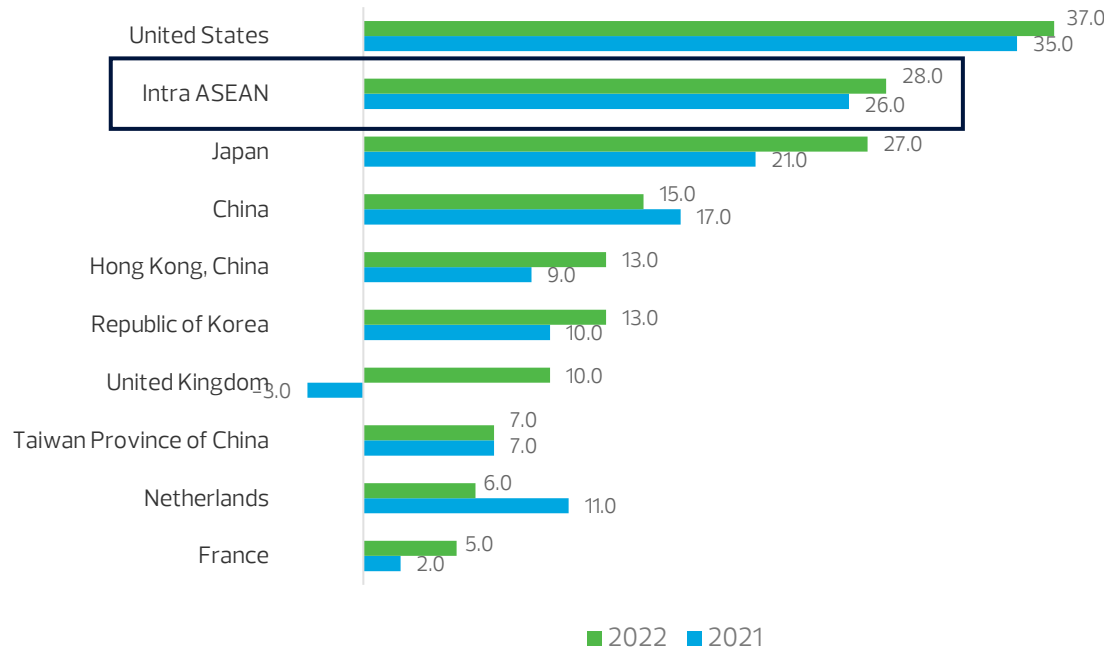


- **ASEAN attracted more FDI inflows than China** for the first time in a decade, marking a major shift in global investment trends
- Southeast Asia’s economic bloc (**SEA-6**) saw a **37% increase in FDI**, demonstrating its growing appeal to global investors
- With **Singapore leading ASEAN’s FDI inflows** at a 51% increase, **the region is becoming a key destination for international capital, surpassing both China and India**

Source: SEA Outlook 2024–35: Twimbit analysis  
 Note: SEA-6 includes Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

Intra ASEAN investments, the second largest source of FDI inflows behind the United States, underscores the growing importance of regional economic integration and trade relations.

**FDI Inflows to ASEAN countries, by top 10 investors, 2021–2022, (USD bn)**



- In 2022, ASEAN FDI inflows hit a record **USD 224.0 bn**, despite a 12% decline in global FDI flows.
- **The U.S.** firms lead investments in ASEAN, mainly in **manufacturing and finance**.
- **Japanese FDI** focused on **transportation and storage**, reflecting its dominance in the automotive sector, especially EVs.
- **Chinese FDI** targets **manufacturing, real estate, infrastructure, and EV** projects in Cambodia, Laos, and Myanmar.
- **The UK** significantly invested in **Singapore’s wholesale, retail, finance, and professional services**, with companies like Dyson and HSBC expanding regionally.

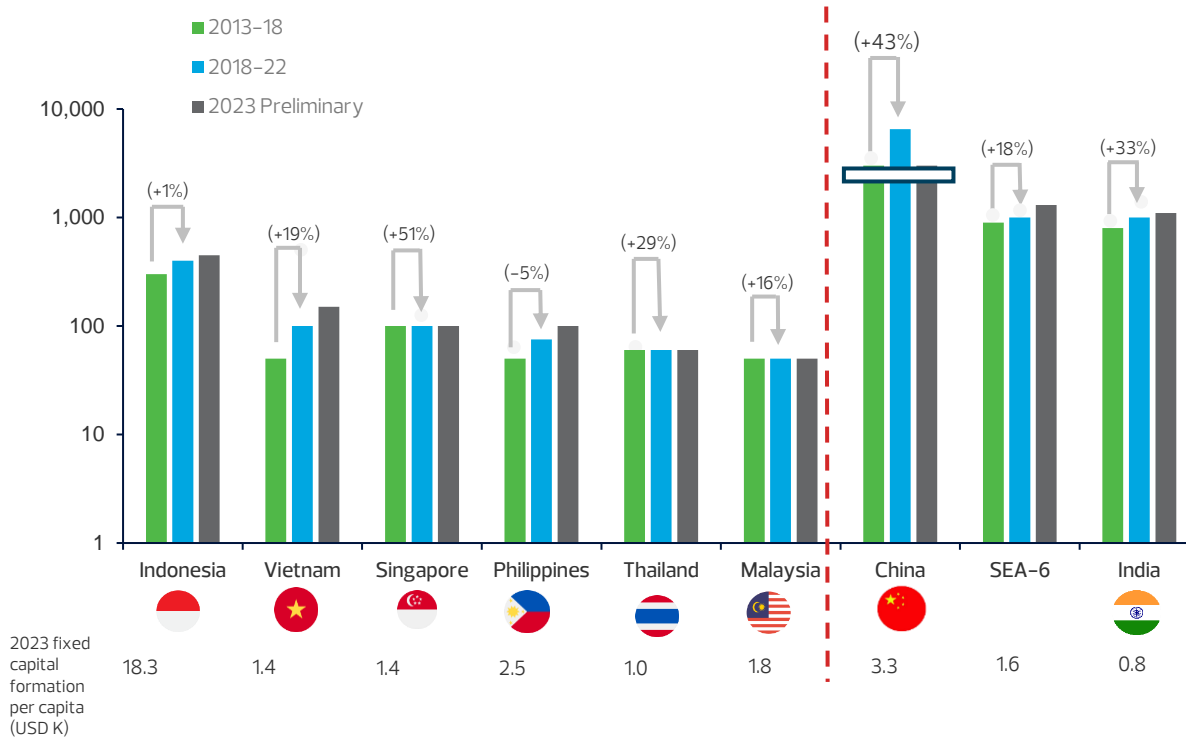
Source: A special ASEAN investment report 2023



ASEAN demonstrates  
strong domestic growth &  
investment confidence

# Strong domestic capital formation (DCF) signifies growing confidence in local business opportunities and the strengthening of capital markets.

Average gross fixed capital formation, (GFCF), 2013–2023, (USD bn)

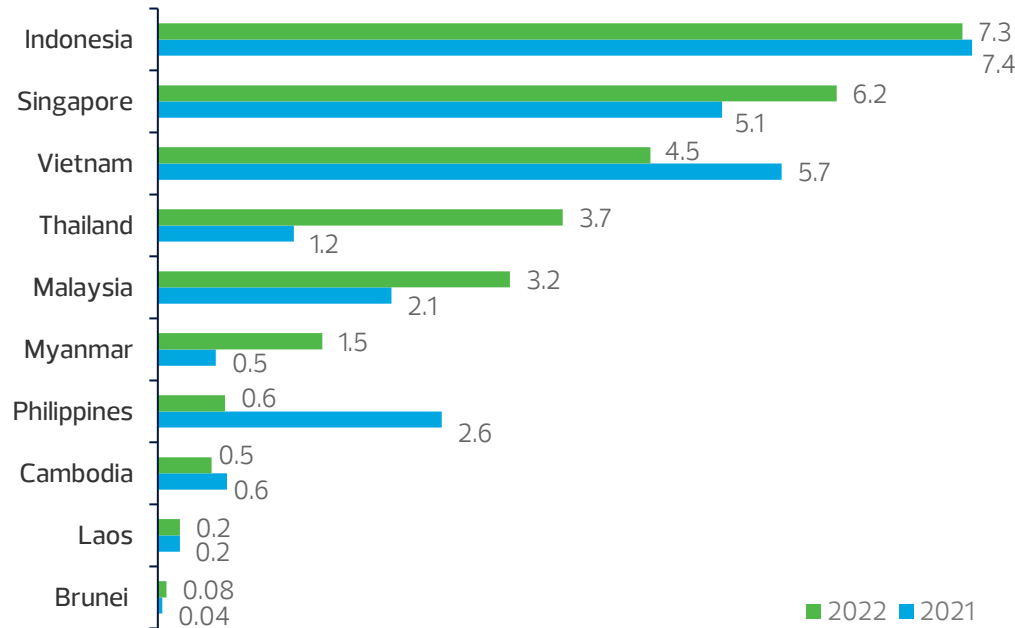


- **Indonesia leads domestic investment**, driven by policies **boosting downstream industries** like nickel ore processing for EV batteries
- **Vietnam's** strong GFCF growth is fueled by its **manufacturing base**
- While the **Philippines'** growth is driven by **infrastructure expansion**
- **Malaysia's** flat GFCF growth reflects the impact of Covid-19, political instability, and a slower economic outlook
- **Singapore and Thailand saw subdued GFCF growth** post-COVID-19 due to slower private investments in construction and machinery

Source: SEA Outlook 2024-35: Twimbit analysis  
 Note: SEA-6 includes Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

Indonesia received the highest Intra-ASEAN investment, reflecting strong investor interest in the region.

**Intra-ASEAN investment, by host country, 2021–2022 (USD bn)**

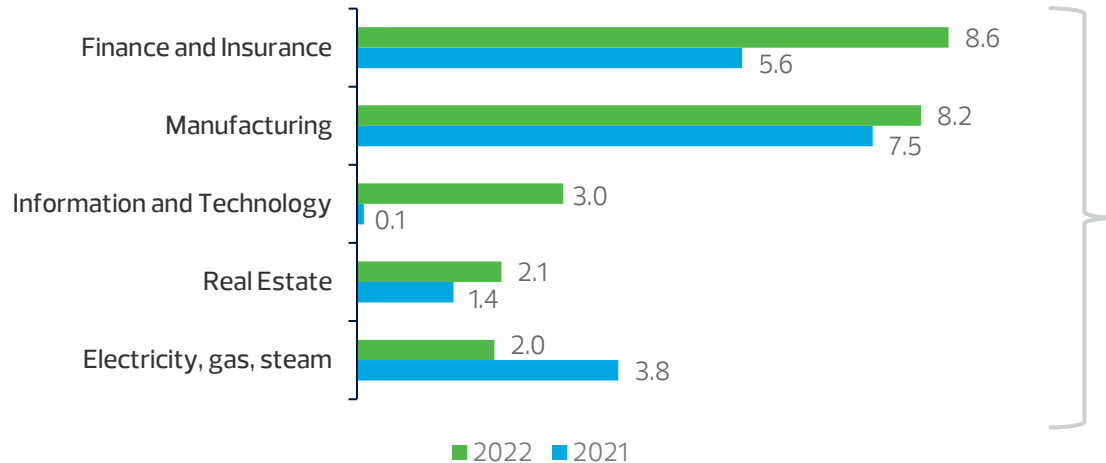


2/3<sup>rd</sup> of Intra-ASEAN investments went to **Indonesia, Singapore, and Vietnam**

Source: A special ASEAN investment report 2023

# Finance & Insurance and Manufacturing are the top sectors for Intra-ASEAN investments.

**Intra-ASEAN investment, top 5 industries, 2021–2022 (USD bn)**



The top five industries accounted for **87%** of intra-ASEAN investment, up from 72% in 2021.

### Important Drivers:



ASEAN offers complementary locational advantages, with its strategic position and diverse economies enhancing its appeal as a global investment hub.



ASEAN's competitive cost advantages over other global regions are driving increased investment relocation to the bloc.



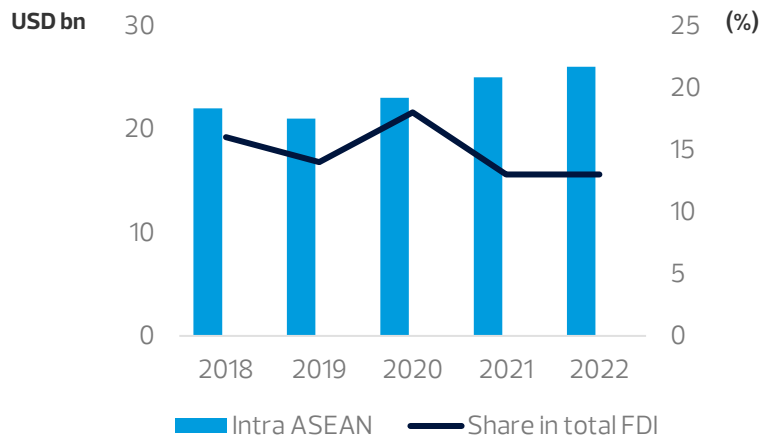
Emerging business opportunities within ASEAN strengthen the region's attractiveness as a dynamic and growing investment destination.

Source: A special ASEAN investment report 2023, Twimbit analysis

## Intra-ASEAN Investment growth presents new opportunities amidst strong global FDI competition.

- Intra ASEAN investment has grown from USD 21 bn in 2018 to **USD 25.0 bn** in 2022.
- In % of total FDI inflows in ASEAN, it has **exceeded 20% for the first time in Year 2022**.
- The CAGR\* of non-ASEAN FDI inflows between 2015 and 2022 was **9.2%**, **2.5 times** the growth rate of intra-ASEAN FDI.

**Intra-ASEAN investment and FDI in ASEAN, 2015–2022,**  
(USD bn and %)



Note: CAGR\* is compound average growth rate  
Source: A special ASEAN investment report 2023

**Intra-ASEAN investment and FDI in ASEAN**

	CAGR (2015–2022)
Intra-ASEAN Investment	3.7%
FDI in ASEAN (excluding Intra-ASEAN)	9.2%

FDI into ASEAN (excluding intra-ASEAN flows) is **2.5 times** larger than intra-ASEAN investments, highlighting ASEAN's growing attractiveness to global investors.

ASEAN offers a strong &  
expanding trade network



## ASEAN-led RCEP is driving economic integration and boosting the region's global influence.

### Regional Comprehensive Economic Partnership (RCEP):

RCEP is a comprehensive free trade agreement between the 10 ASEAN Member States and five of ASEAN's free trade agreement (FTA) partners – Australia, China, Japan, South Korea, and New Zealand (India opted out).



Signed in Nov 2020, this is the largest FTA in history, covering 30% of the global GDP and about one-third of the world's population.



It aims to eliminate tariffs on 92% of goods over 20 years (2020–2040), consolidating rules of origin and opening 65% of service sectors to foreign investors.



### Trade Relations with the United States:

The U.S. became an ASEAN dialogue partner in 1977 and established a dedicated mission to ASEAN in Jakarta, Indonesia, to enhance diplomatic and economic ties.

As one of ASEAN's largest trading partners, the Trade and Investment Framework Arrangement (TIFA) and Expanded Economic Engagement (E3) Initiative stipulates economic cooperation between ASEAN and the U.S.



### Trade Relations with the European Union:

The EU pursued bilateral FTA negotiations with individual ASEAN countries. Bilateral FTAs have been concluded and entered into force with Singapore (Nov 2019) and Vietnam (Aug 2020).

Negotiations continue with Indonesia, the Philippines, and Thailand, while talks with Malaysia are currently on hold.

Source: ASEAN briefing (Jan 2022); Twimbit analysis

ASEAN is paving the way for enhanced regional trade, promoting deeper economic ties through the region.



#### **ASEAN–Australia–New Zealand Free Trade Area (AANZFTA):**

In effect since Jan 2010, it eliminates tariffs on 90% of goods traded among ASEAN, Australia, and New Zealand. Full implementation is expected by 2025, with ongoing discussions to modernise the agreement in areas like e-commerce and customs procedures.



#### **ASEAN–China Free Trade Area (ACFTA):**

Established in 2004 and implemented in 2005. Tariffs on over 7,000 products were reduced to zero by 2010, with further upgrades in 2019 to simplify rules of origin and trade facilitation.



#### **ASEAN–Japan Comprehensive Economic Partnership (AJCEP):**

In effect since Dec 2008, it eliminates duties on 87% of tariff lines. Recent amendments aim to enhance cross-border investments and improve transparency in regulations.



#### **ASEAN–Republic of Korea Free Trade Area (AKFTA):**

Launched in 2007, it aims to eliminate tariffs on 90% of products. In 2021, trade volume between ASEAN and South Korea had risen to USD 176.5 bn, indicating a positive trajectory towards the goal of USD 200 bn by 2025.



#### **ASEAN–India Free Trade Area (AIFTA):**

In effect since Jan 2010, it covers a market of over 1.9 bn people. The agreement liberalises tariffs on over 90% of products, focusing on commodities like palm oil and coffee.

Source: ASEAN briefing (Jan 2022); Twimbit analysis

## ASEAN economies drive trade growth through exports and strategic advantages, leveraging their strategic locations and competitive industries.

### Import and export values across ASEAN economies

Countries	Year	Import		Export	
		Value (USD bn)	As % of GDP	Value (USD bn)	As % of GDP
Indonesia	2023 est.	222.0	16.0%	259.0	19.0%
Malaysia	2023 est.	294.4	61.7%	352.4	68.8%
Philippines	2023 est.	126.0	44.0%	74.0	28.4%
Singapore	2023 est.	420.9	62.0%	474.6	70.0%
Thailand	2022 est.	305.7	68.0%	283.8	66.0%
Vietnam	2023 est.	355.0	-	328.0	-

- **Singapore** leverages its strategic location and key sectors, such as electronics and tourism, to benefit from high trade activity through the Straits of Malacca.
- **Indonesia** thrives on its natural resource exports and significant economic influence within ASEAN, driven by its large population.
- **Malaysia** excels in exports like rubber and electronics, with improved trading systems and a strong global trade presence.
- **The Philippines** is strong in electronics, agriculture, and metal exports, supported by key trade agreements with global partners.
- **Thailand** is a major exporter of rubber, rice, and sugar. Its economy is pro-investment, and it has strong trade ties with China and the U.S.
- With a competitive workforce, **Vietnam** capitalises on free trade agreements, driving export growth in textiles and electronics.

Source: HSBC report 2024, Twimbit analysis

# ASEAN continues to expand trade networks through active Free Trade Agreements with the world's largest economies.







							
	Chinese Mainland	Singapore	Indonesia	Thailand	Vietnam	Malaysia	Philippines
 US		✓					
 EU		✓			✓		
 Chinese Mainland		✓	✓	✓	✓	✓	✓
 Japan		✓	✓	✓	✓	✓	✓
 India		✓	✓	✓	✓	✓	✓
 UK		✓			✓		
 Canada					✓		
 Russia					✓		
 Mexico					✓		
 South Korea	✓	✓	✓	✓	✓	✓	✓
 Australia	✓	✓	✓	✓	✓	✓	✓

Source: ASEAN manufacturing report (May 2024); Twimbit analysis

ASEAN experiences growing  
ease of doing business &  
sectoral advancements









## An overview of ASEAN's ease of doing business through seven key indicators.

Growth drivers	Indicator	Unit						
			Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
<b>Ease of doing business</b>	Ease of doing business score by World Bank (2020)	Score: 0 –100	70	81	63	86	80	70
<b>Increase competition</b>	Herfindahl-Hirschman market concentration index (2021)	Score: 0 –1.0	0.09	0.10	0.10	0.07	0.07	0.12
<b>Strengthen institutions</b>	Average of World Governance Indicator scores by World Bank (2022)	Score: –2.5 – 2.5	–0.1	0.5	–0.3	1.9	–0.1	–0.1
<b>Improve workforce quality and availability</b>	Average reading, math, science PISA score (2022)	Score: 0 – 600	369	404	353	560	394	468
	Human Capital Index by World Bank (2020)	Score: 0 – 1.0	0.54	0.63	0.55	0.89	0.62	0.69
	Female labour force participation ratio (2023)	% of total population	53%	52%	47%	62%	59%	69%
	Employment to population ratio (2023)	% of total population	65%	63%	59%	67%	66%	72%
<b>Build infrastructure</b>	Public infrastructure investments (2013–19)	% of GDP	3%	8%	3%	5%	5%	5%
	Infrastructure score, Logistics Performance Index by World Bank (2023)	Score: 0 – 5	2.9	3.6	3.2	4.6	3.7	3.2
<b>Increase stability</b>	Reserves to gross external financing (2022)	Ratio	2.5	1.2	2.2	0.3	1.8	2.3
<b>Facilitate investment</b>	Cumulative Foreign Direct Investment as percentage of cumulative GNI (2018–22)	%	2.3%	3.6%	2.6%	35.3%	1.9%	6.7%
	Cumulative Gross Fixed Capital Formation as percentage of cumulative GNI (2018–22)	%	38.5%	24.6%	25.3%	27.9%	28.4%	45.3%

Source: SEA Outlook 2024–35: Twimbit analysis

## Diverse sectoral advancements are propelling steady economic growth across the region.

### Real GDP Growth, (in %)

	Historical average			Forecast	Key Drivers
	2000–09	2010–19	2020–23	2024–34	
 <b>Indonesia</b>	5.3%	5.4%	3.0%	5.7%	The economy is rapidly advancing in base metal processing, mining, and infrastructure, driven by increasing investments and a growing, tech-savvy population
 <b>Malaysia</b>	4.7%	5.4%	2.5%	4.5%	The pro-growth shift, backed by electronics success and subsidy reforms, positions the economy for gains, especially through collaboration with Singapore
 <b>Philippines</b>	4.5%	6.4%	2.3%	6.1%	The government is focusing on infrastructure and renewable energy to attract foreign investment amid a growing population and workforce.
 <b>Singapore</b>	5.4%	5.0%	2.7%	2.5%	The economy thrives in advanced manufacturing, services, and tourism, attracting global talent to a safe environment, bolstered by strong government support for growth.
 <b>Thailand</b>	4.3%	3.6%	0.0%	2.8%	Thailand's tourism rebound coincides with its role as a key automotive hub, backed by regional conglomerates with a stronger focus than their Southeast Asian peers.
 <b>Vietnam</b>	6.9%	6.6%	4.6%	6.6%	The export-oriented economy is poised to seize "China + 1" opportunities, supported by diverse FDI sources, productive inter-provincial competition, and a high-quality workforce.

Source: Southeast Asia Outlook 2024–2034: Twimbit analysis

ASEAN emerges as an investor's paradise with boundless opportunities.









**ASEAN** stands as a key investment destination, offering immense growth potential driven by its **young, urbanising population** and expanding **digital economy**. With established **trade relationships** and new opportunities emerging in green technology and **digitisation**, ASEAN is strategically positioned to support the Middle East's economic diversification. The region's strong participation in **global trade agreements** like **RCEP** further cements its role as a critical hub for international commerce. Investors can leverage ASEAN's **rising export potential** and its dynamic transformation to tap into one of the world's **fastest-growing markets**.

Source: HSBC report 2024, Twimbit analysis



# Megatrends

# ASEAN's 8 mega trends shaping the future.

	<b>#1 Digital Economy</b>	Digital gold rush sweeps the region
	<b>#2 Artificial Intelligence</b>	AI reshapes the economic landscape
	<b>#3 Cybersecurity</b>	High-stakes cyber battleground
	<b>#4 Manufacturing Hub</b>	Tomorrow's manufacturing powerhouse
	<b>#5 Digital Finance</b>	Fintech fever transforms banking
	<b>#6 Urbanisation</b>	Urban explosion rewrites economics
	<b>#7 Medical Tourism</b>	Global healthcare's new frontier
	<b>#8 Electric Vehicles</b>	Plug into EV revolution

ASEAN is leading eight key trends shaping its economy. The rise of the **digital economy**, **AI**, and the need for stronger **cybersecurity** are driving innovation and protection.

**Manufacturing** is booming, attracting businesses with cost advantages, while **fintech** is transforming financial services. Rapid **urbanisation** is fueling demand for infrastructure, and medical tourism is solidifying ASEAN's **healthcare** appeal. Meanwhile, the **electric vehicle** revolution is pushing the region toward sustainability.

These trends position ASEAN as a global leader in technology, manufacturing, healthcare, and sustainability offering vast opportunities for businesses and investors.

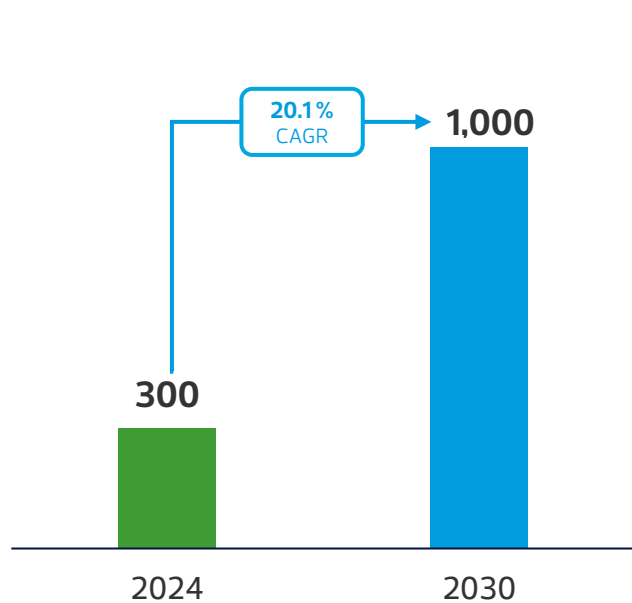
Source: Twimbit analysis

## #1 Digital economy

The digital economy in ASEAN is transforming the region, driving significant growth and creating vast opportunities for businesses and investors alike. With a projected valuation of USD 1 trillion by 2030, ASEAN's digital landscape is evolving rapidly, supported by robust policies like the Digital Economy Framework Agreement (DEFA) and increased tech investments. The region's booming startup ecosystem, led by Singapore and Indonesia, underscores the growing innovation and entrepreneurship within ASEAN. Initiatives like the "Go Digital Initiative" are empowering MSMEs and enhancing skills across diverse sectors, further accelerating digital adoption. As the tech sector continues to thrive, ASEAN is solidifying its role as a global hub for digital transformation and economic expansion.

# Digital innovation is a key driver of economic growth across ASEAN.

ASEAN digital economy, 2024–2030, (USD bn)



- USD 300 bn**  
 (2024)  
 Digital economy valuation projection.
- 700 mn strong**  
 A digital-savvy, young population with a growing middle class.
- USD 1 tn**  
 (Digital economy projected valuation by 2030)  
 Through robust digital integration, accelerating intra-regional trade and economic growth in ASEAN.

Source: World Economic Forum; Twimbit analysis

# Digital empowerment in ASEAN has surged since the 2020 “Go Digital Initiative”.

The **Go Digital ASEAN Initiative** (2020) is a programme designed to enhance digital literacy and skills for MSMEs and job seekers in Southeast Asia. It focuses on providing digital tools and resources to underserved communities to improve economic participation and inclusion.

Phase  
**01**

2021–2022  
Budget: USD 3.3 mn

Phase  
**02**

2022–2024

## Impact



**183K MSMEs**

- 81%** seen an increase in customer engagement
- 77%** were able to move their business online
- 25%** kept their business running because of training



**42K Job Seekers**

- 93%** felt more prepared to work remotely
- 58%** acquired employment in 2 months or less
- 27%** searched for new job online



**Financial Security**



**Cybersecurity Skills**



**Green skills**

### Aims to equip

**200K**

MSMEs

**70%**

Women

**60%**

Rural/  
peri-urban  
area trainees

**60%**

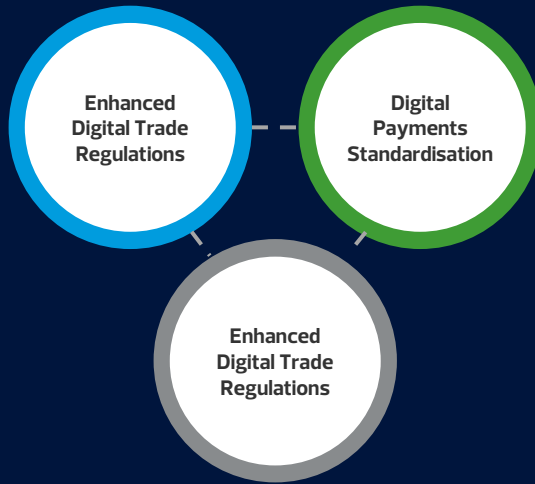
High  
schoolers

Source: “Go Digital ASEAN” Impact summary report 2023

# The Digital Economy Framework Agreement (DEFA) is set to elevate ASEAN's digital economy.

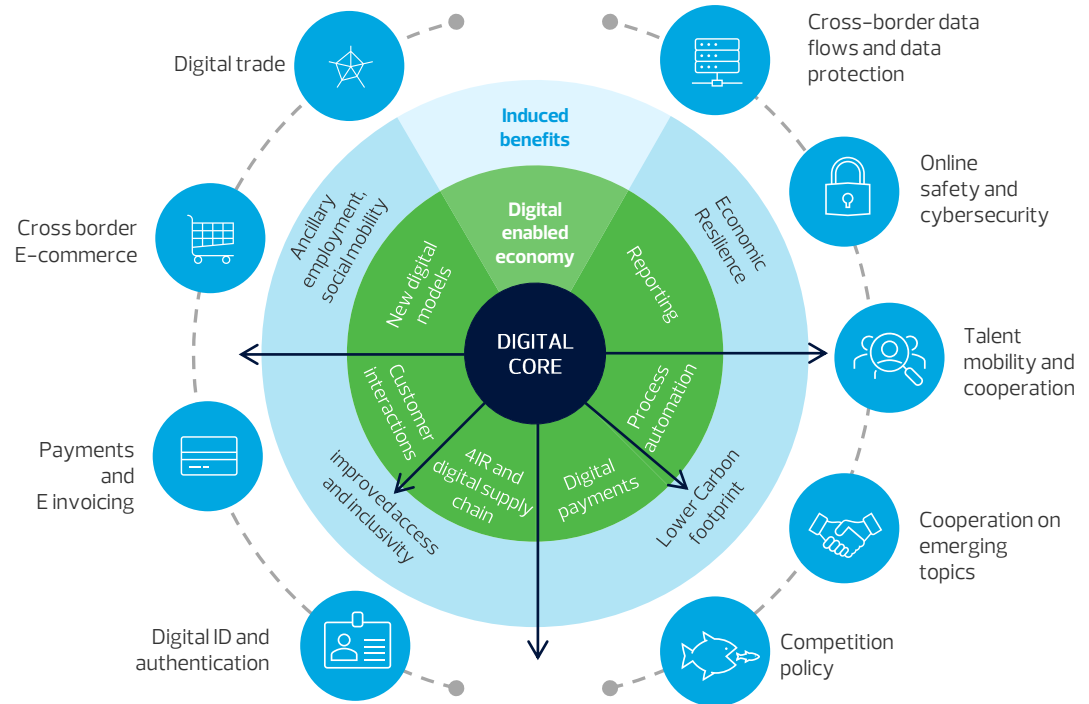
## Key components

- Digital Economy Framework Agreement (DEFA) study endorsed on 19 August 2023 by ASEAN Economic Ministers, supported by Australia
- Involved 2,000 MSMEs, 60 business leaders, and extensive consultations across ASEAN



## Nine core DEFA elements endorsed without prejudice through various engagements

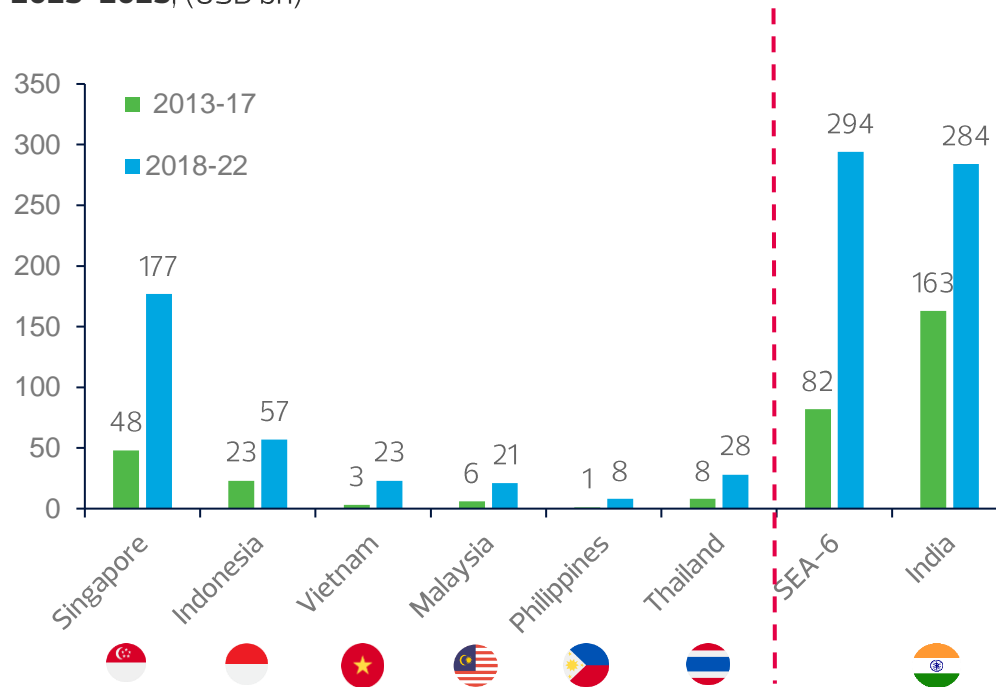
Core DEFA elements



Source: The ASEAN Magazine 2024; Twimbit analysis

## ASEAN tech sector sees rapid growth in investments.

### Total five-year cumulative value of private tech investment deals, 2013–2023, (USD bn)

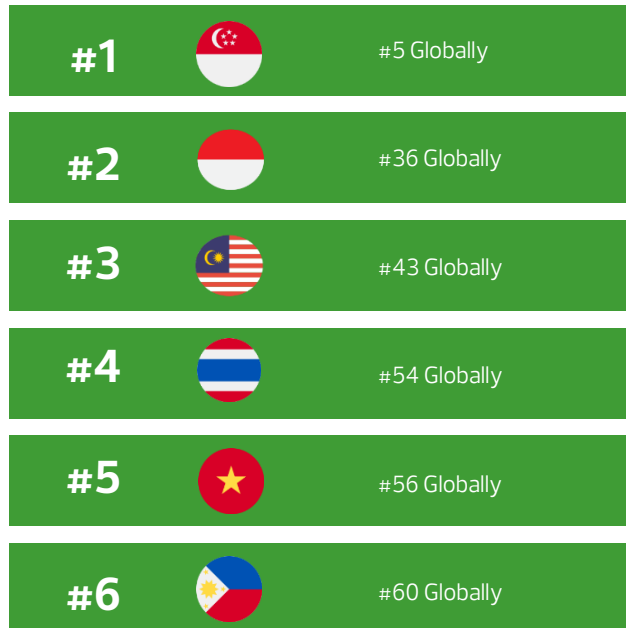


- **The tech sector** in ASEAN has experienced significant investment growth.
- **Singapore and Indonesia** have emerged as the top destinations for tech investment deals over the past few years.
- **Singapore's increase in tech deal flows** is supported by initiatives such as the Tech.Pass visa programme, which attracts global tech talent, and the Research, Innovation, and Enterprise 2020 Plan that finances R&D across various industries. The government also fosters a dynamic start-up ecosystem through programs like Startup SG.
- Indonesia's status as **the largest consumer market** in Southeast Asia has played a crucial role in drawing tech investment deals, further enhanced by government initiatives like the "1000 Startups National Movement" and the supportive framework of the Indonesia Digital Roadmap.
- The sectors witnessing the most substantial growth within ASEAN's tech industry include **e-commerce, fintech, food and transport, and digital media.**

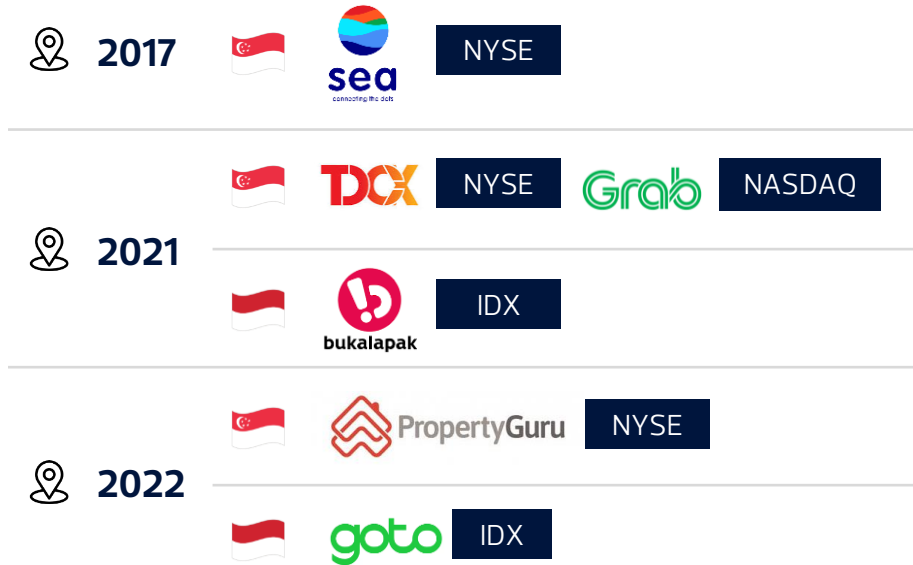
Source: Southeast Asia Outlook 2024–2034; Twimbit analysis

As a result, ASEAN offers a thriving startup ecosystem.

Global and ASEAN startup ecosystem ranking, 2024



Over the past years, ASEAN has witnessed an increasing number of tech startups entering the public markets



Source: StartupBlink 2024; Tech in Asia conference report 2024; Twimbit analysis

# Singapore and Indonesia lead ASEAN's thriving unicorn ecosystem

As of 2023,



Singapore: **16 new unicorns**  
#1 ASEAN and #10 globally



Indonesia: **7 new unicorns**  
#2 ASEAN and #13 globally

Decacorns  
(listed)



Unicorns



3.0



2.5



3.5



2.6



1.0



1.0



1.1



2.0



2.4



1.9



IPO



3.0



1.3



1.0



1.6



1.4



2.9



2.0



1.0



1.5



3.2



1.0



1.0

Source: Forbes, Tracxn, Dealroom, Yahoo Finance, Industry reporting, Twimbit analysis  
Note: The valuation has been based on the latest developments (2020-2024) sourced from several industry reports and renowned sources

## #2 Artificial intelligence

Artificial Intelligence (AI) is set to boost ASEAN's GDP by up to 18% by 2030, with 80% of companies already adopting AI technologies. Initiatives like the 2024 ASEAN Guide on AI Governance and Ethics ensure responsible use, while Singapore and Indonesia lead innovation with major AI projects. Together with the Digital Economy Framework Agreement (DEFA), AI is reshaping industries, enhancing productivity, and solidifying ASEAN's position as a global leader in tech-driven growth.

ASEAN's focus on the Digital Economy, now enhanced by AI, gives it an edge.

01

In 2024, **80%** of private companies and research institutions in ASEAN have begun adopting AI technologies.

02

February 2024 – ASEAN **Guide on AI Governance and Ethics** launched.

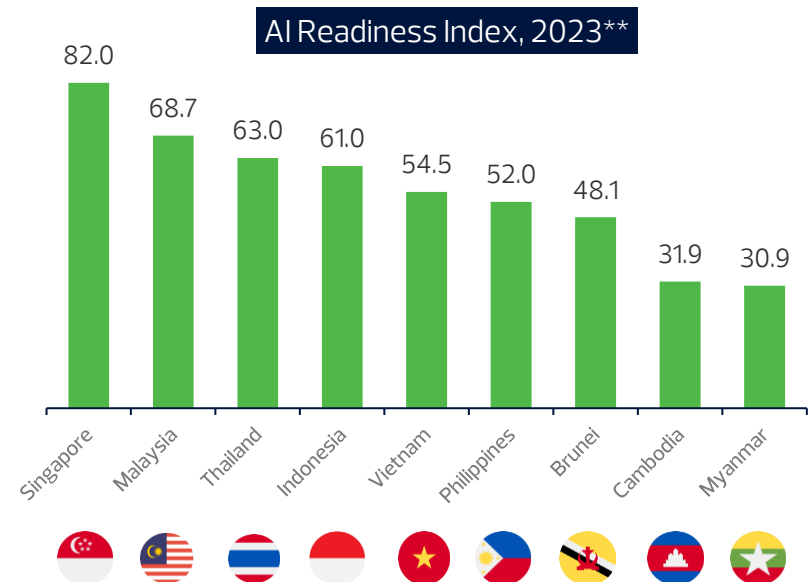
03

Singapore, Malaysia, Vietnam, and Indonesia lead AI initiatives, with Singapore launching 100 AI 'Experiments' projects  
AI Singapore's 100E program offers up to SGD 180,000 in co-funding per project for solving complex AI problems.

Source: The ASEAN Magazine 2024; Twimbit analysis

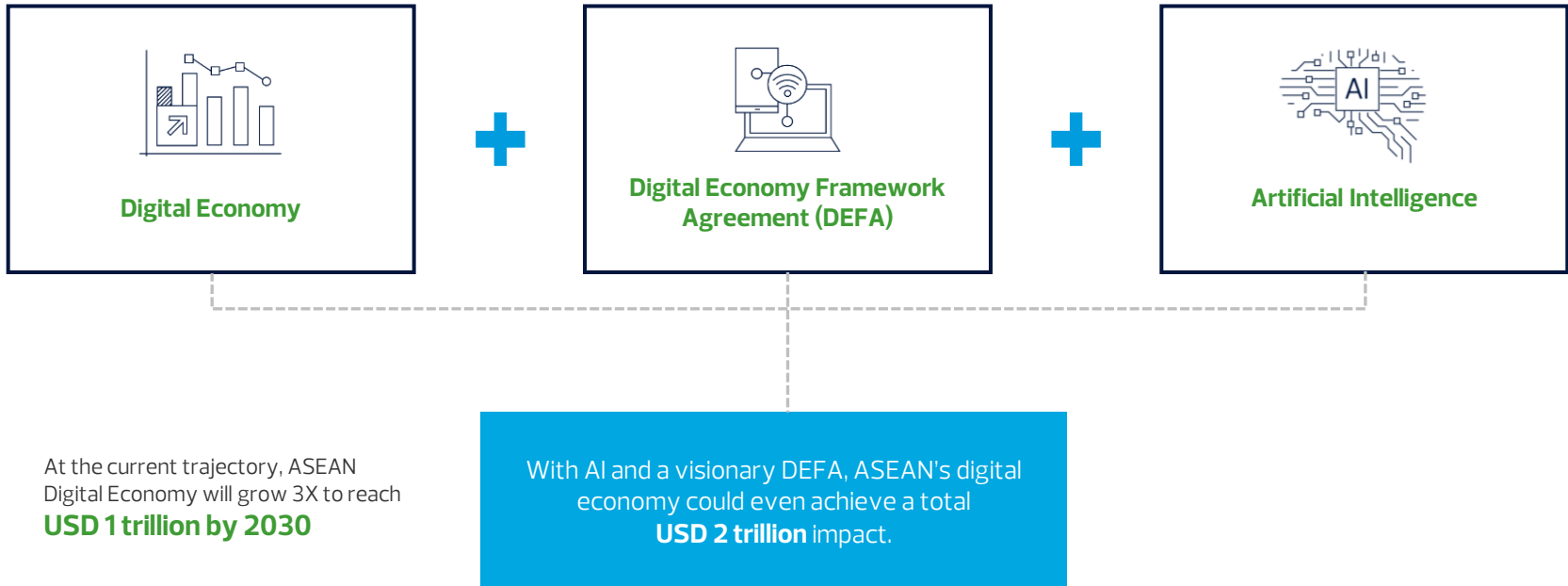
# AI is set to boost ASEAN economy by up to 18%.

## Economic Impact of AI in 2030 (% of 2030 GDP)\*



Source: \*Kearney; \*\*Oxford Insights

# Strategic frameworks and AI is poised to double the region's economy by 2030.



Source: The ASEAN Magazine 2024; Twimbit analysis

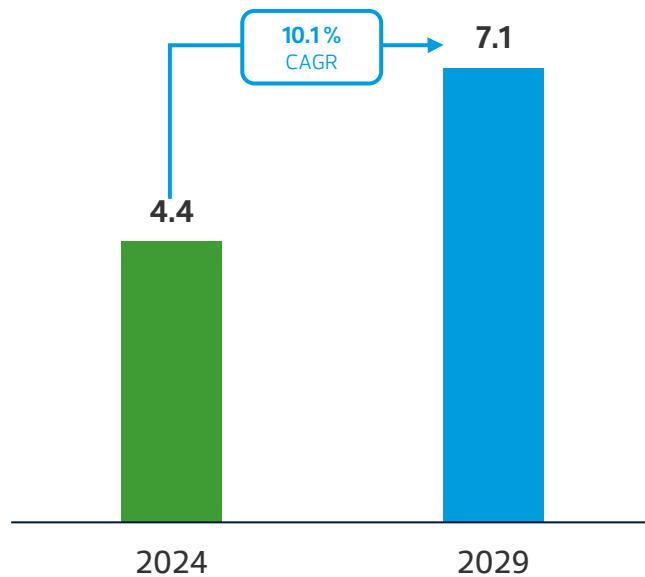


## #3 Cybersecurity

As ASEAN's digital economy and AI adoption accelerate, robust cybersecurity is critical. With the market projected to reach USD 7.1 billion by 2029, the region is addressing escalating cyber threats, particularly in finance, e-commerce, and healthcare. Through initiatives like the ASEAN Digital Masterplan 2025, ASEAN is committed to building secure, resilient digital infrastructure to support its ongoing transformation and future growth.

## ASEAN's cybersecurity market is poised for robust growth.

### ASEAN cybersecurity market size, 2024–2029, (USD bn)



In 2024, the cybersecurity market is valued at USD 4.4 bn, and with a CAGR of 10.1%, it is projected to reach USD 7.1 bn by 2029.

Source: Statista; Twimbit analysis

# ASEAN is strengthening cybersecurity amid rising threats.

66%



Increase in ASEAN's Cybersecurity Budget 2024

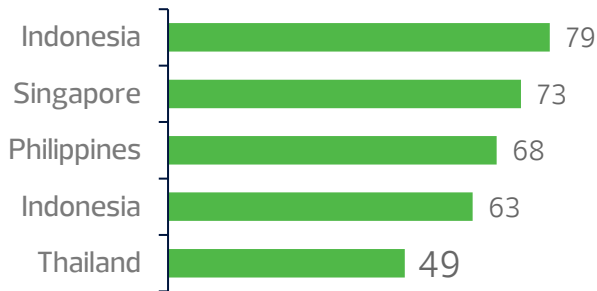
80%

Cybersecurity discussions occur at the board level quarterly

90%

ASEAN businesses are confident in their current cybersecurity measures.

## Increase in Cybersecurity Budget 2023 (in %)

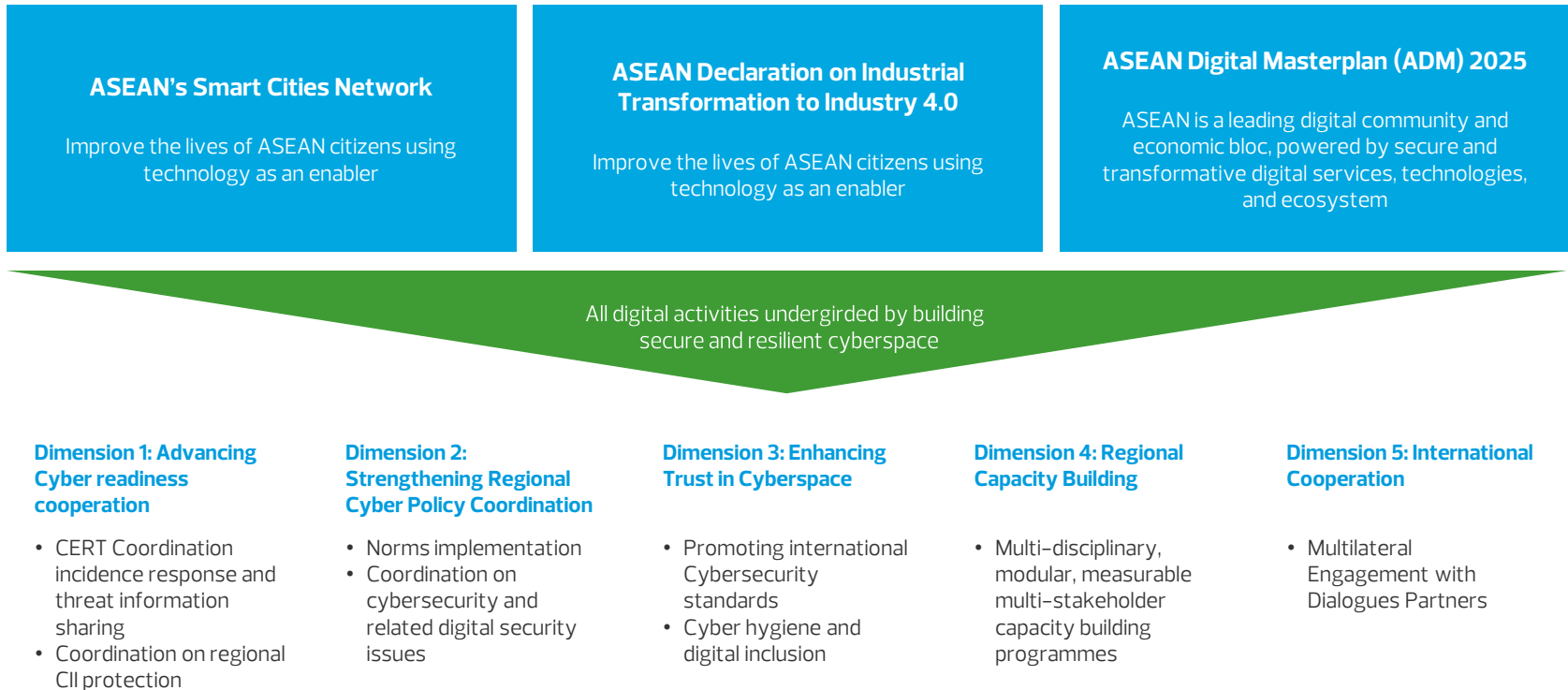


## Cybersecurity threats in the service sector are surging



Source: 2023 ASEAN Cybersecurity Report by Palto Networks

# ASEAN's cybersecurity framework for digital transformation.



Source: ASEAN cybersecurity cooperation strategy report

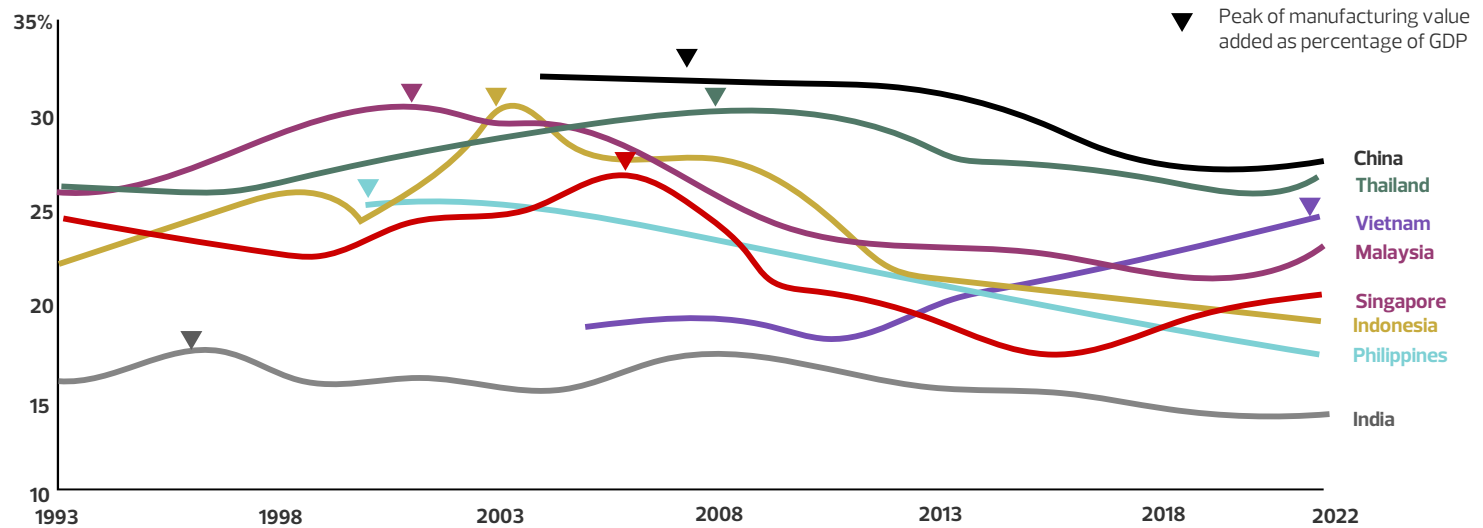


## #4 Manufacturing hub

As global companies shift away from China, ASEAN has become the preferred manufacturing destination, thanks to its proximity, strong infrastructure, and integrated supply chains. Vietnam and Malaysia lead in semiconductors, while Thailand excels in logistics. This trend is complemented by ASEAN's digital transformation and AI integration, boosting efficiency and innovation across industries. With rising investments in infrastructure and productivity, ASEAN is solidifying its role as a key global manufacturing hub, driving its economic growth.

ASEAN's manufacturing sector continues to show resilience and steady growth, reinforcing its critical role in the region's economic development.

Manufacturing value-added as a percentage of GDP, (1993–2022, three-year rolling average)

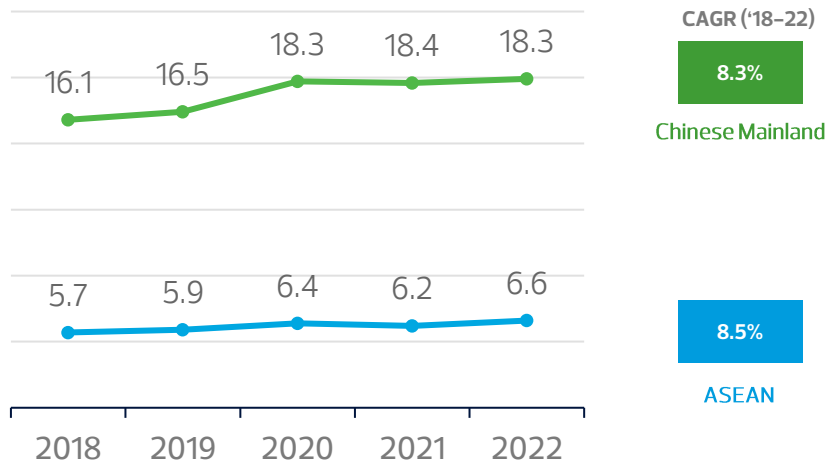


Source: WTO, WorldBank, SEA Outlook 2024–35: Twimbit analysis

MVA refers to manufacturing value-added; MVA is the total estimate of the net output of all resident manufacturing activity units obtained by adding up outputs and subtracting intermediate consumption

## ASEAN emerges as a prime target region for manufacturing, beyond just being a 'China alternative'.

ASEAN & Chinese mainland share of global exports, (%)



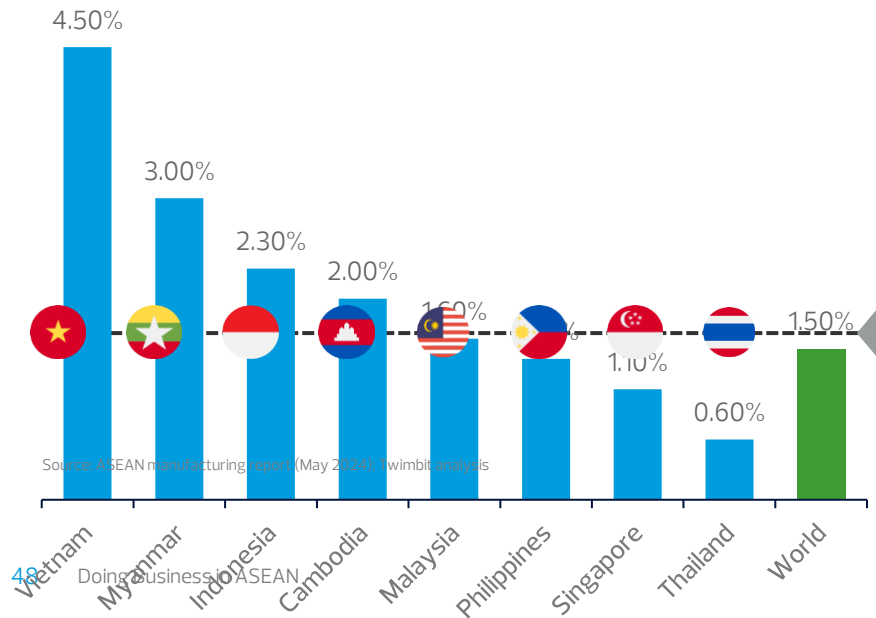
- ASEAN's proximity to China, robust transport infrastructure, and integrated supply chains make it a prime alternative for manufacturing.
- Vietnam and Malaysia have emerged as key players in the semiconductor value chain, while Malaysia and Thailand lead in logistics.
- Vietnam and Indonesia are quickly catching up with significant investments.

Source: ASEAN manufacturing report (May 2024); Twimbit analysis

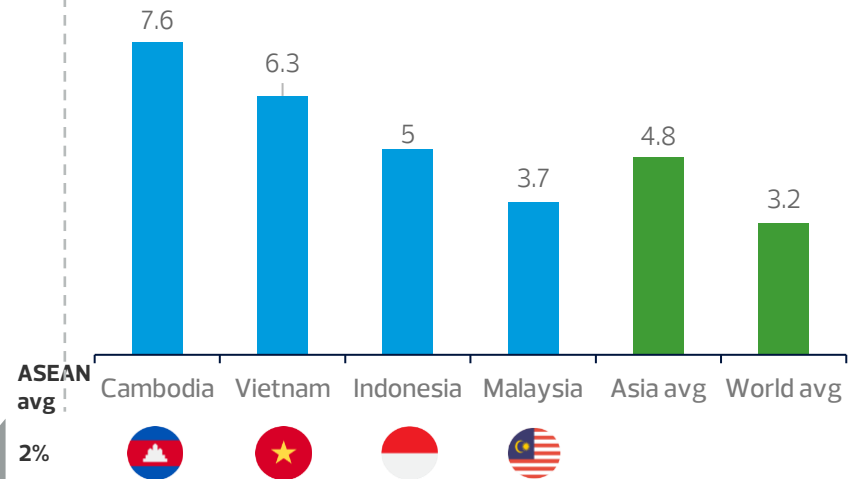
# ASEAN's strategic shift is bolstered by rising infrastructure investment and labour productivity.

ASEAN's overall investment in infrastructure and rising labour productivity signal its growing importance as a strategic region, transitioning from a China alternative to a key economic hub.

**ASEAN labour productivity CAGR, 2018–2023, (%)**



**Total infrastructure investment as % GDP, 2023**

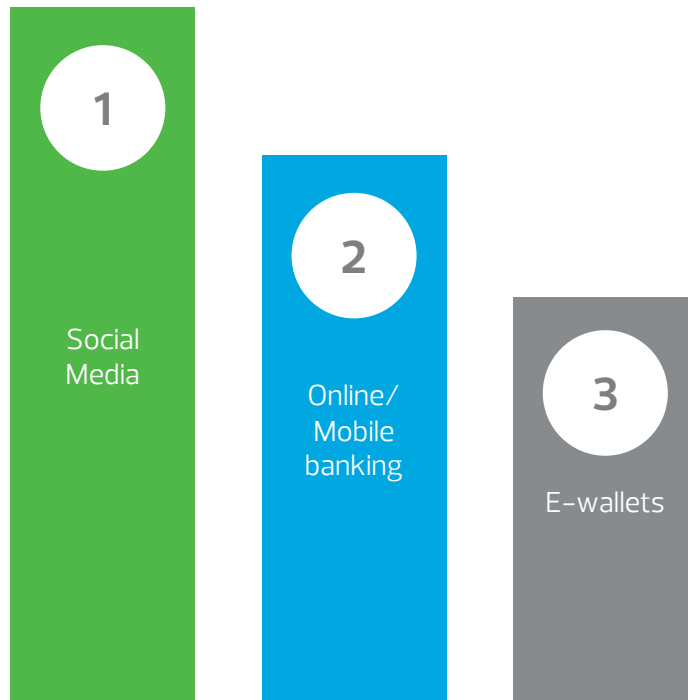




## #5 Digital finance

Digital finance is emerging as a critical growth driver in ASEAN, with the region witnessing increasing adoption of mobile banking, e-wallets, and other digital payment platforms. This trend is not only accelerating financial inclusion but also increasing transaction volumes and creating innovative opportunities for investors. Digital finance seamlessly ties into the region's broader push towards digital economy growth, cybersecurity readiness, and AI adoption, reinforcing ASEAN's position as a prime destination for tech-driven investments and economic expansion.

## Rising digital finance usage drives investor opportunities in the region.



# 87%







of respondents wish to digitalise financial services further across broad arrays of activities.

This trend enhances financial inclusion, increases transaction volumes, and drives demand for innovative digital financial services, making ASEAN a key market for investors.

Source: ASEAN Digital Generation Survey 2022

# Digital wallets are expected to lead ASEAN payments by 2027.

Digital Wallet as a payment source (2023–2027P)













Country	Ecommerce		POS	
	2023	2027P	2023	2027P
 Indonesia	40%	47%	32%	49%
 Philippines	34%	42%	20%	43%
 Vietnam	36%	49%	31%	50%
 Thailand	27%	36%	28%	53%
 Singapore	37%	51%	22%	44%
 Malaysia	24%	27%	24%	44%

Popular Payment Method



Source: The global payments report (GPR) by Worldpay 2024

# Singapore and Malaysia lead in ASEAN's digital trade ecosystem.

	Singapore	Malaysia	Thailand	Indonesia	Vietnam	Philippines
						
<b>The GTM Index* 2024 Among ASEAN Member States</b>	<b>#1</b> Globally - #1	<b>#2</b> Globally - #15	<b>#3</b> Globally - #32	<b>#4</b> Globally - #44	<b>#5</b> Globally - #51	<b>#6</b> Globally - #52
<b>Digital Trade Agreements &amp; Partnerships</b>	EU, Chile, New Zealand, Australia, the UK, and South Korea	Bilateral trade with the UK			USAID and MoIT signed a USD 3.3 mn MoU to boost digital trade	
<b>Digital Trade Hub</b>		Free Trade Hub and Cainiao Aeropolis eWTP* Hub	Partnered with Alibaba to open its "first" digital free trade hub			
<b>National Trade Platform</b>	TradeNet	National Single window, MATRADE Digital Trade Platform	National Single window	National Single window	National Single window	TradeNet
<b>MLETR</b>						

\*Note: Global Trade Modernization Index (GTM) assesses economies' readiness for digital trade across both the public and private sectors, as well as labor force capability; MLETR stands for Model Law on Electronic Transferable Records  
Source: Twimbit analysis

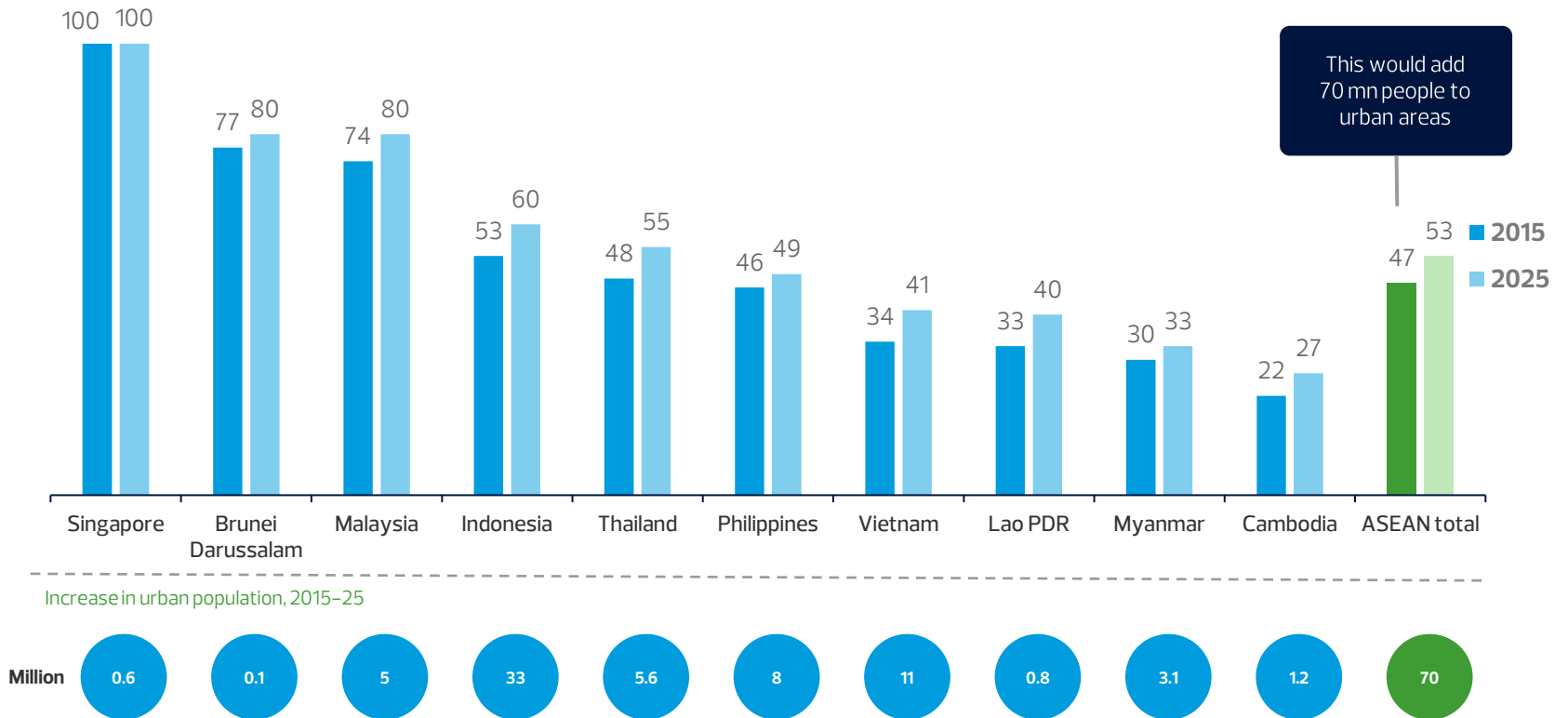


## #6 Urbanisation

Urbanisation is reshaping ASEAN, with 70 million people projected to move to urban areas between 2015 and 2025. This shift creates a tech-savvy workforce and new business opportunities. ASEAN's Sustainable Urbanisation Plan further strengthens this by integrating infrastructure, innovation, and smart city solutions, driving economic growth and supporting the region's digital economy ambitions.

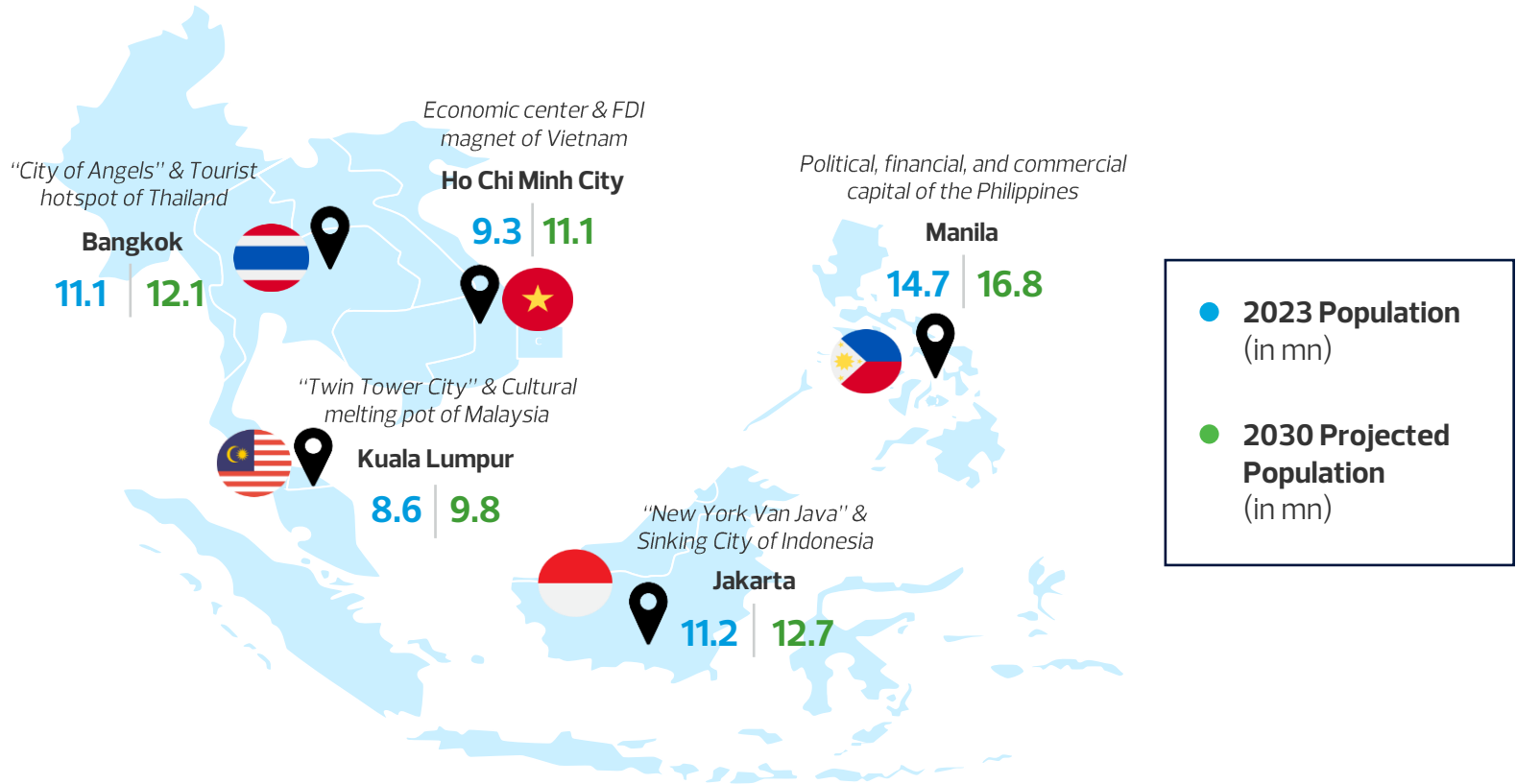
Since 2015, ASEAN has added 7 mn people to urban areas annually, with the total projected to reach 70 mn by 2025.

Urban share of country's population, 2015–2025, %



Source: ASEAN sustainable Urbanisation strategy

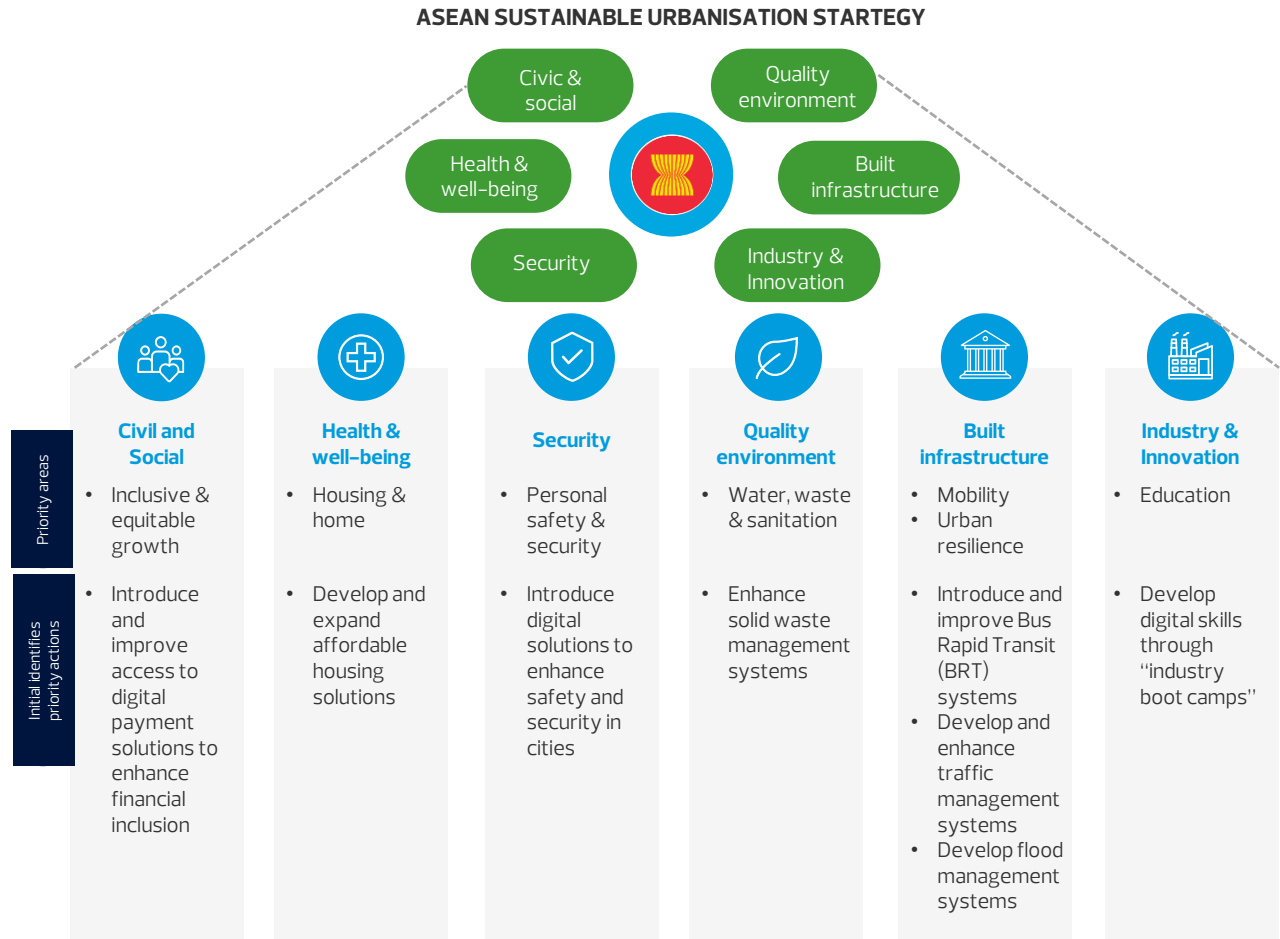
## Rapid urban expansion: Key growth cities



Source: World Population Review; Twimbit analysis

# Sustainable urbanisation in ASEAN integrates infrastructure and innovation.

**The Master Plan on ASEAN Connectivity (MPAC) 2025**, adopted in 2016, focuses on sustainable urbanisation development



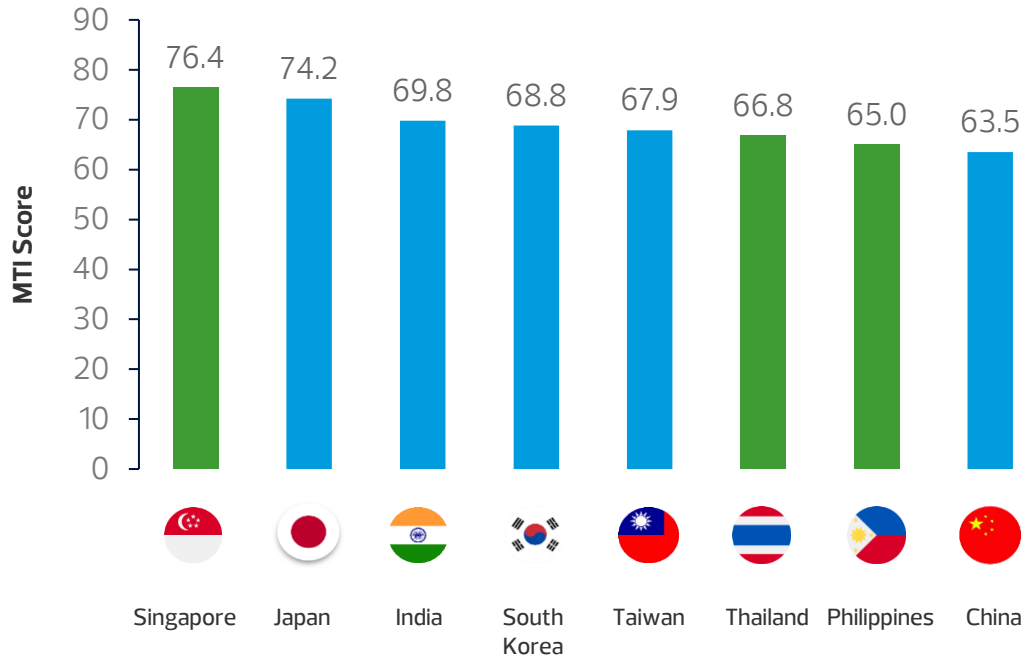
Source: ASEAN sustainable Urbanisation strategy



## #7 Medical tourism

ASEAN's medical tourism is growing fast, with Thailand leading the way at 24% above pre-pandemic levels. Singapore's growth has been slower due to higher costs. As cities grow and healthcare improves across ASEAN, countries like Vietnam and the Philippines are becoming popular for medical tourism, making the region a key hub for healthcare services.

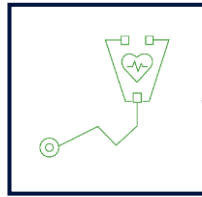
## Singapore recorded Asia's highest overall 'Medical Tourism Index' (MTI) score (2020–2021).



Singapore and Thailand are leading countries in ASEAN for medical tourism. After the pandemic, Thailand's medical tourism grew significantly, 24% higher than in 2019, while Singapore's growth was slower, just 2% above 2019 levels. Singapore's slower growth may be due to higher costs, made worse by the strong Singapore dollar.

Note: MTI stands for Medical Tourism Index. MTI measures the attractiveness of a country as a medical tourism destination  
 Source: Medical Tourism report; Twimbit analysis

## Leading countries driving growth and emerging opportunities.



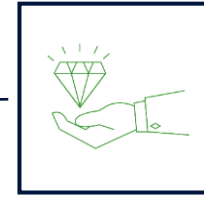
### Fastest Growing

Vietnam is experiencing rapid growth in medical tourism, with an annual increase of 18%–20%, signaling strong potential in the sector.



### Investor Appeal

The Philippines is a growing destination for medical tourism, with the market projected to grow from US\$ 1.35 billion in 2023 to US\$ 4.63 billion by 2032, at a CAGR of 13.5%.



### Regional Inspiration

The advancements in Thailand, Singapore, and Malaysia serve as benchmarks, inspiring other ASEAN countries to enhance their healthcare sectors and overall economic performance.

Source: IMARC Twimbit analysis



## #8 Electric vehicles



ASEAN's electric vehicle (EV) market is rapidly expanding, with countries like Thailand and Indonesia attracting significant investments from global players such as BYD and VinFast. The region is aiming for 100% EV adoption by 2050, backed by strong government incentives, developing supply chains, and a growing focus on clean energy and sustainable mobility.

## Asian EV leaders are capitalising on the potential in ASEAN's booming EV industry.



### Thailand lands BYD's first EV factory in Southeast Asia

"Thailand has a clear EV vision and is entering a new era of auto manufacturing. We will bring technology from China to Thailand."



**Wang Chuanfu**  
Chief Executive & President  
BYD Motors (Jul 2024)



### Indonesia EV competition heats up with VinFast and BYD debuts

"Indonesia is the largest automotive market in Southeast Asia. I'm confident the EV market in the country will grow to 50,000 units this year and could reach 100,000 the following year. We aim to capture a substantive portion of Indonesia's EV market."



**Zachary Mark Hollis**  
Sales Director  
VinFast Asia (Feb 2024)



### China's BYD, Neta eye growth in Indonesia with new EV investments

"We are confident that the facilities to be built (by Chinese electric vehicle makers BYD and Neta Auto) will be able to drive the growth of Indonesia's automotive industry and transition towards clean energy, while also supporting the economy, especially in the surrounding region."



**Eagle Zhao**  
President and Director BYD  
Motors (May 2024)

Source: Twimbit analysis

## 100% EV adoption by 2050: Building a robust supply chain.

### EV supply chain segment

Country	EV adoption target (sales)	Subsidy for consumers EV adoption	Critical mineral (mining smelting)	EV production	EV battery	EV charging network	Foreign wholly owned or majority-owned equity	Remarks
<b>Brunei Darussalam</b>	60% by 2035	-	-	Still developing EV policies and regulations			-	Launched a two-year EV pilot project in 2021 to raise awareness of EV usage
<b>Cambodia</b>	40% by 2050	-	-	-	-	-	-	Reduced EV import duties since 2022. Developing further incentives. In discussion with private companies on investment in EV charging station.
<b>Indonesia</b>	20% by 2025	✓	✓	✓	✓	✓	✓	Provides a subsidy for EV adoption in 2023 until 2024. Drafting a new incentive program for EVs and supporting industries, including charging stations.
<b>Lao PDR</b>	30% by 2030	✓	✓	✓	✓	✓	✓	Encourages private investments in EV industry. Working out specific incentives and lower tariff rates.
<b>Malaysia</b>	15% by 2030	✓	✓	✓	✓	✓	✓	Launched incentives in 2021 for EV production and development of the EV ecosystem. Provided incentives for sustainable mining projects.

Source: A special ASEAN Investment Report 2023

## 100% EV adoption by 2050: Building a robust supply chain.

### EV supply chain segment

Country	EV adoption target (sales)	Subsidy for consumers EV adoption	Critical mineral (mining smelting)	EV production	EV battery	EV charging network	Foreign wholly owned or majority-owned equity	Remarks
Myanmar	100% by 2030	✓	-	✓	✓	✓	✓	Imposed zero tariffs on EVs imports effective November 2022 to encourage the use of EVs according to the Ministry of Planning and Finance's Notification No. 90/2020 and No. 31/2023. Provides income tax exemptions and reliefs for EVs and related activities as prescribed in the MIC's Notification No. 1/2023.
Philippines	50% by 2040	✓	✓	Developing the Comprehensive Roadmap for the EV industry to attract EV and EV infrastructure investment			✓	The Electric Vehicle Industry Development Act, April 2022 provides EV adoption subsidies and investment incentives for EV production, batteries and ecosystem. Developing an incentive strategy for EV manufacturing, including electronic parts, batteries, charging stations and testing facilities.
Singapore	Phase out of ICE sales by 2030	✓	-	✓	✓	✓	✓	Provides incentives for the development of the EV ecosystem (including mobility solution, high-technology components, technology solutions, charging stations, R&D centres).
Thailand	30% by 2030							Launched in 2022. Enhanced incentives for EV and EV parts production.
Vietnam	100% by 2050	✓	✓	Investment in EV projects are encouraged				Limited Subsidy (reduction of excise tax on domestically manufactured, assembled and imported EVs). Investment incentives for EVs currently governed under the country's investment law. Policy framework dedicated to EVs and charging infrastructure in the development stage.

Source: A special ASEAN Investment Report 2023



# Introduction to ASEAN

## Incorporation

On August 8, 1967, five leaders—the Foreign Ministers of Indonesia, Malaysia, the Philippines, Singapore, and Thailand—gathered in Bangkok, Thailand, to sign a document establishing the Association of Southeast Asian Nations (ASEAN). This document, known as the ASEAN Declaration or Bangkok Declaration, was signed by Adam Malik of Indonesia, Narciso R. Ramos of the Philippines, Tun Abdul Razak of Malaysia, S. Rajaratnam of Singapore, and Thanat Khoman of Thailand. These individuals are recognised as the Founding Fathers of ASEAN.



## Founding members and expansion





ASEAN at a  
glance



# Brunei

“ Always in service  
with God's guidance



# Brunei Darussalam



4<sup>th</sup>

Largest oil producer in Southeast Asia



High per capita GDP



70% land  
Pristine rainforests



Low population



Ecological conservation



97%  
Literacy rate



BRUNEI DARUSSALAM is a small, wealthy nation located on the northern coast of Borneo in Southeast Asia, known for its **substantial oil and gas reserves, high standard of living, and rich cultural heritage.**



Biodiversity hotspot



No personal income tax



#66  
Ease of doing business globally

Source: Twimbit analysis

# Brunei Darussalam in numbers



Capital  
**Bandar Seri Begawan**



Area  
**5,765.0 sq. km**



Population  
**450,500 (June 2023)**



Currency  
**Brunei dollars (BND)**



Language  
**English, Malay, Mandarin, Tamil**



Ethnicity  
**Malays Chinese**

## Economy



Real GDP  
YoY growth

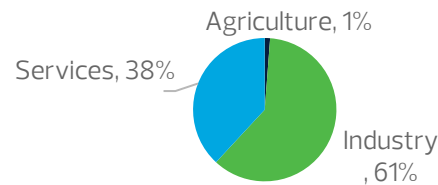
2022  
**-1.6%**

2023  
**+1.4%**

Inflation rate (2024)  
**1.3%**

## Sectors contributing to GDP

(2023)



*Brunei's economy is dominated by oil and gas, though efforts to diversify into agriculture, fisheries, and tourism are underway. Despite these moves, the economy remains energy-dependent, with a trade surplus driven by exports to Japan and Australia.*



Airports  
**2**



Ports  
**6**



Free Trade Zones  
**2**

**96/193**

Sustainability Index

**87/132**

Global Innovation Index Rank

**79%**

Urbanisation

Source: Twimbit analysis

## The oil and gas sector continues to drive the GDP growth in Brunei



### Factors driving the GDP growth

- Surge in oil and natural gas exports (accounted for ~90% of the total exports in 2023)
- Slightly offset by lack of economic diversification and minor disruptions in oil and gas production

### Key economic sectors



#### Oil and gas

In 2024, the sector is expected to grow by 3.1%, driven by plant revitalisation, infrastructure investments, and rising LNG demand.



#### Petrochemicals and fertilizers

Petrochemicals, fertilizers, and chemicals are forecasted to contribute substantially to GDP growth in 2024 as production increases.



In Q4 2023, the **non-oil sector** grew by 3.1%, with improvements in subsectors such as Air Transport (29.8%) and Finance (13.9%).

Source: Asian Development Bank; Twimbit analysis

## Trade and investment flow

Brunei has experienced **fluctuating patterns of Foreign Direct Investment (FDI)** over the years.

**Year: 2022**



**FDI declined to USD 292 mn**, primarily due to a result of foreign firms divesting through intra-company loan repayments.



**Finance and Insurance:**

Largest recipient

**USD 60.0 mn**

**Prominent Investors:**



Singapore



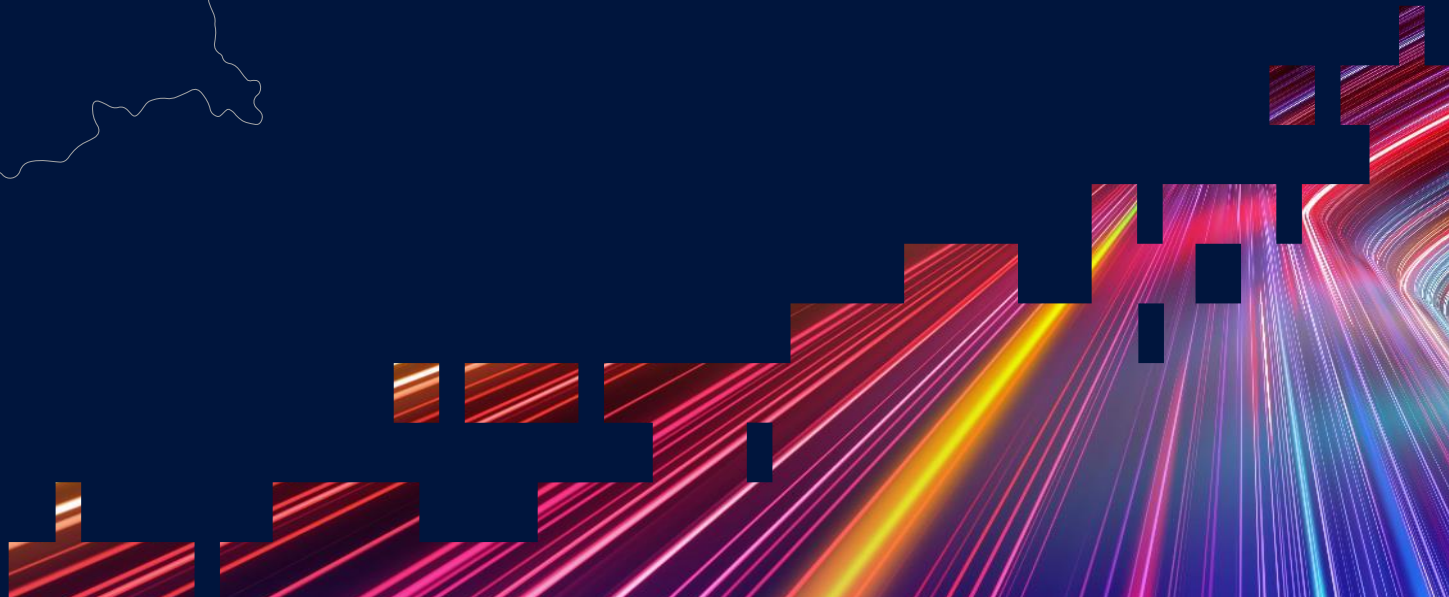
Malaysia

Source: A special ASEAN investment report 2023



# Cambodia

“ Nation, Religion, King



# Cambodia



Leading rice producer and exporter



Leading supplier of sapphires and rubies



>60%  
Population under the age of 30



Unique ecosystems



Leading silk producer



Increasing primary school enrolments



“CAMBODIA, a Southeast Asian nation with Phnom Penh as its capital, has experienced economic growth driven by **garment exports and tourism**. It is also home to the historic Angkor Wat.”



Fastest-growing tourist destination



Leading producer of bamboo



#67  
Ease of doing business globally

Source: Twimbit analysis

# Cambodia in numbers



Capital  
**Phnom Penh**



Area  
**181,035 sq. km**



Population  
**17,000,000 (2023)**



Currency  
**Cambodian Riel (KHR)**



Language  
**Khmer (official)**



Ethnicity  
**Khmer Chinese Vietnamese**

## Economy



Real GDP  
YoY growth

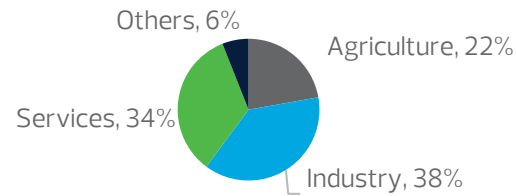
2022  
**+5.2%**

2023  
**+5.0%**

Inflation rate (2024)  
**2.3%**

## Sectors contributing to GDP

(2023)



Cambodia's economy is driven by textiles and tourism, with agriculture supporting rural livelihoods. The textile industry dominates both GDP and employment, while tourism provides a significant boost to the economy.



Airports  
**6**



Ports  
**2**



Free Trade Zones  
**30**

**104/193**

Sustainability Index

**101/132**

Global Innovation Index Rank

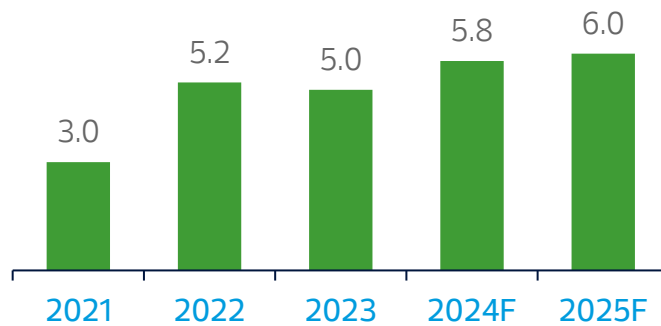
**26%**

Urbanisation

Source: Twimbit analysis

## FDI and diversification fueling Cambodia's growth

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Diversification into new export products (solar products, vehicle tires, bicycles)
- Attracting FDIs by developing SEZs for Korean businesses
- Surge in private consumption

### Key economic sectors



#### Manufacturing and exports

Garments and footwear have attracted substantial FDI. Positive external demand and free trade agreements are expected to boost growth in products like solar panels, car tires, and fur.



#### Infrastructure and energy

Renewable energy initiatives and policy shifts are underway, with the government cancelling plans for a coal-fired power plant in favour of cleaner sources.



#### Tourism

A strong rebound in international tourist arrivals was seen in 2024, with ~2 mn visitors in the first five months of the year, representing a 22.1% increase compared to the same period in 2023.

Source: Asian Development Bank; Twimbit analysis

## Trade and investment flow

**FDI inflows rose 3% in 2022 to USD 3.6 bn**



**Construction and Real Estate:**  
Constituted **1/5<sup>th</sup>** of total investments



**Garments, footwear & solar equipment:**  
Attracted substantial FDI



**Manufacturing**



**Construction**



**Finance & Insurance**



Accounted for  
**70%**  
of the inflows

**Prominent Investors:**



China



Singapore



Malaysia

China, ASEAN, South Korea, Japan, and Hong Kong accounted for

**80% of inflows.**

Source: A special ASEAN investment report 2023

# Legal framework



## Legal Framework

Cambodia is a constitutional monarchy.



## Sources of Law

### Constitution

- Supreme law of the land
- Provides for separation of powers and establishes basic framework for the three organs of state: (1) the executive, (2) the legislature, and (3) the judiciary.

### Legislation

- Parliament makes laws.
- Senators, members of the National Assembly and Prime Minister may initiate legislation.

### Jurisprudence

- Cambodia is a civil law country.
- Sources of law are legal instruments of the competent authorities of the State including laws, Royal Kret, Royal Decree, Anukret or Sub-Decree, Prakas, Circular, etc.
- Court decisions do not generate binding precedents.



## Executive

- The cabinet is led by the Prime Minister.
- The Prime Minister nominates the members of the Cabinet and the King appoints the members of the Cabinet.



## Legislature

- A bicameral parliament made up of the Senate and the National Assembly.
- Members of the National Assembly are elected through a democratic process and the Senate comprises two Senators appointed by the King, two Senators elected by the National Assembly and other Senators elected at restricted suffrage.
- In the standard law enactment process, a law approved by the National Assembly will be passed to the Senate for review and approval before it is signed by the King for its promulgation.



## Judiciary

- The judicial power is vested in the Supreme Court and the courts of all sectors and levels (including but not limited to the Appeal Court, the Court of First Instance, and military court, etc.).

Source: Rajah & Tann, Twimbit analysis

# Foreign investment restrictions

## Foreign Investment Policies



Open market economy with liberal foreign investment policy.

The 2021 Law on Investment provides an open, transparent, and predictable legal framework which facilitates investments by Cambodian nationals and foreigners.

- For the purpose of obtaining benefits under the 2021 Law on Investment, an "investor" is broadly defined as
- A person carrying out an investment project registered with the Council for the Development of Cambodia ("CDC") or a Municipal-Provincial Investment Sub-Committee.
- A company is deemed as a Cambodian company, if 51% or more of its shares are held by a legal or natural person with Cambodian nationality, else a foreign company

## Examples of restrictions on foreign investments and business activities

- **Ownership of land** as set out in the Land Law.
  - Only persons with Cambodian nationality are entitled to own land.
  - Companies with foreign nationality are restricted from owning land. However, the government allows foreigners to own private units in co-owned buildings, with the exception of the ground floor and underground levels.
- Some business activities require **local participation due to policies reasons**, for instance, exploitation of gemstones, production of bricks and tiles, rice milling, manufacturing of wood and stone carvings, and silk weaving.
- Entities engaging in activities relating to media, printing, and broadcasting are subject to **restriction on foreign equity** of up to 49%.

Cambodian law does not expressly define a foreign investor.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Business Types for Foreign Entities

- Commercial representative office
- Branch
- Subsidiary

### Business Entity Types

- Sole-proprietorship
- Partnership
- Limited liability company

### Most Common Form

- Private Limited Company

### Registration Process

- Registered with the Ministry of Commerce, the General Department of Taxation ("GDT"), the Ministry of Labor and Vocational Training, and the National Social Security Fund.
- Eligible businesses for investment projects may register with the Council for the Development of Cambodia (CDC).

## Foreign Exchange Control



- Generally no restrictions under the Law on Foreign Exchange.
- Investors can freely purchase and remit abroad foreign currencies.
- Transactions must be made through authorised intermediaries, such as banks authorised by the National Bank of Cambodia.

Source: Rajah & Tann, Twimbit analysis

## Data protection and compliance



### Personal Data Protection

- Lacks comprehensive personal data protection laws
- Some existing legislation, like the Law on Electronic Commerce (2019), includes privacy provisions for electronic transactions.
- In July 2024, the Ministry of Posts and Telecommunications introduced a draft law to regulate how private entities collect and use personal data.



### AI Regulations

- No AI laws or guidelines have been enacted and no AI draft laws
- Actively developing a National Strategy for AI, led by the Ministry of Industry, Science, Technology and Innovation



### Cybersecurity Regulations

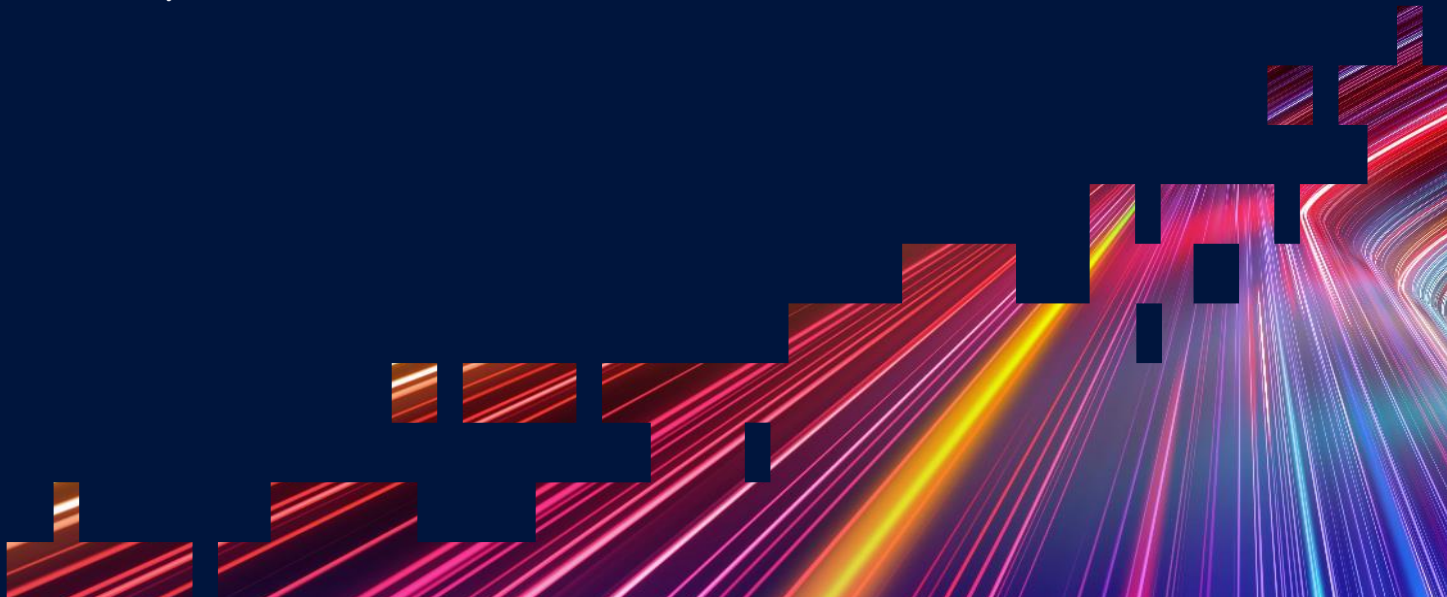
- In the final stage of drafting its first comprehensive Cybersecurity Law
- The Ministry of Post and Telecommunications is expected to oversee its implementation

Source: Rajah & Tann, Twimbit analysis



# Indonesia

“ Unity in Diversity



# Indonesia



Growing digital economy



Top countries in Islamic finance and banking



4<sup>th</sup>  
Most populous country



Largest democracy in Southeast Asia



Over 700 languages spoken



Leading producer of spices



Biodiversity hotspot



Home to around 130 active volcanoes



#73  
Ease of doing business globally



INDONESIA, an archipelagic country in Southeast Asia and Oceania with over 17,000 islands including Sumatra, Java, and Borneo, has a presidential republic government. A G-20 member, its growing economy is driven by **manufacturing, agriculture, and tourism.**

Source: Twimbit analysis

# Indonesia in numbers



Capital  
**Jakarta**



Area  
**1,904,569 sq. km**



Population  
**277,000,000 (2023)**



Currency  
**Indonesia Rupiah**



Language  
**Indonesian, English, Dutch**



Ethnicity  
**Malay Chinese Javanese  
Sundanese Batak Madurese**

## Economy



Real GDP  
YoY growth

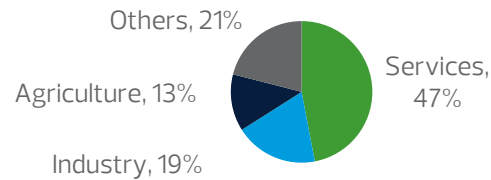
2022  
**+5.3%**

2023  
**+5.0%**

Inflation rate (2024)  
**3.0%**

## Sectors contributing to GDP

(2023)



*Indonesia's economy is set to grow above the Asia-ex-Japan average through 2028, fueled by tourism, raw materials, and manufacturing.*



Airports  
**673**



Ports  
**111**



Free Trade Zones  
**19**

**78/193**

Sustainability Index

**61/132**

Global Innovation Index Rank

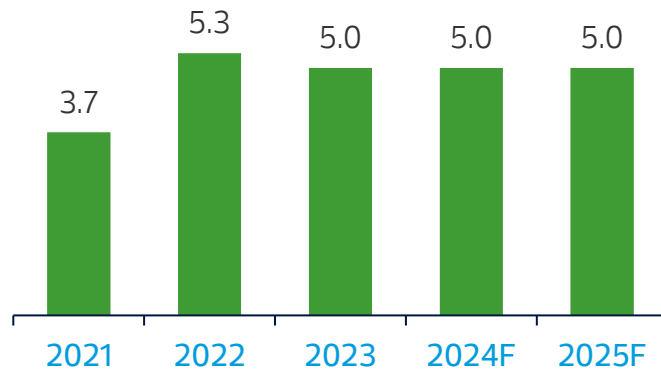
**59%**

Urbanisation

Source: Twimbit analysis

## Downstream activities propel Indonesia's manufacturing growth

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Rising global commodity prices have boosted Indonesia's exports, strengthening its currency and current account balance, and supporting economic growth.

### Key economic sectors



#### Manufacturing

Manufacturing attracted more than half of FDI inflows, with strong investments in base metals, particularly downstream activities, being a major contributor to growth.



#### Electric vehicles

Renewable energy initiatives and policy shifts are underway, with the government cancelling plans for a coal-fired power plant in favour of cleaner energy sources.



#### Industries

Industries related to transportation, storage, chemicals and petrochemicals, pharmaceuticals, data centers, and payment systems continue to gain investor attention.

Source: Asian Development Bank; Twimbit analysis

# Trade and investment flow

Year: 2022



## Manufacturing

Attracted **~1/2** of the inflows  
 Received **USD 10.0 bn** from Asian countries

Strong investment contributed to the sustained high inflows



Transportation



Storage



Communication



Finance

## Prominent Investors:



Singapore

**Largest Investor**  
 In 2022, grew by 22% to **USD 6.6 bn**  
 (30% of inflows)



China



Japan



Korea

Sectors that gained investor attention:



EVs



Data Centers



Digital Economy



Payment Systems

Source: A special ASEAN investment report 2023

# Legal framework



## Legal Framework

Indonesia is a unitary republic.

### Sources of Law

#### Constitution

- Supreme law and basis for all laws in Indonesia.
- Provides for a limited separation of executive, legislative and judicial powers.

#### Legislation

- Power to introduce new national laws and regulations lies within the powers of the People's Representative Council ("DPR") and/or the President.
- Power to introduce regional laws and regulations lies within the powers and authority of the Regional People's Representative Council ("DPRD") and/or the Governor.

#### Jurisprudence

- Decisions of judges may be followed and used as guidance in deciding cases of similar issue.



#### Executive

- Led by the President, who is both the head of government and head of state.
- Made up of Cabinet members and Vice-President.



#### Legislature

- Made up of the bicameral People's Consultative Assembly ("MPR"), which consists of the DPR and DPRD.
- MPR has the sole power to pass laws and amend the Constitution.



#### Judiciary

- Supreme Court is the highest court
- Courts below the Supreme Court are organised by subject matter, which include the general, religious, military, and administrative courts.
- There are special courts under the general and administrative courts (e.g. labour courts, corruption courts, commercial courts, juvenile courts, fishery courts, human rights courts and tax courts).

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies

- Foreign investors can only engage in businesses with a minimum investment of more than IDR10 bn (excluding the value of land and building) for each line of business, unless specifically exempted.
- Foreign investment is mainly regulated under Presidential Regulation No. 10 of 2021 on Investment Business Activities, as amended by Presidential Regulation No. 49 of 2021 ("Priority Investment List").
- Generally, all business sectors listed in the Priority Investment List are open for foreign investment unless expressly declared closed for foreign investment or to only be carried out by the central government.
- The Priority Investment List includes the sectors set out below. Foreign investors should also check the relevant sectoral regulations that may set out conditions on foreign investments.

### Business sectors that are closed to foreign investment

- **Prioritised business sectors** – Sectors that are generally open for foreign investment and are eligible for fiscal and non-fiscal-related incentives.
- **Business sectors allocated for or requiring partnership with micro, small and medium enterprises or cooperatives** – Sectors that can only be conducted by a micro, small and medium enterprises or a cooperative, or in the case of foreign investors, if they have entered into a cooperation with those foregoing entities.
- **Business sectors with specific requirements** – Sectors that are open for investment with certain requirements (a limitation on foreign ownership, certain locations, special licensing, domestic capital of 100%; and/or a limitation on capital ownership within the framework of ASEAN cooperation, including trading/distribution, construction, transportation services, etc.). Examples of such business sectors include broadcasting, postal and press.
- **Others** – Sectors that are not included in any of the above-mentioned categories are open to all investors.

### Business sectors closed for foreign investment

- **Closed business sectors** – Sectors that include cultivation and industry of class I narcotics, chemical weapons manufacturing industry, all forms of gambling and/or casino activities, industrial chemical and ozone depleting substances industries, the capture of any fish species as listed in the Appendix I of Convention on International Trade in Endangered Species of Wild Fauna and Flora, the utilisation and collection of coral and utilisation and collection of corals from nature for building materials / limestone / calcium, aquarium and souvenirs/jewelry and live and dead coral, and alcohol, wine, and malt beverages industry.
- **Business sectors reserved for the government** – Sectors that are related to public services or are of strategic importance to national defence and security.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Business Formation PT PMA

Foreign businesses can establish an Indonesian company or open a representative office.

If opting for an Indonesian company, it must be a PT PMA (Foreign Investment Company), which is a limited liability company established and domiciled in Indonesia.

### Online Single Submission (OSS) System

- **Tax Registration Certificate (NPWP):** Must be obtained from the tax office.
- **Domicile Certificate:** Required for PT PMA outside Jakarta, obtained from the relevant sub-district office.

### Risk Categorisation

Businesses are categorised into four risk levels (Low, Medium-low, Medium-high, High), with corresponding document requirements:

- **Low Risk:** NIB (Business Identification Number)
- **Medium-Low Risk:** NIB + Standard Certificate (self-verified)
- **Medium-High Risk:** NIB + Standard Certificate (verified by government)
- **High Risk:** NIB + further licenses/verifications/permits as required by relevant authorities.

### Foreign Exchange Control



- No foreign exchange controls. The Indonesian Rupiah is freely convertible into any currency and vice versa.
- Indonesian nationals and legal entities however must provide to Bank Indonesia certain documents about the underlying transaction when purchasing foreign currencies in excess of USD100,000.

Source: Rajah & Tann, Twimbit analysis

## Data protection and compliance



### Personal Data Protection

- Enacted Law No. 27 of 2022, the Personal Data Protection Law
- Includes Electronic Information and Transactions Law (EIT Law), Government Regulation No. 71 of 2019, and Menkominfo Regulation No. 10 of 2021, for providing guidelines for the operation of electronic systems



### Cybersecurity Regulations

- Established Presidential Regulation No. 47 of 2023 (PR 47/2023) in July 2023, a comprehensive framework for its cybersecurity strategy
- PR 47/2023 defines a structured approach to managing cyber crises, coordinated by the National Cyber and Crypto Agency (BSSN)
- Established Cyber Incident Response Teams (CIRTs) to manage incidents and coordinate responses among Electronic Service Providers (ESPs)



### AI Regulations

- No specific AI laws enacted
- A new Presidential Regulation is being drafted to codify AI regulations, expected to be implemented by the end of 2025
- **AI Guidelines:** In December 2023, two significant sets of ethical guidelines were issued:
  - Ministry of Communication and Information (MOCI) Circular Letter No. 9 of 2023: Outlines ethical AI guidelines, applicable to all public and private electronic system operators
  - OJK AI Guidelines: Developed by the Financial Services Authority for AI guidelines in the fintech sector
- **National AI Strategy:** Launched National Strategy for Artificial Intelligence– **Stranas KA** (Strategi Nasional Kecerdasan Artifisial) in August 2020 to guide AI development from 2020 to 2045

Source: Rajah & Tann, Twimbit analysis



# Laos

“ Peace, Independence,  
Democracy, Unity and  
Prosperity



# Laos



#1

Coffee producer in ASEAN



Known as the "Land of a million Elephants"



#3

Highest percentages of forest cover in Asia



Lowest population density in ASEAN



Leading exporter of hydroelectric power



#1

Adventure tourism potential



LAOS, a landlocked nation in Southeast Asia, is bordered by Thailand, Vietnam, Cambodia, China, and Myanmar. Often dubbed the "Battery of Southeast Asia," harnesses its **hydropower potential** to drive industrial growth and regional energy supply.



Over 160 ethnic groups



Leading silk producer



#154

Ease of doing business globally

Source: Twimbit analysis

# Laos in numbers



Capital  
**Vientiane**



Area  
**236,800 sq. km**



Population  
**7,633,779 (2023)**



Currency  
**Lao Kip (LAK)**



Language  
**Lao (or Laotian), French, English**



Ethnicity  
**Lao Khmu Hmong**

## Economy



Real GDP  
YoY growth

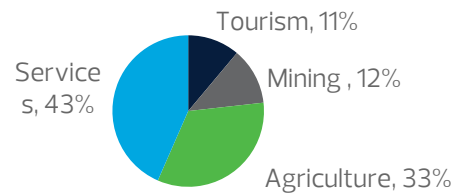
2022  
**+2.5%**

2023  
**+3.7%**

Inflation rate (2024)  
**26.2%**

## Sectors contributing to GDP

(2023)



*Laos' economy is supported by agriculture, services, and mining, with agriculture employing a significant portion of the workforce and services, particularly tourism, generating vital foreign currency.*

Airports  
**4**

Ports  
**1**

Free Trade Zones  
**12**

**119/193**

Sustainability Index

**110/132**

Global Innovation Index Rank

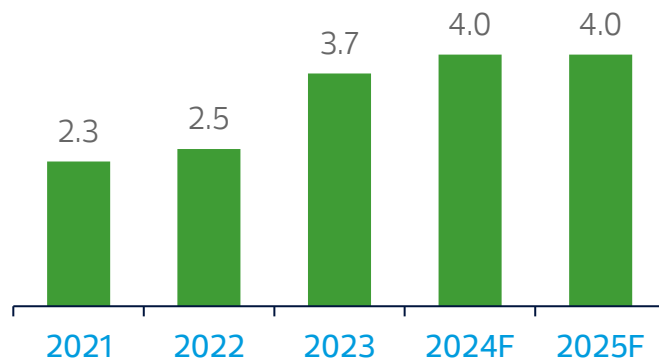
**38%**

Urbanisation

Source: Twimbit analysis

## Laos leverages its mineral wealth and hydropower potential for economic recovery

Real GDP growth, 2021–2025F (%)



- Laos's soaring public debt, reached ~110% of GDP in 2022, up from 60% in 2018.
- Additionally, the agricultural sector's contribution to GDP has declined while the industrial and services sectors have not sufficiently compensated.

Source: Asian Development Bank; Twimbit analysis

### Key economic sectors



#### Hydropower and electricity

Laos's vast hydropower potential and the Lao PDR–Thailand–Malaysia–Singapore Power Integration Project create significant investment opportunities in regional electricity trade.



#### Infrastructure

Infrastructure development, highlighted by projects like the Lao–China Railway, is vital for economic growth, with ongoing investments enhancing market access and logistics.



#### Mining and minerals

The mining sector remains crucial, especially in copper and gold. Laos's rich mineral resources are expected to attract investment despite past environmental concerns.

# Legal framework



## Legal Framework

Laos is a one-party parliamentary socialist republic.



## Sources of Law

### Constitution

- The fundamental law of the nation, which all other laws must comply with.
- Establishes the basic framework for the three organs of state.
- Establishes the office of the President of the State.

### Legislation

- The primary source of law is legislation, which includes:
- Legislation of general application: Laws, Resolutions of the National Assembly, Presidential Decrees, Government Decrees, orders or decisions of the Prime Minister, etc.
  - Legislation of specific application: Certain Presidential Decrees (e.g., on the promulgation of a law) and notifications.

### Jurisprudence

- Lao PDR follows a civil law system. Court judgments are not reported, and there is no requirement for courts to refer to previous judgments. Such earlier judgments are not binding.

### International Treaties

- International treaties and agreements ratified by Lao PDR are considered part of the sources of law.



## Executive

- The President is the Head of State and is elected by the National Assembly.
- The Government, headed by the Prime Minister, implements the Constitution, laws and resolutions of the National Assembly, as well as Presidential Edicts and Decrees.



## Legislature

- A Unicameral National Assembly where members are elected by democratic vote and serve for a fixed term.
- Makes decisions on fundamental issues of the country.
- Oversees the activities of the executive organs, the People's Courts, and the Office of the Public Prosecutor.



## Judiciary

Constituted by the People's Courts, including:

- People's Supreme Court;
- Central Region People's Court;
- People's Provincial Courts, Capital and Children's Court;
- The Regional People's Courts;
- Military Courts.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies

The Law on Investment Promotion stipulates the principles, regulations and measures for the promotion and administration of both domestic and foreign investment.

The List of Business Activities for Foreign Investors details the types of business activities which may be undertaken by foreign investors. This list sets out the minimum capital required, and the maximum foreign equity participation permitted for each activity.



### Restrictions on Foreign Investment

Decree on the Endorsement of the Business Activities under the Controlled Business List and the Concession List of Lao PDR No. 03/PM

- The Controlled Business List stipulates the list of business activities affecting national security and social order. Any investor proposing to undertake a business activity in the Controlled Business List must obtain an investment license from the Investment Promotion and Supervision Committee, Ministry of Planning and Investment.
- The Concession List stipulates the business activities for which the Government will grant a concession to the investor. Examples of such business activities include the development of special economic zones and industrial processing zones for export, mining and development of energy sources.

### Restrictions on Foreign Ownership of Land

Under the Amended Land Law No. 70/NA, foreigners and foreign entities or organisations are not allowed to own land in Lao PDR and are only allowed to hold land use rights according to the following limitations:

Type of Land Use Right	Maximum Duration
Lease or concession of State land	50 years, extendable upon approval of the Government or National Assembly or the Provincial Lao People's Assembly.
Lease of land from Lao citizens or their entities or organizations	30 years, extendable upon agreement between the parties and the approval of the provincial administration.
Purchase of allocated State land use rights with determined timeframe	50 years from the date the sale contract is signed.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Business Entity Types

- **Representative Office:** A local representative of a foreign company, not permitted to engage in commercial activities.
- **Branch:** A part of a partnership or a company without autonomous legal entity status.
- **Partnership:** A contractual enterprise created by partners, with options for ordinary or limited partnerships.
- **Limited Company:** A private limited liability company with 2 to 30 shareholders.
- **Sole Limited Company:** A private limited liability company with a single shareholder.
- **Public Company:** A public limited liability company requiring at least three founding shareholders and an auditor from the date of registration.

### Foreign Participation

Almost all foreign-invested companies are limited liability companies. There are no restrictions on foreign participation in most sectors, except in tourism, mining, construction, logistics, and electricity where Lao domestic or government-equity participation may be required.

### Foreign Exchange Control



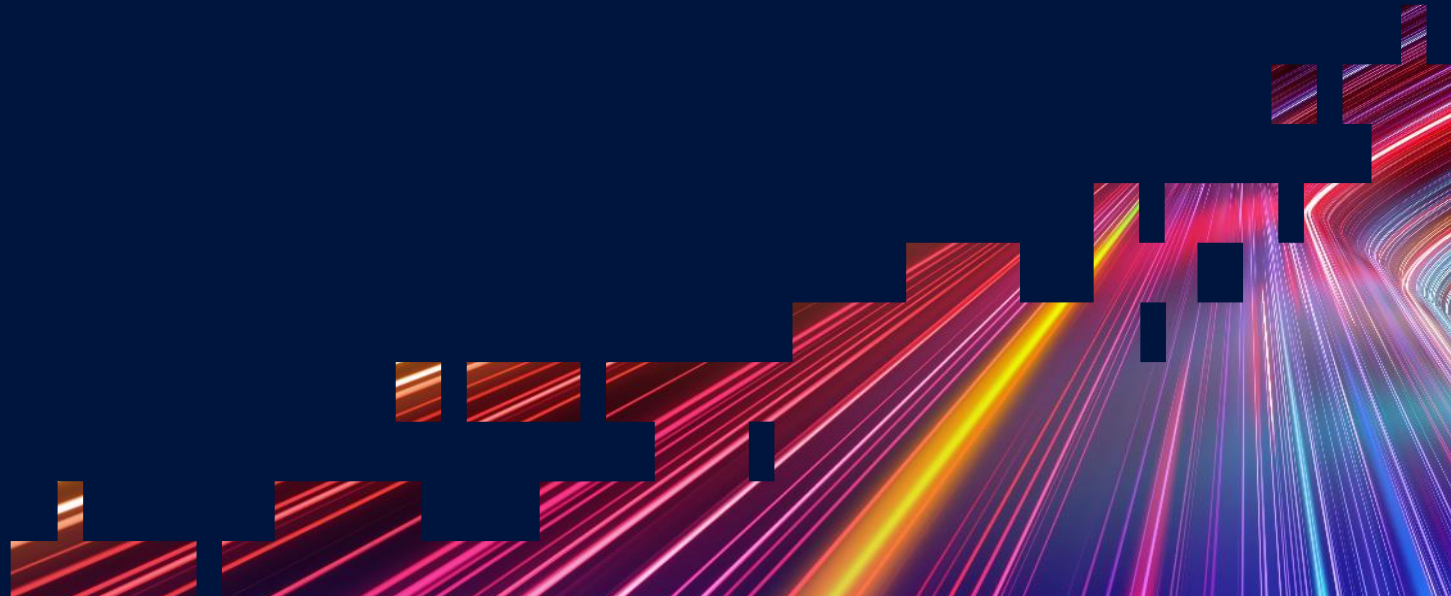
- **Currency Requirement:** All transactions in Laos must be settled in Lao Kip.
- **Transfers of Foreign Currency:**
  - Approval from the Bank of Lao PDR (BOL) is required for any transfer of foreign currency into or out of Laos.
  - BOL grants approval for certain specific purposes, such as repatriating profits or transferring foreign currency from Laos to another country.
- **Article 27 of Presidential Decree Law:** Allows the repatriation of profits, dividends, and other legal incomes through the banking system in accordance with the law.
- **Banking System:** Foreign investors must use the Lao PDR banking system for all transactions unless BOL approval is obtained for offshore bank accounts.

Source: Rajah & Tann, Twimbit analysis



# Malaysia

“ Unity is Strength



# Malaysia



Leading producer and exporter of palm oil



Leading financial hub in Asia



#2  
Producer of natural rubber



Aviation hub



Global leader in Islamic finance



#3  
Oil producer in Southeast Asia



MALAYSIA, a vibrant Southeast Asian country, features 13 states and 3 federal territories across Peninsular Malaysia and Borneo. It stands as a global leader in **palm oil production, blending cutting-edge technology with sustainable practices to drive its thriving agribusiness industry.**



Fastest-growing urban centers in Asia



94%  
Literacy rate



#12  
Ease of doing business globally

Source: Twimbit analysis

# Malaysia in numbers



Capital  
**Kuala Lumpur**



Area  
**330,803 sq. km**



Population  
**32,700,000 (2023)**



Currency  
**Malaysian Ringgit (RM)**



Language  
**Malay, English, Mandarin, Tamil**



Ethnicity  
**Malay Chinese Indian**

## Economy



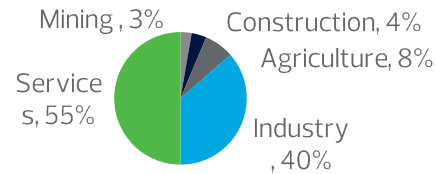
Real GDP  
YoY growth

Year	YoY growth
2022	<b>+8.7%</b>
2023	<b>+3.7%</b>

Inflation rate (2024)  
**1.7%**

## Sectors contributing to GDP

(2023)



Malaysia's economy thrives on a dynamic mix of services, manufacturing, agriculture, construction, and mining, showcasing its diverse economic strength.



Airports  
**40**



Ports  
**8**



Free Trade Zones  
**18**

**79/193**

Sustainability Index

**36/132**

Global Innovation Index Rank

**79%**

Urbanisation

Source: Twimbit analysis

## Trade and investment flow

### Inflows increased by 39 % to a record USD 17 bn



**Manufacturing:**  
Largest Recipient  
Accounting for 66% of FDI  
**USD 11.0 bn**



**Services sector:**  
Investments doubled to  
**USD 5.4 bn**



**Finance and Insurance:**  
Twofold increase to  
**USD 2.8 bn**

### Prominent Investors:



The U.S.  
Largest Investor  
**USD 8.6 bn**



Singapore  
**USD 2.6 bn**



Japan  
**USD 2.2 bn**



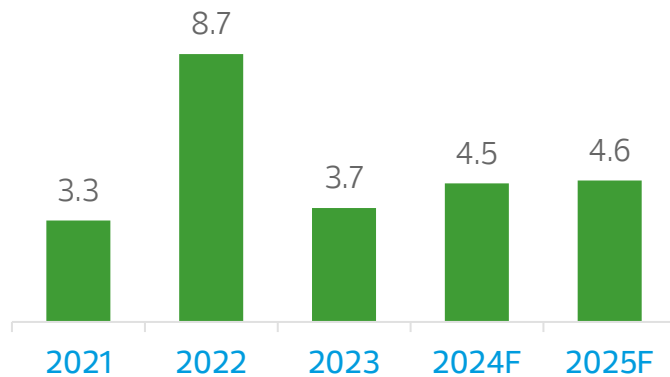
China  
**USD 1.4 bn**

These four economies made up  
**85% of the total FDI**

Source: A special ASEAN investment report 2023

## Government policy and mega projects set the stage for Malaysia's GDP expansion

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Surge in exports of electronics, petroleum, and palm oil.
- Surge in semiconductor sales.
- Favourable government policy (National Industry 4.0 Policy Framework).

### Key economic sectors



#### Finance and insurance

The sector is set for moderate growth in 2024, with insurance premiums rising by up to 10% and general insurance growing at 7.8% CAGR, driven by motor and property lines.



#### Construction

With several mega projects on the horizon, including infrastructure developments like the MRT3 Circle Line, the construction sector is set for growth.



The **oil and gas and electrical and electronic products** are expected to do well. The **semiconductor** sales saw a 15.3% YoY increase in Q1 2024.

Source: Asian Development Bank; Twimbit analysis

# Legal Framework



## Legal Framework

Malaysia is a Federal Parliamentary Democratic Constitutional Monarchy.



### Sources of Law

- |                               |   |
|-------------------------------|---|
| <b>Constitution</b>           | <ul style="list-style-type: none"> <li>• Supreme law of the land.</li> <li>• Establishes the basic framework for the three organs of state: (1) executive; (2) legislature; and (3) judiciary.</li> <li>• The Federal and State governments have specific legislative and executive authority as provided for in the Federal Constitution.</li> </ul> |
| <b>Legislation</b>            | <ul style="list-style-type: none"> <li>• Parliament passes Federal laws that apply nationwide.</li> <li>• State laws are passed by each State Government's State Legislative Assembly and apply only within the relevant State.</li> </ul>  |
| <b>Subsidiary Legislation</b> | <ul style="list-style-type: none"> <li>• Issued under a parent statute (e.g., rules, regulations, etc.).</li> </ul>   |
| <b>Court Precedents</b>       | <ul style="list-style-type: none"> <li>• Mixed legal system of English common law, Islamic (Sharia) law, and customary law.</li> <li>• Judgments and legal principles laid down by the courts.</li> <li>• A decision of a higher court in the judicial hierarchy is binding on the judges of the lower courts.</li> </ul>                             |



### Executive

- Composed of the Prime Minister and his Cabinet, which includes the Cabinet Ministers.
- The Cabinet is led by the Prime Minister.



### Legislature

- Parliament consists of the Senate and the House of Representatives.
- Parliament legislates the Federal laws.
- The State Legislative Assembly is the legislative branch of each State and comprises of elective representatives.



### Judiciary

- Consists of the Superior Courts and Subordinate Courts which hear civil and criminal matters. The courts enforce and interpret the laws.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions



### Foreign Investment Policies

Restrictions on foreign investment in Malaysia are applicable depending on which sector the investment is in. In sectors without restrictions, foreign investors can hold up to 100% equity in the business.

- Certain sectors have restrictions on foreign investment, requiring a **minimum ownership by Malaysians or Bumiputeras** (Malays and other indigenous ethnic groups in Malaysia). These equity participation requirements:
    - can extend to the board composition of directors and employees; and
    - are imposed by industry regulators when the business entity applies for the relevant licences, approvals and permits (collectively "**Licenses**") to carry out its business in the specific sector.
  - Additionally, the Licenses may include terms and conditions that require approval from, or notification to, the regulator for any changes in shareholding.
  - The minimum Bumiputera or Malaysian ownership requirements vary across industries and depend on the relevant Licenses held, typically ranging from 30% to 100%.
- A non-exhaustive list of the **principal industries or activities that are subject to restrictions on foreign investment** include:
    - Financial services
    - Capital markets
    - Insurance and Islamic insurance (takaful) industries
    - Petroleum industry
    - Communications and multimedia
    - Wholesale and distributive trade (in relation to hypermarkets and convenience stores)
    - Education
    - Freight forwarding and shipping
    - Water
    - Energy supply
    - Security and employment agencies
    - Acquisition of land

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Initiation

- A person who intends to carry out any business activity in Malaysia must register the business under Malaysian laws, such as:
  - Registration of Businesses Act 1956;
  - Companies Act 2016;
  - Limited Liability Partnerships Act 2012; or
  - under Labuan law such as the Labuan Companies Act 1990.
- Failure to do so may result in penalties.

### Registration Requirements

- The Companies Commission of Malaysia (“CCM”) regulates the registration of the following business entities:
  - Sole-proprietorship (one owner) or Partnership (two or more owners).
  - Company (public or private) or Branch (foreign companies registered in Malaysia).
  - Limited Liability Partnership (LLP).
- The most common business structure is a private company limited by shares.
- Business registration may be done online via EzBiz Online, the CCM’s online registration system. Please refer to the CCM website on the factors to consider when choosing a business vehicle and how to register a business in Malaysia.
- The public may also retrieve and purchase information about business entities registered with CCM.
- A foreign entity that wishes to set up a Representative Office or Regional Office (“RO”) to assess the business environment in Malaysia without having a permanent establishment in Malaysia may register its RO by submitting an application for approval to the relevant authorities within the Malaysian Government. Please refer to the MIDA website for further information.

### Foreign Exchange Control



- No restrictions are imposed on the repatriation of capital, profits, or income earned in Malaysia. However, repatriation by non-residents must be made in foreign currency.
- There is a reporting requirement if physical currency brought into or out of Malaysia exceeds USD 10,000.
- Non-residents may lend in foreign currency to a resident if the resident’s total foreign currency borrowings are within permitted limits.

Source: Rajah & Tann, Twimbit analysis

## Data protection and compliance



### Personal Data Protection

- Personal Data Protection Law (enacted in 2013 and amended in 2016).
- The Law is supported by several subsidiary regulations, including:
  - Compounding of Offences Regulations 2016
  - Personal Data Protection Regulations 2013
  - Registration of Data Users Regulations 2013: Mandates data users in certain sectors like communications, banking, insurance, utilities, and aviation to register with the Personal Data Protection Commissioner to process personal data.



### Cybersecurity Regulations

- Passed the Cyber Security Bill in April 2024.
- Licensing of cybersecurity service providers is mandated, ensuring compliance with specific standards.
- The bill is intended to apply beyond Malaysian borders, affecting individuals and entities regardless of nationality.



### AI Regulations

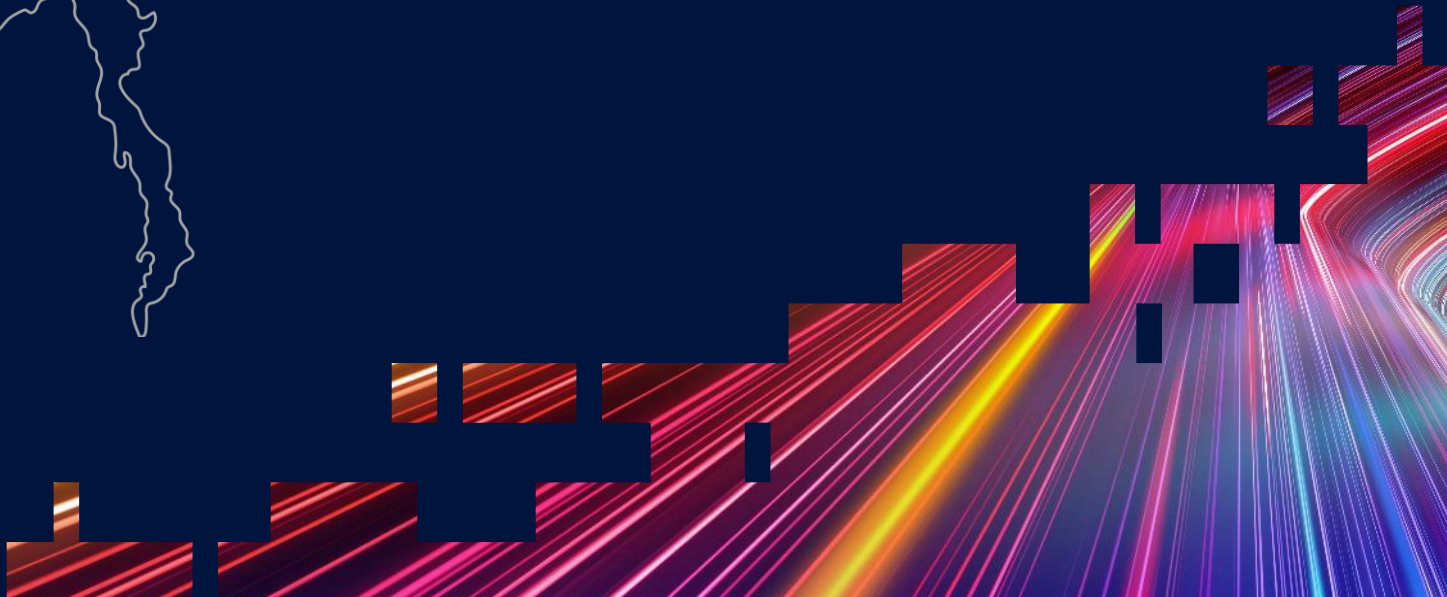
- No AI laws or guidelines have been enacted.
- Introduced National Artificial Intelligence (AI) Roadmap 2021-2025, but lacks a cohesive National Strategy for AI.
- Introduced "Malaysia Digital Economy Blueprint", "AI untuk Rakyat", and the "AI Sandbox 2024" to promote the AI infrastructure.

Source: Rajah & Tann, Twimbit analysis



# Myanmar

“ Happiness through  
Harmony



# Myanmar



Leading producer of rubies and gemstones



World's largest natural teak reserves



Leading rice-exporting country



Leading exporter of high-quality teak wood



**50%**  
Forest land



Leading coffee producer



Leading producer of rice



Growing tourism



**#165**  
Ease of doing business globally



MYANMAR, officially the Republic of the Union of Myanmar, is a country in Southeast Asia bordered by Bangladesh, India, China, Laos, and Thailand. A key player in the global rice market, leveraging the fertile Irrawaddy Delta to produce and export high-quality rice worldwide.

Source: Twimbit analysis

# Myanmar in numbers



Capital  
**Naypyidaw**



Area  
**676,578 sq. km**



Population  
**54,700,000 (2023)**



Currency  
**Kyat (MMK)**



Language  
**Burman Shan Karen Rakhine  
Jingpho**



Ethnicity  
**Burman Shan Karen Rakhine  
Mon Kachin**

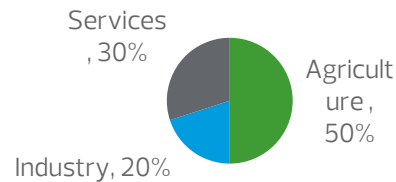
## Economy



Real GDP YoY growth  
2022 **+2.4%**  
2023 **+0.8%**

Inflation rate (2024)  
**15.0%**

## Sectors contributing to GDP (2023)



Since the 2021 coup, Myanmar's economy has suffered from sluggish growth, a weakened kyat, and plummeting foreign investment and trade, exacerbated by restrictive policies and cyclone damage



Airports  
**25**



Ports  
**9**



Free Trade Zones  
**3**

**120/193**

Sustainability Index

**116/132**

Global Innovation Index Rank

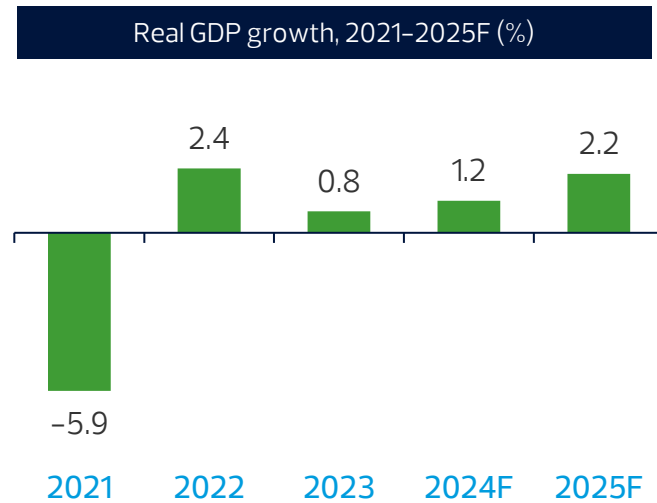
**32%**

Urbanisation

Source: Twimbit analysis

Language  
**Malay, English, and Chinese dialects**

## Leveraging agriculture for maintaining economy



### Note:

- Myanmar is currently facing a worsening humanitarian crisis that includes:
  - Armed conflict
  - Intensifying fighting between the military and armed opposition groups since October 2023, spreading across most of the country.

### Key economic sectors



#### Manufacturing

This sector, particularly garments and textiles, is expected to attract foreign investments amidst increasing global demand.



#### Agriculture

The sector is projected to contribute ~63% of GDP in 2024, driven by improved agricultural practices and favourable prices for exports (particularly in rice and other crop yields).



Investment **in construction and infrastructure** is anticipated to grow as the government aims to improve urban facilities and transport networks.

Source: Asian Development Bank; Twimbit analysis

# Legal framework



## Legal Framework

Myanmar is presently under a military regime.



### Sources of Law

#### Constitution

- The State Constitution was adopted in 2008 by national referendum and replaces two previous constitutions.
- Provides for the separation of powers: (1) executive; (2) legislature; and (3) judiciary.
- At the time of writing, the situation in Myanmar is uncertain and subject to changes.

#### Legislation

- The National Parliament has the power to enact laws through the legislative process.
- The relevant ministry in charge of the topic in question may also enact rules or policies. Other types of policy, such as national plans, master plans or strategies, may have de facto legal status.

#### Jurisprudence

- Hybrid legal system comprising English common law, customary law and enacted legislation.



#### Executive

- The military took over the government on 1 February 2021 and declared a state of emergency.



#### Legislature

- Dissolved on 1 February 2021 when the military took over.



#### Judiciary

- Made up of Supreme Court of the Union (highest court) and subordinate courts.

Three Organs of State provided for under the Constitution. At the time of writing, the situation in Myanmar is uncertain and subject to changes. The State Administration Council is exercising the sovereign powers of the state.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies



Investment activities are generally categorised under the Myanmar Investment Law 2016 as:

- Restricted investment activities which are further divided into:
  - Investment to be carried out only by the State;
  - Investment that are not allowed to be carried out by foreign investors;
  - Investment allowed only in the form of a joint venture with any citizen-owned entity or any Myanmar citizen; and
  - Investment to be carried out with the approval of the relevant ministries.
- Promoted investment activities. The list of these activities is extensive, and investors are eligible for tax exemptions and reliefs.
- Certain investment activities require investment endorsement or an investment permit. Investment activities which require investment permits include those that are essential to the government's strategy, involve large capital-intensive projects, or are likely to have a significant impact on the environment and local community, among others.

### Who is a "foreign investor" or "foreign company":

Under the Myanmar Investment Law 2016, a "foreign investor" is defined as a person who invests within the country and is not a Myanmar citizen. This includes, foreign companies and branch offices. Under the Myanmar Companies Law 2017, a "foreign company" is defined as a company incorporated in the country, in which an overseas corporation and/or any foreign person has an ownership interest of more than 35%.

### Land Restrictions

Foreign individuals and foreign companies are prohibited from owning or entering into a lease of more than one year of any immovable property, subject to certain exceptions.

- Foreign investors may acquire an indirect minority interest in immovable property situated in Myanmar by way of an investment of up to 35% in a local company.
- A foreign company that has obtained approval from the Myanmar Investment Commission ("MIC") may enter into a lease of land for up to 50 years, subject to two further extensions of 10 years each upon MIC's approval.
- A foreign company which has obtained approval from the Management Committee of the relevant Special Economic Zone ("SEZ MC") may enter into a lease of land for up to 50 years, subject to a further extension of 25 years with the SEZ MC's approval.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Business Entities Under the Myanmar Companies Law 2017

- **Company limited by shares:** Includes both private and public companies.
- **Company limited by guarantee:** May have any number of members.
- **Overseas corporations:** Such as branch offices.
- **Unlimited company:** May have any number of members.
- **Associations**
- **Special Companies:** Incorporated under the Special Company Act 1950.

### Common Choice for Foreign Investors

- Most foreign investors choose to conduct business via a private company limited by shares, offering limited liability.

### Foreign Exchange Control



- **Approval Requirement:** Entities must obtain prior approval from the Central Bank of Myanmar before obtaining foreign loans.
- **Outward Remittances:** All outward overseas remittances must go through an authorised bank in Myanmar and require approval from the Foreign Exchange Supervision Committee. This applies to remittances such as:
  - Service fees
  - Interest
  - Dividends
  - Profits
  - Royalties

Source: Rajah & Tann, Twimbit analysis



# Philippines

“ For God, People, Nature,  
and Country

# Philippines



Leading global supplier of sugar and mangoes



**#1**  
Global shipbuilding in Southeast Asia



**#2**  
Coconut production



Leading producer of pineapples



Increasing use of social media



**#1**  
Call center industry



One of the largest English-speaking nations



Top global beach destination



**#95**  
Ease of doing business globally



PHILIPPINES, an archipelago of over **7,000 islands** in Southeast Asia, is surrounded by the West Philippine Sea, Sulu Sea, and Celebes Sea. Known for its robust **Business Process Outsourcing (BPO)** industry, it delivers world-class customer service and IT solutions.

Source: Twimbit analysis

# Philippines in numbers



Capital  
**Manila**



Area  
**300,000 sq. km**



Population  
**118,000,000 (2023)**



Currency  
**Philippine Peso (PHP)**



Language  
**Filipino, English**



Ethnicity  
**Filipino Tagalog**

## Economy



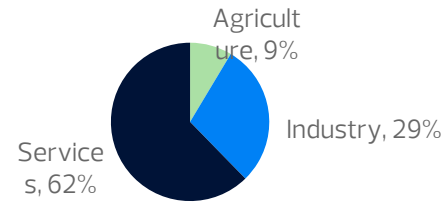
Real GDP  
YoY growth

2022  
**+7.6%**

2023  
**+5.6%**

Inflation rate (2024)  
**3.8%**

## Sectors contributing to GDP (2023)



The Philippine economy is shifting towards stronger domestic demand and infrastructure investment, with notable growth in construction, financial services, and transportation.



Airports  
**80**



Ports  
**19**



Free Trade Zones  
**400**

**92/193**

Sustainability Index

**56/132**

Global Innovation Index Rank

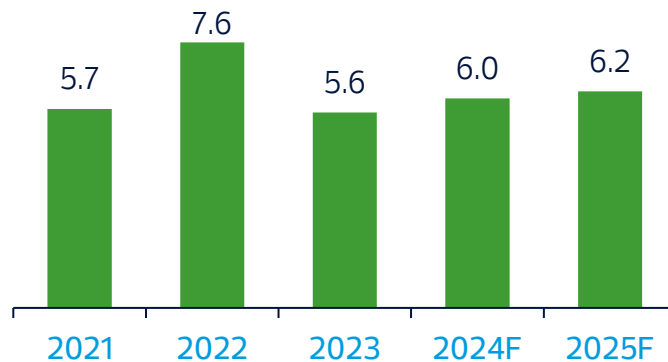
**48%**

Urbanisation

Source: Twimbit analysis

## Philippines' IT-BPO sector poised for significant revenue growth amid innovation push

Real GDP growth, 2021-2025F (%)



### Factors driving the GDP growth

- Strong domestic demand, fueled by a growing middle class and decline in poverty rates
- BPO, trade, real estate, and tourism, are expanding rapidly.
- Increased public and private investments in infrastructure.

### Key economic sectors



#### Financial services

The sector is on track for 5% growth in 2024, driven by financial inclusion and digitalisation. Declining interest rates in Q3 & Q4 2024 could boost borrowing conditions.



#### IT-BPO

The IT-BPO sector is on track to hit USD 38 bn forecasted revenue by 2024, with emerging innovations in service delivery and work models likely driving further growth.



#### Energy sector

The sector is set to grow by 7% in 2024, driven by a focus on renewable energy generation and energy security. Removing foreign ownership limits in renewables may boost growth.

Source: Asian Development Bank; Twimbit analysis

# Legal framework



## Legal Framework

Philippines is a republic with a presidential form of Government.



## Sources of Law

### 1987 Constitution

- Fundamental law of the land.
- Establishes basic framework for the three organs of state: (1) Executive; (2) Legislature; (3) Judiciary.

### Judicial Decisions

- Judicial decisions applying to or interpreting the laws or the Constitution form a part of the legal system of the Philippines.
- Only decisions of the Supreme Court establish jurisprudence and are binding on all other courts.

### Statutes

- Statutes are a main source of law in the Philippines and include:
  - Acts of Congress
  - Municipal charters
  - Municipal legislation
  - Court rules



### Executive

- Led by the President and Vice-President.
- Consists of Cabinet members appointed by the President.
- Controls all executive departments, bureaus, and offices, and ensures that laws are faithfully executed.



### Legislature

- The bicameral Congress or Kongreso consists of the Senate and the House of Representatives.
- Authorised to make, alter, and repeal laws.



### Judiciary

- Consists of the Supreme Court and such lower courts as may be provided by law.
- The courts enforce and interpret the laws.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies



- A foreign investor may conduct business or invest in all business sectors or activities in the Philippines, except for those areas reserved exclusively for Filipinos by the Constitution and other special laws.
- In accordance with Republic Act No. 7042 or the Foreign Investments Act of 1991, as amended, a Foreign Investments Negative List ("Negative List") is prepared by the National Economic Development Authority, which enumerates the areas that limit foreign participation:
- List A: Limitations on foreign ownership by mandate of the Constitution and specific laws and may be amended at any time to reflect changes in the laws.
- List B: Limitations on foreign ownership by reasons of security, defense, risk to health and morals and protection of small and medium scale enterprises. This must not be amended more often than once every two years.
- Outside of the sectors covered in the Negative List, 100% foreign ownership is allowed.

The restrictions on foreign equity set out in the 12th Negative List are as follows.


### Foreign equity restrictions

No foreign equity permitted	11 business sectors including mass media, the practice of professions, retail trade enterprises with paid-up capital of less than PhP25 million, cooperatives, small-scale mining, utilisation of marine resources, etc.
Up to 25% foreign equity permitted	2 business sectors or activities, namely, private recruitment and contracts for the construction of defence-related structures.
Up to 30% foreign equity permitted	Advertising sector
Up to 40% foreign equity permitted	<ul style="list-style-type: none"> <li>• 10 business activities or entities including ownership of condominium units or private lands, private radio communications network, procurement of infrastructure projects, educational institutions, and exploration, development and utilisation of natural resources, etc.</li> <li>• Micro and small domestic market enterprises with paid-in equity capital of less than the equivalent of USD 200,000.</li> <li>• Micro and small domestic market enterprises with paid-in equity capital of less than the equivalent of USD 100,000 if their businesses involve the introduction of advanced technology, endorsed as a startup, or employ at least 15 direct employees, majority of whom must be Filipinos, etc.</li> </ul>

**Who is a "foreign investor":** Investor that is: (a) not a Filipino citizen; and (b) not a corporation/association organised under Philippines law of which at least 60% of its capital stock is owned by Filipino citizens.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

Business Registration Requirement	Types of Business Entities	Most Common Business Vehicle for Foreign Investment	Registration Process for Corporations	Foreign Exchange Control 
<ul style="list-style-type: none"> <li>Any person who intends to carry out business activity in the Philippines must register under Philippine law. Failure to do so may result in penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Sole-proprietorship (one owner)</li> <li>Partnership (two or more owners)</li> <li>Corporation (separate personality from shareholders, including branches and subsidiaries of foreign corporations)</li> <li>Cooperative (collective, democratic ownership)</li> </ul>	<ul style="list-style-type: none"> <li>Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Register with the <b>Securities and Exchange Commission (SEC)</b> for the creation of the corporation. The SEC supervises all corporations and partnerships organised in the Philippines and handles the licensing of representative offices and branch offices. Registration involves using the SEC's eSPARC Regular and OneSEC Portals.</li> <li>Register with the <b>Bureau of Internal Revenue (BIR)</b> for corporate taxation. The BIR assesses and collects all national internal revenue taxes, fees, and charges.</li> <li>Obtain business permits from the <b>Local Government Units (LGUs)</b> of the location where the foreign investor plans to establish the business, as well as from other government agencies such as the Department of Labour and Employment and the Social Security System. The LGU where the principal office of a corporation is located will impose a local business tax (LBT) based on the gross revenue/receipts of the corporation for the immediately preceding financial year. The LBT rates vary depending on the type of business and the revenue code of the particular LGU.</li> </ul>	<ul style="list-style-type: none"> <li><b>Foreign Exchange Purchase:</b> <ul style="list-style-type: none"> <li>The Bangko Sentral ng Pilipinas (BSP) allows residents and non-residents to purchase foreign exchange (FX) from authorised agents, including: <ul style="list-style-type: none"> <li>authorised agent banks (AABs).</li> <li>Banks' subsidiary/affiliate foreign exchange corporations (AAB-forex corps).</li> <li>Non-bank entities like foreign exchange dealers (FXDs) and money changers (MCs).</li> <li>These agents facilitate legitimate foreign exchange obligations, subject to documentation requirements.</li> </ul> </li> </ul> </li> <li><b>Import/Export of Currency:</b> <ul style="list-style-type: none"> <li>Individuals may import/export legal tender Philippine notes, coins, and checks up to PHP 50,000. Beyond this limit, prior authorisation from BSP is required.</li> <li>For foreign currency, individuals can freely bring in or take out up to USD 10,000 or its equivalent in other currencies. Beyond this limit, a foreign currency declaration form is required upon arrival or departure from a Philippine port.</li> </ul> </li> </ul>

Source: Rajah & Tann, Twimbit analysis

## Trade and investment flow



**FDI decreased by 23 % to USD 9.2 bn** owing to notable acquisitions of foreign affiliates by local investors.

### Merger & Acquisitions:



The Union Bank of the Philippines acquired the Philippine consumer banking business of Citigroup (The U.S.) for **USD 1.4 bn.**



The Udenna Group acquired the exploration operation of Shell (UK) for **USD 460.0 mn.**

These reverse M&A deals contributed to reducing the equity capital component of FDI, from **USD 4.5 bn in 2021 to USD 2.9 bn .**

Source: Twimbit analysis

## Data protection and compliance



### Personal Data Protection

- Data Privacy Act of 2012 (Republic Act No. 10173), also known as the Philippine Data Privacy Act.
- Protects personal data in both public and private sectors.
- Established the National Privacy Commission, which is responsible for enforcing the law.



### Cybersecurity Regulations

- Does not have a cohesive cybersecurity law.
- Established National Cybersecurity Plan (2024–2028).
- Cybercrime Prevention Act of 2012.



### AI Regulations

- No AI laws or guidelines have been enacted and no AI draft laws.
- In 2023, a bill was proposed to establish the Artificial Intelligence Development Authority (AIDA).
- The Department of Trade and Industry launched the **National AI Roadmap** (2021).
- In 2026, the Philippines plans to propose an **ASEAN legal framework for AI** during its chairmanship of the regional bloc.

Source: Rajah & Tann, Twimbit analysis



# Singapore

“ Onward Singapore



# Singapore



Global financial Hub



Smart nation vision



#1

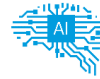
Greenest city in Asia



Singapore's vision 2030  
*Driving Innovation, Connectivity,  
and Green Initiatives*



World's most  
competitive  
economy 2024



#1

Most technology-  
ready nation (2023)



Clean and efficient



Semiconductor  
manufacturing hub



#2

Ease of doing  
business globally



SINGAPORE is a **high-income economy** built on a **business-friendly regulatory environment** and **strong investments in infrastructure, education, healthcare, and public services.**

Source: Twimbit analysis

# Singapore in numbers



Capital  
**Singapore City**



Area  
**728.6 sq km**



Population  
**5.94 million (June 2023)**



Currency  
**Singapore dollars**



Language  
**English, Malay, Mandarin, Tamil**



Ethnicity  
**Chinese Malays Indians**  
**Others**  
(including Eurasians and Expatriates)

## Economy



Real GDP  
YoY growth

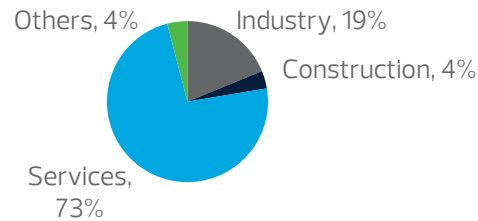
2022  
**+3.8%**

2023  
**+1.1%**

Inflation rate (2024)  
**2.9%**

## Sectors contributing to GDP

(2023)



*Shift towards service-oriented growth amidst challenges in manufacturing and global economic conditions*



Airports  
**2**



Ports  
**5**



Free Trade Zones  
**9**

**65/193**

Sustainability Index

**5/132**

Global Innovation Index Rank

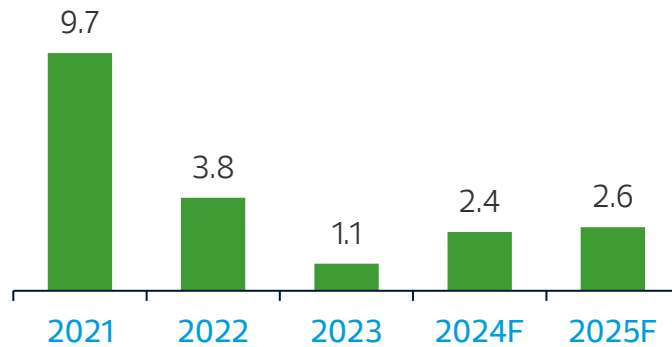
**100%**

Urbanisation

Source: Twimbit analysis

## Singapore's tourism rebounds as manufacturing slows

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Rising foreign direct investments
- Consistent growth in services industry
- Investments in AgriTech industry
- Global demand for semiconductor chips
- A robust network of free trade agreements
- A favourable regulatory environment

### Key economic sectors



#### Electronics and manufacturing

Improved performance since Q3 2023, driven by rising global semiconductor demand and AI-related chips, benefiting manufacturing and trade sectors.



#### Food and beverage, travel and hospitality

F&B and Travel-related industries are expected to see steady, gradual growth in 2024, as revenge travel tapers off.



#### Banking, financial, and commodity supplies

High-interest rates poses a challenge for businesses operating in the banking and financial domains, influencing borrowing costs, investment decisions, and overall economic activities.

Source: Asian Development Bank; Twimbit analysis

# Legal framework



## Legal Framework

Singapore is a republic with a parliamentary system of Government.



### Sources of Law

- |                               |   |
|-------------------------------|---|
| <b>Constitution</b>           | <ul style="list-style-type: none"> <li>• Supreme law of the land.</li> <li>• Establishes basic framework for the three organs of state: (1) executive; (2) legislature; and (3) judiciary.</li> <li>• The Federal and State governments have specific legislative and executive authority as provided for in the Federal Constitution.</li> </ul> |
| <b>Legislation</b>            | <ul style="list-style-type: none"> <li>• Parliament passes Federal laws that apply nationwide.</li> <li>• State laws are passed by each State Government's State Legislative Assembly and apply only within the relevant State.</li> </ul>  |
| <b>Subsidiary Legislation</b> | <ul style="list-style-type: none"> <li>• Issued under a parent statute (e.g., rules, regulations, etc.).</li> </ul>   |
| <b>Court Precedents</b>       | <ul style="list-style-type: none"> <li>• Mixed legal system of English common law, Islamic (Sharia) law, and customary law.</li> <li>• Judgments and legal principles laid down by the courts.</li> <li>• A decision of a higher court in the judicial hierarchy is binding on the judges of the lower courts.</li> </ul>                         |



### Executive

- Made up of Cabinet Ministers and office-holders and is led by the Prime Minister.
- The Cabinet and the public service agencies under its charge formulate policies and administer the running of the state.



### Legislature

- Made up of the President and a unicameral Parliament.
- The Parliament makes the laws and checks on the actions and policies of the Government and the State's finances.



### Judiciary

- Consists of the Supreme Court and the State Courts which hear civil and criminal cases, and the Family Justice Courts which hear family cases and selected criminal cases involving youth offenders.
- The courts enforce and interpret the laws.

Source: Rajah & Tann, Twimbit analysis

# Foreign investment restrictions



## Foreign Investment Policies

Open foreign investment regime

Generally, there are no restrictions against or controls over foreign investments except in the following sectors:

### Broadcasting companies

- Any foreign entity or foreign individual cannot control  $\geq$  49% of shares or voting power.
- Approval from the Minister or regulator is required for:
  - acquisition of substantial shareholdings, or control of shareholdings and voting power.
  - funding from any foreign entity or foreign individual to finance any broadcasting service by a broadcasting company.

### Newspaper companies

- Must have two classes of shares, namely:
  - Management shares (Can only be issued or transferred to Singapore citizens or a corporation that has been approved by the Minister in writing).
  - Ordinary shares.
- Approval from Minister is required for:
  - acquisition of substantial shareholdings, or control of shareholdings and voting power.
  - funding from any foreign entity or foreign individual.

### Real estate

- A foreign entity or foreign individual **cannot own** landed residential property.
- Any transfer or sale of a landed residential property to a foreign entity or foreign individual must be approved under the Residential Property Act 1976.
- A housing developer who is a foreign entity or foreign individual must apply for a Qualifying Certificate to purchase vacant residential land to construct flats or dwellings for sale. The foreign housing developer is subject to additional conditions under the Qualifying Certificate regime.

### Other sectors

- Investments in key sectors like finance, postal, telecom, and legal in Singapore require regulatory approval for acquiring shares beyond a certain threshold and may need licensing

### Entities critical to national security interests

- The Significant Investments Review Act was enacted and came into force on 6 February 2024. The Office of the Significant Investment is already operational under the Ministry of Trade and Industry (MTI), subjecting designated entities critical to Singapore's national security interests ("designated critical entities") to ownership and control requirements.
- The new investment regime will apply to both local and foreign investors of selected designated critical entities which are not caught by existing sectoral legislation.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Mandatory Registration

All businesses must register under Singapore law to avoid penalties.

### Business Entity Types

- Sole Proprietorship, Partnership
- Company or Foreign Branch
- Limited Liability Partnership (LLP)
- Limited Partnership (LP)
- Variable Capital Company (VCC)

Accounting and Corporate Regulatory Authority ("ACRA") regulates the registration of business entities

### Most Common Form

Company limited by shares.

### Registration Process

Online via BizFile+ (ACRA's system)

### Foreign Investors

- **Representative Office (RO):** Option for temporary setup to assess Singapore's business environment.
- **RO Activities:** Limited to research, assessment, no direct business operations allowed.

## Foreign Exchange Control



- No exchange control restrictions on the movement of funds in and out of Singapore.
- There is however a reporting requirement if physical currency brought into or out of Singapore exceeds SGD20,000.

Source: Rajah & Tann, Twimbit analysis

## Trade and investment flow



**FDI grew by 10% to a record USD 141 bn,**  
driven by manufacturing and  
wholesale/retail trade

**Finance and Insurance:**  
Largest recipient  
**USD 49.0 bn**



Manufacturing



Wholesale &  
Retail trade



Finance &  
Insurance



Accounted  
for  
**75%**  
of the inflows

- Attracted significant digital economy investments, and MNEs established regional headquarters.
- The UK saw the largest increase, from USD 5.5 bn in 2021 to USD 8.7 bn in 2022, with equity capital rising to USD 8.3 bn.
- China (Hong Kong) FDI rose **190% to USD 7.2 bn**
- Japan's increased **37% to USD 17 bn**

### The top five FDI sources

US, Japan, UK, China (Hong Kong), and China  
**accounted for 45% of inflows**

Source: A special ASEAN investment report 2023

## Data protection and compliance



### Personal Data Protection

- Personal Data Protection Act (enacted in 2012 and updated in 2020).
- The 2020 amendments, introduced mandatory data breach notifications and increased penalties up to SGD 10 mn for non-compliance.
- Applies to all private sector organisations handling personal data, regardless of location, while public sector data is regulated separately.



### Cybersecurity Regulations

- Cybersecurity Act (enacted in 2018) and amendments made in 2024
- Cybersecurity Bill (2024):
  - Encompassed a wider range of entities and computer systems.
  - Introduced two new categories: Entities of Special Cybersecurity Interest (ESCI): Organisations with sensitive data or national functions may be designated ESCI.
  - Foundational Digital Infrastructure (FDI): Essential digital infrastructure providers, like cloud services, and data centers will be regulated under FDI.
  - Imposed higher civil penalties: up to 10% of annual turnover.



### AI Regulations

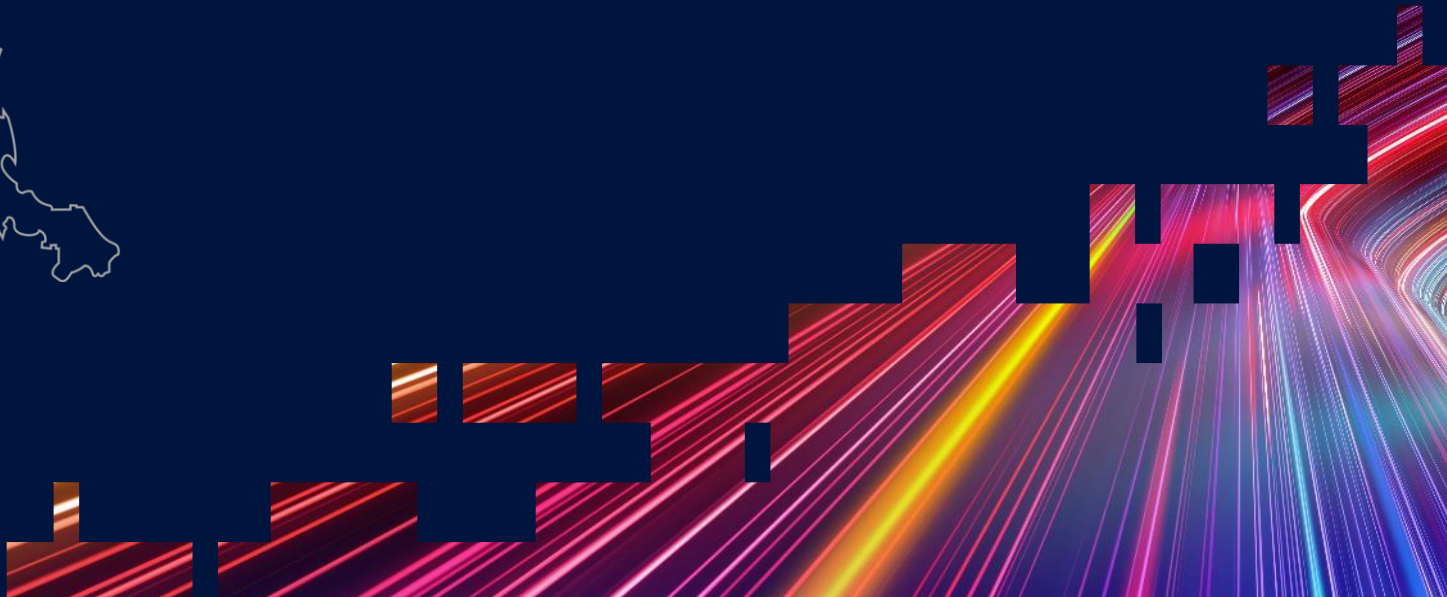
- No specific AI laws or regulations are enacted.
- No draft AI laws or regulations.
- **AI Guidelines:** Developed various voluntary frameworks and guidelines to promote the responsible use of AI, including:
  - Model AI Governance Framework (first released in 2019, updated in 2020).
  - AI Verify (2022), an AI governance testing framework and toolkit.
  - Proposed Model AI Governance Framework for Generative AI (Jan 2024).
- **National AI Strategy:** Enacted in 2019 and an updated version, NAIS 2.0, was launched in December 2023.
  - The updated strategy outlines long-term AI goals across industry, government, research, talent, capabilities, computing, data, and trusted environment.
  - The government plans to invest over SGD 1 bn in AI computing, talent, and industry development over the next five years (2025–2030).

Source: Rajah & Tann, Twimbit analysis



# Thailand

“ Nation, Religion, King



# Thailand



Leading nation for solar energy production



Largest automotive manufacturer in Southeast Asia



**#2**  
Largest economy in Southeast Asia



Leading exporter of seafood



Leading destination for medical tourism



**#2**  
Largest exporter of rice



Leading exporter of orchids



Home to 10% of the world's animal species



**#21**  
Ease of doing business globally



THAILAND, located in Southeast Asia, features diverse landscapes from northern mountains to central plains and southern coastlines. Thailand is a global leader in the **automotive industry**, often referred to as the **"Detroit of Asia,"** due to its extensive automobile manufacturing and export capabilities.

Source: Twimbit analysis

# Thailand in numbers



Capital  
**Bangkok**



Area  
**513,120 sq km**



Population  
**71,800,000 (2023)**



Currency  
**Thai Baht (THB)**



Language  
**Thai (official), English, Chinese dialects**



Ethnicity  
**Thai**      **Burmese and others**

## Economy



Real GDP  
YoY growth

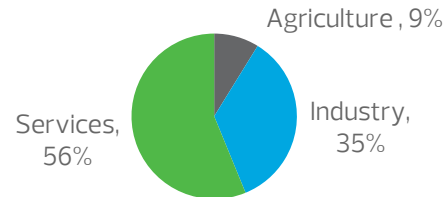
2022  
**+2.5%**

2023  
**+1.9%**

Inflation rate (2024)  
**0.7%**

## Sectors contributing to GDP

(2023)



*Thailand's economy is shifting from the pandemic, with tourism recovering and growth driven by the "Thailand 4.0" strategy focused on infrastructure and high-tech investments.*



Airports  
**38**



Ports  
**8**



Free Trade Zones  
**10**

**45/193**

Sustainability Index

**43/132**

Global Innovation Index Rank

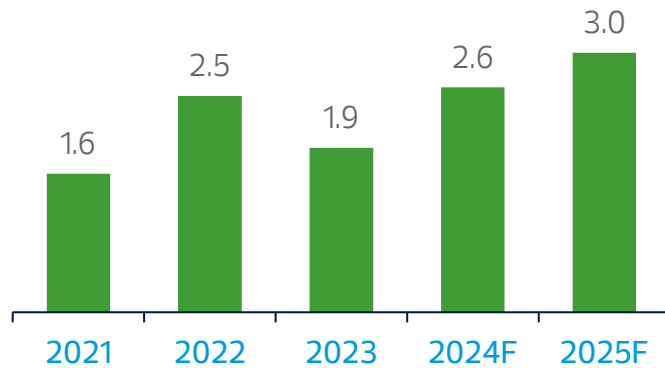
**54%**

Urbanisation

Source: Twimbit analysis

## Thailand's health expenditure soars with increased focus on medical tourism

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Boost in private consumption, particularly in the service and tourism sectors
- Increased public expenditure and investment initiatives by the Government
- Export Recovery and Low Inflation led increased consumer spending

### Key economic sectors



#### Healthcare

Thailand's health expenditure is projected to grow at 7.1% CAGR from 2023 to 2028, driven by digital health adoption and expanded medical tourism.



#### Tourism

The sector is set to attract 36 mn tourists in 2024, contributing USD 62.0 bn to the economy. In 2023, Thailand relaxed medical visas for foreigners to attract more medical tourists



#### Fintech

Fintech startups increased from 97 in 2020 to 107 in 2023, driven by a thriving blockchain vertical fueled by the growing popularity of digital currency

Source: Asian Development Bank; Twimbit analysis

# Legal framework



## Legal Framework

Thailand is a constitutional monarchy with the monarch as head of the state and the Prime Minister as the head of government.



## Sources of Law

- |                               |  |
|-------------------------------|--|
| <b>Constitution</b>           | <ul style="list-style-type: none"> <li>• Prevails over other laws.</li> <li>• Establishes basic framework for the three organs of state: (1) executive; (2) legislature; (3) judiciary.</li> </ul>   |
| <b>Court Precedents</b>       | <ul style="list-style-type: none"> <li>• Although court decisions do not generate binding precedent, rulings are significantly influenced by decisions of higher courts and other past rulings or legal interpretations.</li> </ul>                            |
| <b>Legislation</b>            | <ul style="list-style-type: none"> <li>• Acts, statutes and codes adopted by the National Assembly, take precedence over subordinate legislation.</li> <li>• Royal Decrees and Emergency Decrees also take precedence over subordinate legislation.</li> </ul> |
| <b>Subsidiary Legislation</b> | <ul style="list-style-type: none"> <li>• Subordinate legislation includes, for example:             <ul style="list-style-type: none"> <li>– Government regulation</li> <li>– Royal Ordinances</li> </ul> </li> </ul>  |



## Executive

- Led by the monarch as the head of state and the Prime Minister as the head of government.
- Consists of the Council of Ministers who are nominated by the Prime Minister and appointed by the monarch.
- Responsible for the administration and management of various government agencies and departments, and the formulation of policies.
- Allowed to submit bills to the National Assembly for consideration.



## Legislature

- The bicameral National Assembly or Ratthasapha consists of the Senate and the House of Representatives.
- The House of Representatives is the primary legislative house of the government of Thailand.



## Judiciary

- Consists of four distinct court systems, including the Court of Justice.
- The Court of Justice has general jurisdiction over civil and criminal matters.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies

Welcomes foreign investment.  
Some sectors are subject to foreign equity restrictions

#### List One

Foreign companies\* are subject to the conditions set out below to operate a business in certain prescribed business sectors which: (1) are related to national safety or security; (2) have impacts on arts, culture, traditions, customs and folklore handicrafts; and (3) have impacts on natural resources or the environment.

#### List Two

Foreign companies\* are subject to the conditions set out below to operate a business in certain prescribed business sectors which: (1) are related to national safety or security; (2) have impacts on arts, culture, traditions, customs and folklore handicrafts; and (3) have impacts on natural resources or the environment:

- Obtain a license from the Department of Business Development ("DBD") of the Ministry of Commerce, along with an approval from the Thai Cabinet; and
- Be at least 40% owned by Thai nationals or Thai juristic persons (the 40% threshold may be lowered by the Minister with the approval of the Council of Ministers).

#### List Three

Foreign companies\* must obtain a license from the director general of the DBD, along with approval from the Foreign Business Committee to operate various types of businesses which Thai nationals are not ready to compete with foreign parties, including businesses relating to:

- Advertising.
- Hotel (except hotel management services).
- Retail sale of goods (unless the company's registered capital is THB100 million or more or the minimum capital of each store is THB20 million or more).
- Sale of food and beverages.
- Construction (with some exceptions).
- Service businesses (except certain service activities provided to their subsidiaries/affiliated companies, or as otherwise excluded by Ministerial).

\***Foreign company:** A company that is not registered in Thailand or if it is registered in Thailand but at least half of its capital is held by non-Thai natural or juristic persons. Further restrictions on foreign ownership in specific sectors, such as telecommunications, banking, or insurance, are regulated in specific laws pertaining to these sectors.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Business Entities Types

- **Partnerships:** Includes ordinary partnerships and limited partnerships.
- **Companies:** Includes private limited companies and public companies.
- **Branch of Foreign Company**
- **Representative or Regional Office**

### Most Common Business Vehicle for Foreign Companies

Private limited company (for most types of business activity).

### Incorporation Process for Limited Companies

- The Department of Business Development (DBD) regulates the registration.
- The process involves reserving a company name, filing and registering a Memorandum of Association, Articles of Association, and other incorporation documents.
- At least two natural persons (promoters) are required to establish a private limited company.

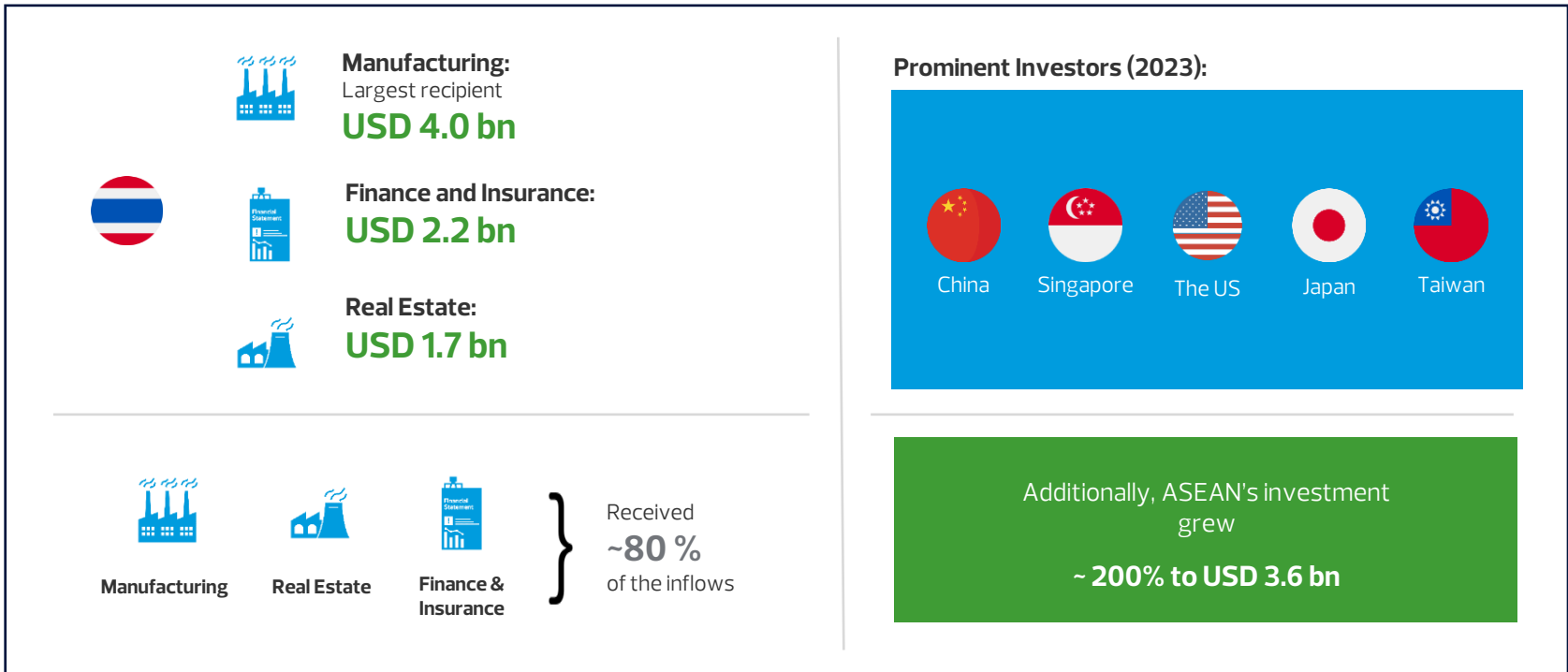
### Foreign Exchange Control



- No exchange control regulations to limit the amount of foreign currency and the number of Thai Baht bank notes that may be brought into Thailand.
- A person must report to Thai Customs officers when he physically brings Thai Baht bank notes or foreign currency notes exceeding THB 450,000 or USD 15,000 into or out of Thailand.

Source: Rajah & Tann, Twimbit analysis

## Trade and investment flow



Source: A special ASEAN investment report 2023

## Data protection and compliance



### Personal Data Protection

- The Personal Data Protection Act came into full effect in Jun 2022.
- It is closely modeled after the EU's General Data Protection Regulation and has extraterritorial scope.



### Cybersecurity Regulations

- Cybersecurity Act B.E. 2562 (2019).
- Regulating Authority: Cyber Security Regulatory Committee and National Cyber Security Committee.
- Computer Crime Act (No. 2) B.E. 2560 (2017): Enacted to address various cyber offenses and illegal dissemination of data.



### AI Regulations

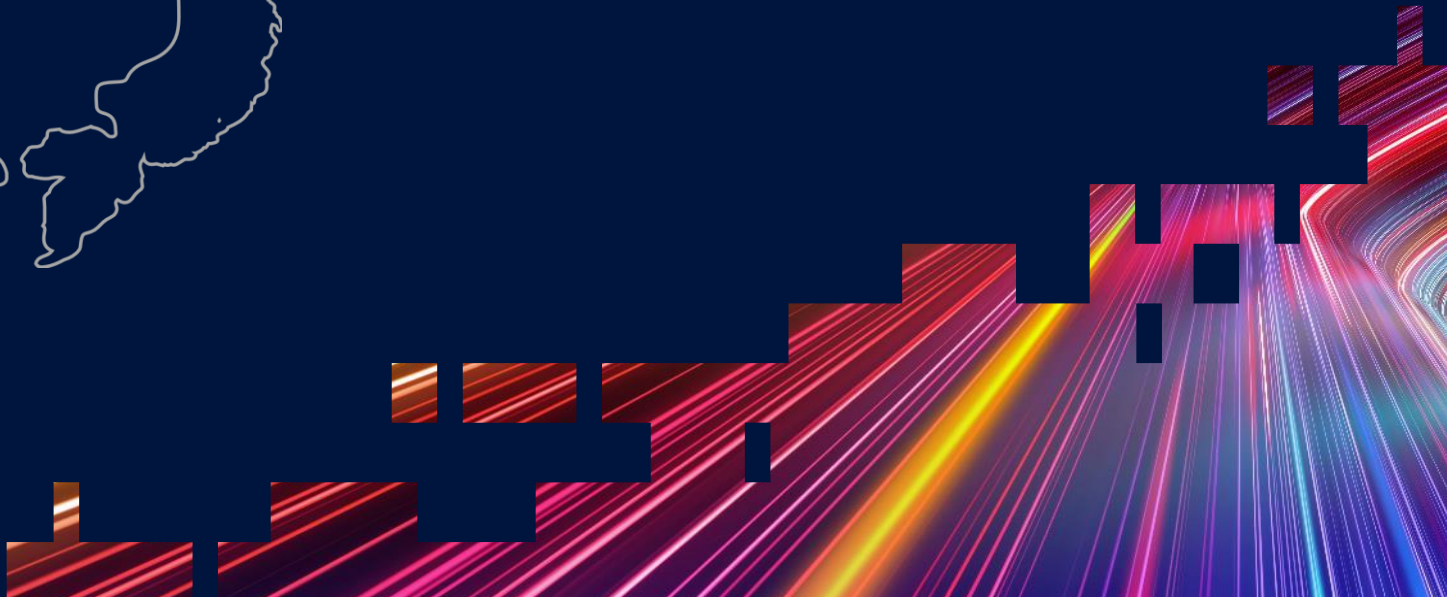
- No specific AI laws or regulations are enacted.
- **Draft AI Regulations:**
  - Act on Promotion and Support of National AI Innovation: Promotes AI innovation through a regulatory sandbox and data sharing.
  - Royal Decree on AI System Service Business: Adopts a risk-based approach for AI system oversight.
  - AI Ethics Guidelines: ensures ethical AI use in the public sector.
- **National AI Strategy and Action Plan (2022–2027)**
  - Aims to establish Thailand as a leading AI hub in Southeast Asia.
  - Plans to integrate AI majorly into healthcare and manufacturing sectors.

Source: Rajah & Tann, Twimbit analysis



# Vietnam

“ Independence, Freedom,  
Happiness



# Vietnam



Highest densities of motorbikes per capita



Leading exporter of agricultural products



#2  
Largest exporter of coffee



Biodiversity hotspot



Leading textile and garment exporter



#3  
Largest rice exporter



Home to 54 ethnic groups



Fastest-growing telecommunications sector in the world



#70  
Ease of doing business globally



VIETNAM is located on the eastern edge of the Indochinese peninsula in Southeast Asia. Vietnam is a **burgeoning tech manufacturing hub**, known for its rapid ascent in the global electronics supply chain, producing a significant share of the world's **smartphones and electronics**.

Source: Twimbit analysis

# Vietnam in numbers



Capital  
**Hanoi**



Area  
**331,212 sq km**



Population  
**100,300,000 (2023)**



Currency  
**Vietnamese Dong**



Language  
**Vietnamese, Khmer, English, French, Chinese**



Ethnicity  
**Kinh (Vietnamese)** Others include Thai, Khmer, Nung, Mong

## Economy



Real GDP  
YoY growth

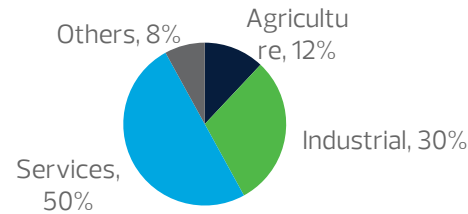
2022  
**+8.1%**

2023  
**+5.0%**

Inflation rate (2024)  
**3.8%**

## Sectors contributing to GDP

(2023)



Vietnam's economy is shifting from agriculture to a focus on manufacturing and services, with industry and services now leading GDP growth. The country has become a major hub for foreign investment.



Airports  
**45**



Ports  
**44**



Free Trade Zones  
**18**

**54/193**

Sustainability Index

**46/132**

Global Innovation Index Rank

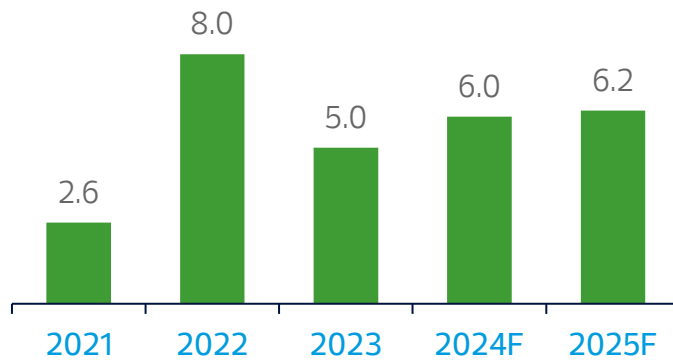
**39%**

Urbanisation

Source: Twimbit analysis

## Vietnam's manufacturing sector resurges with increased FDI in electronics

Real GDP growth, 2021–2025F (%)



### Factors driving the GDP growth

- Improved transportation, energy, and communication network infrastructure.
- Increased FDIs in energy, manufacturing, and real estate sectors.

### Key economic sectors



#### Information technology

The technology value chain is strengthening, particularly in chip manufacturing and high-tech projects, making it a promising area for investment and development.



#### Electricity and energy

The sector is expected to grow significantly, particularly in renewable energy sources like LNG as part of Vietnam's green transformation strategy.



#### Manufacturing

The sector is experiencing a resurgence, with a notable increase in FDI, particularly in **electronics and components**.

Source: Asian Development Bank; Twimbit analysis

# Legal framework



## Legal Framework

Vietnam is a socialist republic with a one-party system.



## Sources of Law

### Constitution

- Fundamental law of Vietnam.
- All other legal instruments must conform to the Constitution
- Establishes basic framework for the three organs of state: (1) legislature, (2) executive; (3) judiciary.

### Court Precedents

- Certain judgments selected by the Council of Judges of the Supreme People's Court will be adopted as precedents for application by other courts.
- Cases with similar facts need to apply the precedent to ensure consistency with the results. Any deviation by a judge from the precedent must be explained.



### Executive

- Made up of the Government that is the executive branch of the National Assembly.
- The Government is elected by the National Assembly and led by the Prime Minister.
- Highest organ of state administration.



### Legislature

- Made up of the unicameral National Assembly.
- The National Assembly enacts and amends the Constitution and laws, supervises the Government and other holders of public powers, and appoints members of the judiciary.



### Judiciary

- The People's Court consists of the Supreme People's Court, the People's High Court, Provincial People's Courts, District People's Courts and Military Courts that enforce laws and justice.

Source: Rajah & Tann, Twimbit analysis

## Foreign investment restrictions

### Foreign Investment Policies

The law on Investment (“LOI”) is the key law governing foreign investment, regulating the establishment of investment projects and investment activities in Vietnam. There are also specific regulations governing foreign investment for certain industry sectors.



Foreign investors are entitled to carry out investment activities in business lines that are not banned by the LOI. They enjoy the same market access conditions as applied to Vietnamese investors, subject to business lines in the “negative list” set by the Government (currently under Decree 31/2021/ND-CP (“Decree 31”)).

There are two types of negative lists:

#### Prohibited List

Foreign investors are not allowed to invest 25 sectors set out in Decree 31. These sectors include press activities, news collection activities, public postal services, fishing, industrial property representative services and intellectual property assessment service, merchandising trade of goods, etc.

#### Conditional List

Foreign investments are only allowed in a list of 58 sectors prescribed in Decree 31 if the relevant market access conditions are satisfied. The market access conditions are published by the Ministry of Planning and Investment on the National Investment Portal. Sectors which are subject to restricted market access include education services, advertising services, manufacturing and distributing media products (including video recordings), tourism services, health and social services, logistics services, e-commerce activities, etc.

In addition to the above Prohibited List and the Conditional List which are applicable to foreign investments, a foreign investor should find out whether the sector that it is investing in is subject to a set of general requirements on investments which apply to **both domestic and foreign investments**. These include a separate list of **sectors which are closed for investments or subject to market access conditions**.

Source: Rajah & Tann, Twimbit analysis

## Starting a business

### Forms of Direct Investment

Forms of Direct Investment	Key Features
<b>100% Foreign-Owned Company (FOC)</b>	<ul style="list-style-type: none"> <li>- Foreign investor owns 100% of the company's capital.</li> <li>- Requires an Investment Registration Certificate (IRC) and Enterprise Registration Certificate (ERC).</li> <li>- IRC and ERC require approval from relevant authorities, often the Department of Planning and Investment.</li> </ul>
<b>Joint Venture Company (JVC)</b>	<ul style="list-style-type: none"> <li>- Partnership between foreign and domestic investors.</li> <li>- Also requires IRC and ERC, similar to FOC.</li> </ul>
<b>Business Cooperation Contract (BCC)</b>	<ul style="list-style-type: none"> <li>- Involves a contract with a local party without incorporating a company.</li> <li>- IRC is required for BCC involving foreign investors.</li> </ul>

### Company Structures for FOC or JVC

- **Limited Liability Company:** Most common form; can be incorporated with 1 to 50 members.
- **Joint Stock Company:** Requires at least three shareholders.
- **National Business Registration Portal (NBRP):** Acts as the official database for all registered enterprises in Vietnam.

### Foreign Exchange Control



- Foreign exchange is heavily regulated. All buying, selling, lending and transfer of foreign currency are required to be made through the Direct Investment Capital Account in credit and other financial institutions, authorised by the State Bank of Vietnam.

Source: Rajah & Tann, Twimbit analysis

## Trade and investment flow

**In 2022, FDI increased to USD 18.0 bn**



### **Manufacturing**

The electrical and electronics industries bagged the most investment.

### **Prominent Investors:**



China



Japan



Korea

Greenfield investment  
announcements  
rose **120 %** to **USD  
26.0 bn**

Source: A special ASEAN investment report 2023

## Data protection and compliance



### Personal Data Protection

- Personal Data Protection Decree (July 2023).
- Outlines strict requirements for transferring personal data outside Vietnam.
- Anticipated to establish a Law on Personal Data Protection (PDP Law).



### Cybersecurity Regulations

- Vietnam's National Assembly passed The Law on Cybersecurity in June 2018 and took effect in January 2019.
- Additionally, Decree 53, issued in August 2022, mandates data localisation for domestic and certain foreign companies in sectors like telecommunications, e-commerce, and online payments.



### AI Regulations

- No specific AI laws or regulations are enacted.
- **Draft AI Regulations:**  
In July 2024, released a draft digital technology industry law for public consultation.
  - Ethical principles for AI development, deployment, and application will be issued by the ministry.
  - AI-created digital products must be labeled to identify artificial output.
  - AI systems will be classified by risk level based on their impact on health, rights, safety, and critical infrastructure.
- **National AI Strategy:**
  - National Policy on Research, Development, and Application of Artificial Intelligence by 2030 (released in 2021).
  - It includes building AI research centers, developing AI legal documents and regulations by 2030.

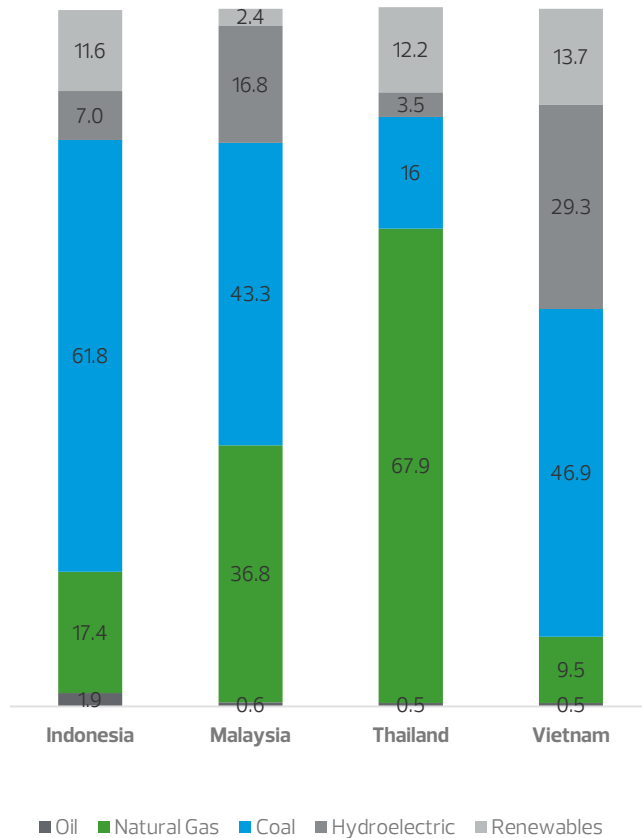
Source: Rajah & Tann, Twimbit analysis



# ESG Practices

## Renewable energy surge: ASEAN's transition to a greener future




The energy mix of selected ASEAN Member States, by fuel source, 2023 (percent)



Country	Transition target (% of renewables in energy mix)	Target year
<b>Brunei Darussalam</b>	30	2035
<b>Cambodia</b>	65	2030
<b>Indonesia</b>	23	2025
<b>Laos</b>	30	2025
<b>Malaysia</b>	31 40	2025 2035
<b>Myanmar</b>	39	2030
<b>Philippines</b>	35 50	2030 2040
<b>Singapore</b>	30	2035
<b>Thailand</b>	30	2037
<b>Vietnam</b>	32 44	2030 2050




Source: Statistical Review of World Energy 2023; Twimbit analysis; A special ASEAN investment report 2023

## Notable ESG practices in ASEAN

Country	Main Policies/Regulation/ Action			Notable ESG Practices
	Environmental	Social	Governance	
 <b>Brunei</b>	<ul style="list-style-type: none"> <li>• Brunei Darussalam Climate Change Policy (BNCCP) (2020).</li> <li>• Net-Metering Program.</li> </ul>	<ul style="list-style-type: none"> <li>• Employment Order 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• National Economic Blueprint.</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a carbon-credit model and determining the pricing of carbon credits.</li> </ul>
 <b>Cambodia</b>	<ul style="list-style-type: none"> <li>• National Strategic Plan on Green Growth (2013-2030).</li> <li>• Long-Term Strategy for Carbon Neutrality (LTS4CN).</li> </ul>	<ul style="list-style-type: none"> <li>• National policy on lifelong learning</li> <li>• Law on minimum wage.</li> </ul>	<ul style="list-style-type: none"> <li>• Cambodian Sustainable Finance Principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented capacity building initiatives like: Cambodia Sustainable Agriculture Summit and Cambodia Climate Change Summit.</li> <li>• Plans to issue green bonds.</li> </ul>
 <b>Indonesia</b>	<ul style="list-style-type: none"> <li>• Indonesia Green Taxonomy.</li> <li>• Just Energy Transition Partnership (JETP).</li> <li>• Long-Term Strategy for Low Carbon and Climate Resilience 2050.</li> <li>• Sustainable Finance Roadmap Phase II (2021-2025).</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of Indonesian Migrant Workers Law 2017.</li> <li>• Domestic Worker Protection Bill.</li> </ul>	<ul style="list-style-type: none"> <li>• Climate finance and technology transfer are essential for meeting UN SDGs.</li> <li>• National standards for green bonds, sustainable finance, ombudsman, wage policies, social security, non-discrimination.</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting investments in EV sectors.</li> <li>• Constructed Southeast Asia's largest solar power plant.</li> <li>• Promoted the use of hybrid financing, green bonds, and green sukuk.</li> <li>• Energy Transition Mechanism Project</li> </ul>



Source: ESG practices in ASEAN and Korea report 2023; A guide to renewable energy in Southeast Asia by Rajah & Tann; Twimbit analysis

## Notable ESG practices in ASEAN

Country	Main Policies/Regulation/ Action			Notable ESG Practices
	Environmental	Social	Governance	
 Laos	<ul style="list-style-type: none"> <li>National Green Growth Strategy 2030.</li> <li>National Biodiversity Strategy and Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly minimum wage has been gradually increased</li> <li>Fourth National Plan of Action on Gender Equality (NPAGE).</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Framework.</li> <li>Sustainability reporting is not mandatory.</li> </ul>	<ul style="list-style-type: none"> <li>International financing requirements and changing market expectations are driving ESG adoption among companies in Lao PDR.</li> </ul>
 Malaysia	<ul style="list-style-type: none"> <li>Climate Change and Principle-Based Taxonomy (CCPT).</li> <li>Low Carbon Mobility Development Plan (2021-2030).</li> </ul>	<ul style="list-style-type: none"> <li>Malaysia Shared Prosperity Vision 2030</li> <li>Productivity Linked Wage System (PLWS).</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability reporting is mandatory for PLCs.</li> <li>Code of Corporate Governance.</li> </ul>	<ul style="list-style-type: none"> <li>CCPT 's qualitative approach to describing climate-related activities has been successful.</li> </ul>
 Myanmar	<ul style="list-style-type: none"> <li>Myanmar Climate Change Strategy (MCCS) 2018-2030.</li> <li>New Environment Policy 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Myanmar Sustainable Development Plan (MSDP) 2018-2030.</li> </ul>	<ul style="list-style-type: none"> <li>Companies Law 2018.</li> <li>Myanmar is yet to develop its own code of conduct.</li> </ul>	<ul style="list-style-type: none"> <li>Operates 62 hydropower stations.</li> </ul>

Source: ESG practices in ASEAN and Korea report 2023; A guide to renewable energy in Southeast Asia by Rajah & Tann; Twimbit analysis

## Notable ESG practices in ASEAN

Country	Main Policies/Regulation/ Action			Notable ESG Practices
	Environmental	Social	Governance	
 Philippines	<ul style="list-style-type: none"> <li>National Climate Change Action Plan 2011–2030.</li> <li>The Electric Power Industry Reform Act (EPIRA).</li> <li>Renewable Energy Act 2008.</li> </ul>	<ul style="list-style-type: none"> <li>Migrant Workers and Overseas Filipinos Act of 1995.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability reporting is mandatory for PLCs.</li> <li>ESG Taxonomy is being developed.</li> </ul>	<ul style="list-style-type: none"> <li>Taking steps to improve the current reporting standards to ensure that they are aligned with international best Practices.</li> <li>EPIRA restructured the power industry, privatised assets, and created WESM, RCOA, and ERC* for oversight.</li> </ul>
 Singapore	<ul style="list-style-type: none"> <li>Singapore Green Plan 2030</li> <li>Carbon Tax:                              SGD 5/ton (2019–2023),                              SGD 25/ton (2024–2025),                              SGD 50–80/ton by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Progressive Wage Model (PWM).</li> <li>Local qualifying salary (LQS) requirement.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability reporting is mandatory for PLCs.</li> <li>ESG Taxonomy is being developed.</li> </ul>	<ul style="list-style-type: none"> <li>Introduced whistle-blowing platforms.</li> <li>Launched ESGenome, a disclosure portal for companies to report ESG data in a structured and efficient manner.</li> <li>Launched National AI Office.</li> <li>Half way to achieving its goal of 2GWp of solar capacity by 2030.</li> <li>Solar panels installed across 1,075 HDB blocks and 104 government sites.</li> </ul>

Source: ESG practices in ASEAN and Korea report 2023; A guide to renewable energy in Southeast Asia by Rajah & Tann; Twimbit analysis

## Notable ESG practices in ASEAN

Country	Main Policies/Regulation/ Action			Notable ESG Practices
	Environmental	Social	Governance	
 Thailand	<ul style="list-style-type: none"> <li>• Bio-Circular Green (BCG) Economy.</li> <li>• Climate Change Master Plan (2015–2050).</li> <li>• The Alternative Energy Development Plan (2018–2037) aims to increase RE to 30% by 2037.</li> </ul>	<ul style="list-style-type: none"> <li>• National Action Plan on Business and Human Rights (NAP) (2019–2022).</li> <li>• Minimum wage rate increased by an average of 5% in 2022.</li> </ul>	<ul style="list-style-type: none"> <li>• Thailand Taxonomy (first draft)</li> </ul>	<ul style="list-style-type: none"> <li>• 37 Thai companies were included in S&amp;P Global's Sustainability 2023 and 12 companies were awarded Gold Class.</li> <li>• Key focus on Carbon trading.</li> </ul>
 Vietnam	<ul style="list-style-type: none"> <li>• One Strategic Framework for Sustainable Development Cooperation.</li> <li>• National Climate Change Strategy 2050.</li> </ul>	<ul style="list-style-type: none"> <li>• National Strategy on Gender Equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability reporting is mandatory for PLCs.</li> <li>• Law on Access to Information 2018.</li> </ul>	<ul style="list-style-type: none"> <li>• Start-ups are playing a vital role in the fight against climate change by developing climate solutions.</li> <li>• Introduced Green Credit for Banking Systems.</li> </ul>

Source: ESG practices in ASEAN and Korea report 2023; A guide to renewable energy in Southeast Asia by Rajah & Tann; Twimbit analysis









# Business entity Requirements and Regulations







For six selected countries









## Business entity requirements and regulations

	 Singapore	 Vietnam	 Indonesia	 Malaysia	 Thailand	 Philippines
<b>Common Business Entity Structure</b>	Private Limited Company	Limited Liability Company ("LLC") or Joint Stock Company ("JSC")	Foreign investment company or PT PMA	Sendirian Berhad or Sdn. Bhd.	Private Limited Company	Corporation
<b>Director/Legal Representative</b>	Minimum One Director who resides in Singapore by having a place of residence in Singapore	Minimum One Legal Representative who resides in Vietnam by having a place of residence in Vietnam	Minimum One Director and One Commissioner (may require Indonesian nationals for certain business activities). At least one Director should be tax resident because of the requirement for Tax Registrations for the Company. The tax resident director can be foreign (if already tax resident) or an Indonesian.	Minimum One Director who resides in Malaysia by having a place of residence in Malaysia	Minimum One Director who resides in Thailand by having a place of residence in Thailand/ Foreign Director (Depending on the business activities)	<ol style="list-style-type: none"> <li>1. Minimum Two Directors (Majority must reside in Philippines)</li> <li>2. Minimum 3 office holders               <ol style="list-style-type: none"> <li>(i) President holding at least 1 share</li> <li>(ii) Corporate Secretary (must be a citizen of Philippines)</li> <li>(iii) Treasurer holding at least 1 share (must be a citizen of Philippines)</li> </ol> </li> </ol>
<b>Company Secretary</b>	Yes	No	No	Yes	No	Yes







## Business entity requirements and regulations

	 Singapore	 Vietnam	 Indonesia	 Malaysia	 Thailand	 Philippines
<b>Minimum Shareholder Requirement</b>	One Can be Individual or Corporation	One Individual or Corporation for LLC and Three individual(s) and/or corporation((s) for JSC	Two Can be individual(s) and/or corporation((s)	One Can be Individual or Corporation	Two Can be individual(s) and/or corporation((s)	i) Two individual(s) and/or corporation((s); OR  ii) A One Person Corporation (OPC). The single shareholder must be a natural person, trust, or an estate.
<b>Can the Entity be 100% owned by a Foreigner or Foreign Corporation?</b>	Yes	Yes	Yes Unless it is subject to a specific limitation under the Positive Investment List (most business sectors are open for 100% foreign ownership). That said, there must be 2 shareholders, although these shareholders can be part of the same group (e.g. 99.9% owned by one group entity and 0.1% owned by another entity in that same group).	Yes For the set up purpose, but subject to specific licensing requirements.	Yes For non-restricted business to foreigner under the Foreign Business Act (FBA), e.g. manufacturing, export, etc. For restricted business under the FBA, the company will need to obtain a Foreign Business License or foreign business certificate or BOI promotion to be 100% owned by foreigner, otherwise the majority of shares in the company must be owned by a Thai shareholder which means foreigners can only hold up to 49% of the Thai company	Yes unless the industry is included in the Foreign Investment Negative List







## Business entity requirements and regulations

	 Singapore	 Vietnam	 Indonesia	 Malaysia	 Thailand	 Philippines
<b>Minimum Capital Requirement for setting up</b>	\$1	Minimum investment capital is not required unless the registered business activities fall within certain categories such as real estate and banking etc.	IDR10 billion	RM1.00	Minimum capital required by Thai law is THB 15 but it's recommended that the initial registered capital should not be lower than THB 100,000 to cover the cost of business operations.	Capital requirements are dependent on the nature of business. For example, minimum capital of USD500,000 is required for retail trade of goods in Philippines
<b>Registered Office</b>	Yes (Virtual Office is allowed)	Yes (Virtual Office is allowed)	Yes (Virtual Office is allowed for most business activities)	Yes (Virtual Office is allowed)	Yes (Virtual office is not allowed for VAT registrants)	Yes (Virtual Office is allowed)

## Business entity requirements and regulations

	 Singapore	 Vietnam	 Indonesia	 Malaysia	 Thailand	 Philippines
<b>Basic License Required to Operate the Business</b>	Upon obtaining the certificate of incorporation of the Singapore company, there is no additional license required to commence business unless the Singapore company engages in specific activities such as financial services etc.	Upon obtaining the certificate of incorporation of the Vietnam company, there is no additional license required to commence business unless the Vietnam company engages in specific activities such as financial services, education services, foods, retailing, chemicals, oil/ gas business etc.	Yes, Business licencing requirements will depend on the business risk level (i.e., low risk, mid-low risk, mid-high risk and high risk). Generally, there are three types of licensing depending on the risk level: 1) Single Business Identity Number (NIB) – for all. 2) Standard Certificate – for mid-low risk and mid-high risk. 3) Licenses/permits – for high risk, depending on the business activity.	Yes, Upon obtaining the certificate of incorporation of the Malaysia company, there may be additional licenses required: 1) General business license which is applicable to all businesses. 2) Specific licenses which depends on the industries or sectors.	Upon obtaining the certificate of incorporation of the Thai company, there is no additional license required to commence business unless the Thai company engages in business activities restricted to foreign nationals under Thai law, or business that requires specific license (e.g., factory license, restaurant license, hotel license, etc.).	Yes, some of the licences/registrations required are : 1) Mayor’s Business Permit 2) Certification of Registration – Bureau of Internal Revenue 3) Social Security System 4) Philippine Health Insurance corporation 5) Home Development Fund
<b>Is it mandatory to have a separate bank account to receive capital contribution which is different from a business account?</b>	No	Yes 1. Capital bank account for making capital contribution; and 2. Operation account for daily business transaction and operation.	No	No	No	No

## Business entity requirements and regulations

	 Singapore	 Vietnam	 Indonesia	 Malaysia	 Thailand	 Philippines
<b>Audit Required for Financial Statements Submitted to Authorities:</b>	<p>Yes Unless the Singapore company is qualified for audit exemption.</p> <p>A private limited company that meets any 2 of the following 3 criteria will qualify for audit exemption:-</p> <ul style="list-style-type: none"> <li>i. Revenue for the financial year ("FY") does not exceed S\$10 mn.</li> <li>ii. Total assets at the end of the FY does not exceed S\$10 mn.</li> <li>iii. The aggregate number of employees at the end of the FY does not exceed 50.</li> </ul>	Yes	<p>Yes, If the company meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>i. Companies with assets or revenue exceeding IDR 50 billion.</li> <li>ii. Public companies</li> <li>iii. Companies that issue debt instruments to public.</li> <li>iv. Certain types of state-owned enterprises.</li> <li>v. Companies that collect or manage public funds (such as banks and insurance companies).</li> </ul>	Yes	Yes	<p>Yes, if the Corporation's gross annual earnings exceed PHP3 million (US\$61,760)</p>







The background of the slide features a blurred image of a computer monitor displaying various financial charts, including a prominent blue line graph and a bar chart. A hand holding a yellow pen is visible in the foreground, pointing towards the charts. The overall color scheme is dark blue with highlights from the screen and the pen.

# Tax Considerations







For six selected countries









## Corporate income tax and capital gains tax

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Corporate Income Tax</b>	<ul style="list-style-type: none"> <li>• Territorial basis of taxation. Taxed on income accruing in or derived from Singapore and foreign-sourced income received in Singapore.</li> <li>• Standard corporate income tax rate is 17%. Applies to both resident and non-resident companies.</li> <li>• First SGD200,000 of chargeable income however is only taxed at an effective rate of 8.3%.</li> <li>• Branch profits are also taxed at 17%, with an effective tax rate of 8.3% on first SGD200,000 of chargeable income.</li> <li>• No additional branch remittance tax on repatriation of profits back to head office.</li> </ul>	<ul style="list-style-type: none"> <li>• Worldwide basis of taxation for resident corporations but territorial basis for non-resident corporations.</li> <li>• Standard corporate income tax rate is 22%.</li> <li>• Small enterprises (i.e. companies having gross annual turnover of not more than IDR50 billion) are entitled to a 50% reduction of the standard tax rate. The reduced rate applies to taxable income corresponding to gross turnover of up to IDR4.8 billion.</li> <li>• After-tax branch profits are subject to 20% withholding tax, regardless of whether the profits are remitted to the home country. Concessional withholding tax rate may apply under tax treaty provisions.</li> <li>• Branch profits tax may be exempted if the profits are entirely reinvested in Indonesia.</li> </ul>	<ul style="list-style-type: none"> <li>• Territorial basis of taxation. For resident and non-resident companies, corporate income tax is imposed on income accruing in or derived from Malaysia.</li> <li>• Resident companies are also taxed on foreign-sourced income received in Malaysia. Exemptions are available from 1 January 2022 to 31 December 2026 if prescribed conditions are met.</li> <li>• Resident companies carrying on banking, insurance, sea or air transport are taxed on their worldwide income.</li> <li>• Standard corporate income tax rate is 24%. The same rate applies to resident and non-resident companies and branches of foreign companies.</li> <li>• First MYR600,000 of chargeable income is taxed at an effective tax rate of 16.5% for a qualified Small and Medium-sized Enterprise resident in Malaysia.</li> <li>• Income derived from petroleum operations in Malaysia is subject to petroleum income tax at 38% and no other taxes are payable.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporations established under the laws of the Philippines are taxed on their worldwide income.</li> <li>• Resident foreign corporations (i.e., foreign corporations engaged in trade or business in the Philippines through a branch office) are taxed in the same manner as domestic corporations, but only on Philippine-source income.</li> <li>• Corporate income tax rate of 25% applies to both domestic corporations and resident foreign corporations.</li> </ul>	<ul style="list-style-type: none"> <li>• Territorial basis of taxation. Taxed on income accruing in or derived from Thailand.</li> <li>• Standard corporate income tax rate is 20%.</li> <li>• A company with paid-up capital of no more than THB 5 million and has gross revenue not exceeding THB30 million is exempt from tax on the first THB300,000 of net profit. Tax at 15% on net profit between THB 300,001 and THB 3 million and 20% applies to the remainder of net profit.</li> <li>• Branches are taxed at 20% on locally earned profits. An additional 10% tax charge on branch profit remittances to Head Office, whether actually remitted or credited to head office account.</li> <li>• International oil companies engaged in exploration and production activities in Thailand are taxed under the Petroleum Income Tax Act instead.</li> <li>• Petroleum concessionaires and production sharing producers are taxed on their net profit derived from petroleum operations and the Special Remuneratory Benefit at 50%.</li> </ul>	<ul style="list-style-type: none"> <li>• Business organisations established under the laws of Vietnam are taxed on their worldwide income. Foreign corporations however are taxed only on income derived in Vietnam.</li> <li>• Standard corporate income tax rate is 20%, applicable to locally incorporated and foreign companies and branches of foreign companies.</li> <li>• For enterprises engaging in prospecting, exploitation and certain mineral resources, the corporate income tax rates range from 25% to 50%.</li> <li>• There is no branch remittance tax on repatriation of profits to head office.</li> </ul>







## Corporate income tax and capital gains tax

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Corporate Income Tax</b>			<ul style="list-style-type: none"> <li>No branch remittance tax on repatriation of profits to head office.</li> <li>Labuan entities are subject to tax at a rate of 0% to 3% on net audited profits derived from defined Labuan trading and non-trading activities, provided the prescribed substance requirements are met. Otherwise, the tax rate of 24% would apply.</li> </ul>			
<b>Capital Gains Tax</b>	<ul style="list-style-type: none"> <li>Gains of a capital nature are generally not taxed. However, gains received in Singapore by a Singapore company, which belongs to a relevant group, from the disposal of its foreign assets are taxed if the requisite economic substance requirements in Singapore are not met.</li> </ul>	<ul style="list-style-type: none"> <li>Capital gains are generally assessed together with ordinary income at the standard corporate tax rate of 22%.</li> <li>The following types of disposal gains are not subject to the standard corporate income tax rate:                             <ul style="list-style-type: none"> <li>✓ Gains derived from the transfer of land and buildings. Such gains are taxed at 2.5% of the transaction value or government-determined value, whichever is the higher.</li> <li>✓ Gains derived from the sale of listed shares on the Indonesia Stock Exchange. Such gains are subject to a final withholding tax of 0.1% of the gross sales consideration.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Corporate and non-corporate are subject to Real Property Gains Tax ("RPGT") of up to 30% on gains derived from disposal of real property located in Malaysia. Individuals are also subject to RPGT on disposal of shares in a real property company.</li> <li>Companies, limited liability partnerships, co-operatives and trusts are subject to capital gains tax on gains and profits derived from the disposal of:                             <ul style="list-style-type: none"> <li>✓ Movable or immovable property (including any rights or interest) situated outside Malaysia; or</li> <li>✓ Movable property (including any rights or interest) situated in Malaysia which are shares of a Malaysia-incorporated company not listed on the stock exchange.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Gains derived from the disposal of non-listed Philippine company shares are subject to 15% capital gains tax.</li> <li>For those listed in the Philippine Stock Exchange, a 0.60% stock transaction tax based on the gross selling price is imposed.</li> <li>For the disposal of real properties not used in the business of the corporation and are treated or classified as capital assets, capital gains tax payable is equivalent to 6% of the gross selling price or fair market value of the assets, whichever is the higher.</li> </ul>	<ul style="list-style-type: none"> <li>Capital gains earned by a Thai company are treated as ordinary business income and taxed at 20%.</li> </ul>	<ul style="list-style-type: none"> <li>There is no separate capital gains tax regime.</li> <li>Gains derived from capital transfer in a limited liability company and securities transfer in a Joint Stock Company by corporate investors are taxed at 20%.</li> </ul>







## Corporate income tax and capital gains tax

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Capital Gains Tax</b>			<ul style="list-style-type: none"> <li>Gains derived from disposal of foreign assets received in Malaysia are eligible for tax exemption from 1 January 2024 to 31 December 2026 if the prescribed economic substance requirements are met.</li> </ul>			
<b>Pillar Two of OECD BEPS 2.0 Initiative</b>	<ul style="list-style-type: none"> <li>Draft legislation to implement Domestic Minimum Top-up Tax and the Income Inclusion Rule was published in June 2024.</li> <li>The draft legislation was read the first time in Parliament on 9 September 2024. The law will take effect from financial years commencing on or after 1 January 2025.</li> </ul>	<ul style="list-style-type: none"> <li>The implementation of Domestic Minimum Top-up Tax and the Income Inclusion Rule have been announced but the effective date has not yet been determined.</li> </ul>	<ul style="list-style-type: none"> <li>Global Minimum Tax will be implemented with effect from 1 January 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Philippines is a member of the BEPS inclusive framework. No specific timeline for the implementation of BEPS 2.0 Initiative has yet been announced.</li> </ul>	<ul style="list-style-type: none"> <li>Draft legislation to implement the Income Inclusion Rule under Pillar Two and Qualifying Domestic Minimum Top-up Tax has been published.</li> <li>The proposed legislation will take effect from financial years commencing on or after 1 January 2025.</li> </ul>	<ul style="list-style-type: none"> <li>The Resolution on Global Minimum Tax Policy was approved by the National Assembly and came into effect from 1 January 2024.</li> <li>The global minimum tax rate is established at 15% and applies to multinational companies with a consolidated global turnover of at least EUR 750 million in two or more of the last four consecutive years.</li> </ul>







## Tax compliance and relief

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Tax Compliance Requirements</b>	<ul style="list-style-type: none"> <li>Corporate income tax for each tax year is computed based on income earned in the preceding year.</li> <li>Singapore is not under a self-assessment regime. Tax liability is assessed by Inland Revenue Authority of Singapore ("IRAS") via the issuance of a Notice of Assessment to taxpayers.</li> <li>Companies are required to file an estimated chargeable income to IRAS within 3 months from the end of their financial year-end.</li> <li>Tax assessed must be paid within one month from the date the Notice of Assessment is issued by IRAS. Tax payment by instalments is usually allowed upon request.</li> <li>Companies file their annual income tax returns by 30 November of the following year.</li> </ul>	<ul style="list-style-type: none"> <li>Timeline for submitting income tax returns:               <ul style="list-style-type: none"> <li>✓ Periodic income tax return – No later than 20 days after the end of fiscal period.</li> <li>✓ Corporate income tax return – No later than 4 months after the end of the fiscal year.</li> </ul> </li> <li>Timeline for each type of tax payment and the deposit of tax payable for a fiscal period – no later than 15 days after the end of a fiscal period.</li> </ul>	<ul style="list-style-type: none"> <li>Malaysia administers a self-assessment regime under which companies are required to file their corporate income tax returns within 7 months from the date of closing of accounts.</li> <li>Tax liability for any year of assessment must be paid by the last day of the 7th month from the closing of the accounts.</li> <li>Companies are required to furnish estimates of their tax payable for a year of assessment no later than 30 days before the start of its tax basis period and to commence instalment payments in the second month of the basis period.</li> <li>The estimated tax payable is required to be remitted in equal monthly instalments according to the number of months in its basis period upon filing the estimate of tax payable. Each monthly instalment is due and payable by the 15<sup>th</sup> of the following month.</li> </ul>	<ul style="list-style-type: none"> <li>Philippines adopts a self-assessment regime. Corporations are required to file quarterly and annual income tax returns.</li> <li>Quarterly income tax returns are filed within 60 days from the end of each of the first three quarters. The annual income tax return is filed on or before the 15th day of the fourth month following the end of the taxable year.</li> </ul>	<ul style="list-style-type: none"> <li>The tax system is one of self-assessment. The tax year for a company is its accounting period, covering a period of twelve months.</li> <li>Corporate income tax returns together with the audited financial statements must be filed within 150 days after the accounting year-end. The tax owed is also due on the tax return filing date.</li> <li>A half-year tax return must be filed with estimated tax payment within 2 months after the end of the first six months. The tax payable is one-half of the total tax liability estimated.</li> </ul>	<ul style="list-style-type: none"> <li>Enterprises are required to make quarterly provisional corporate income tax payments (no later than 30th day of the next quarter) based on the quarterly business results.</li> <li>Total provisional tax paid for the four quarters must not be less than 80% of total tax liability for the year. Otherwise late payment interest will be levied on the tax underpayment.</li> <li>The annual final corporate income tax return and audited financial statements must be filed by the last day of the third month following the end of calendar or fiscal year. Payment of the final tax owed must be made at the same time.</li> </ul>







## Tax compliance and relief

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Relief for Tax Losses</b>	<ul style="list-style-type: none"> <li>Trading losses and unabsorbed capital allowances may be carried forward indefinitely for offset against future profits provided no more than 50% share ownership change at the ultimate holding company level. For the utilisation of unabsorbed capital allowances, the same trade test must also be met.</li> <li>One-year carry-back of current year trade losses and unabsorbed capital allowances is allowed for offset against assessable income of the immediate preceding tax year, but the quantum of which is limited to SGD100,000.</li> </ul>	<ul style="list-style-type: none"> <li>Tax losses may be carried forward for a maximum period of 5 years.</li> <li>Tax loss carryover may be extended for up to 10 years if taxpayers make investments in industries that have high priority on a national scale and in a preferred location.</li> </ul>	<ul style="list-style-type: none"> <li>Unabsorbed business losses in a year of assessment can be carried forward for a maximum of ten consecutive years of assessment to offset future business income.</li> <li>Unabsorbed capital allowances can be carried forward indefinitely to offset future adjusted income from the same underlying business source.</li> <li>For dormant companies, the carry forward of unabsorbed business losses and unabsorbed capital allowances will be disregarded in subsequent year of assessment if the company does not meet the shareholders continuity test.</li> <li>There are no provisions to allow the carry back of business losses and unabsorbed capital allowances to prior years of assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Net operating losses may be carried forward for utilization against taxable income for the next three consecutive years immediately following the year of loss provided there has been no substantial change in the ownership of the business or enterprise where 75% of the paid-up capital or nominal value of the shares are held by the same persons.</li> </ul>	<ul style="list-style-type: none"> <li>Tax losses are allowed to be carried forward to offset against the net profits of the following five accounting periods.</li> <li>A change in control or shareholders of the loss-making company does not impact its ability to carry forward the losses.</li> <li>Carry back of losses is not permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Tax losses may be carried forward fully and consecutively for a maximum period of five years.</li> <li>Carry-back of losses is not permitted.</li> </ul>







## Tax compliance and relief

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
Thin Capitalisation	<ul style="list-style-type: none"> <li>No specific thin capitalisation rules but transfer pricing and general anti-avoidance provisions may apply to restrict or deny interest cost deduction.</li> </ul>	<ul style="list-style-type: none"> <li>Debt-to-equity ratio of 4:1 maximum applies.</li> </ul>	<ul style="list-style-type: none"> <li>Interest expense is tax deductible if incurred on any money borrowed and employed in the production of income.</li> <li>Interest restriction is applicable if the money borrowed is directly or indirectly used for non-business purposes (e.g. investments and the grant of interest-free loans).</li> <li>For deductibility of interest expense in a cross-border controlled transaction, earnings stripping rules would apply if a person has been granted financial assistance in a controlled transaction and the total interest expense for such financial assistance exceeds MYR500,000 in the basis period for a year of assessment.</li> <li>In the context of earnings stripping rules, the maximum amount of interest expense allowable is 20% of tax-EBITDA from each source consisting of a business.</li> </ul>	<ul style="list-style-type: none"> <li>No specific thin capitalisation rules but transfer pricing rules may apply to limit interest cost deduction.</li> </ul>	<ul style="list-style-type: none"> <li>No formal thin capitalisation rules.</li> <li>For tax incentivised companies, the debt-to-equity ratio of 3:1 may be imposed.</li> </ul>	<ul style="list-style-type: none"> <li>No specific thin capitalisation legislation. However, debt funding is limited to the difference between the licensed investment and charter capital for licence issuance purpose.</li> <li>Interest expenses are generally deductible but if the company has related party transactions, interest deduction is limited to 30% of EBITDA.</li> </ul>







# Tax incentives

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
Key Tax Incentives	<p><b>Financial Sector Incentive Scheme</b></p> <ul style="list-style-type: none"> <li>The aim is to encourage and attract the development of high-growth and high value-added financial activities in Singapore.</li> <li>Concessory tax rate of 10% or 13.5% for income derived from qualifying activities.</li> </ul> <p><b>Marine Sector Incentives</b></p> <ul style="list-style-type: none"> <li>A suite of tax incentives for ship owners and operators, maritime lessors and providers of supporting shipping services.</li> <li>Incentives offered include tax exemption on qualifying income derived from operating ships, 10% tax rate for international freight and logistics operators and providers of supporting shipping services.</li> <li>An alternative net tonnage basis of tax is available for shipping enterprises.</li> </ul>	<p><b>Tax holiday for pioneer industries</b></p> <ul style="list-style-type: none"> <li>A tax holiday of 100% of corporate income tax due for 5 to 20 years for new capital investment of at least IDR 500 billion. After the end of the tax holiday, a 50% corporate income tax reduction for 2 years.</li> <li>New capital investment of at least IDR100 billion and up to less than IDR 500 billion, a 50% reduction of corporate income tax due for 5 years is available. Thereafter a 25% corporate income tax payable for the next two years.</li> </ul> <p><b>Tax incentive for fishery sector</b></p> <ul style="list-style-type: none"> <li>Applicable to certain sector of fishery such as catching of Finned Fish, Crustacea and/or Mollusca in the sea.</li> <li>The incentive is given as a reduction of net income by 30% of the total investment value for tangible fixed assets (include land) used for the main business activities. The incentive is given over a period of 6 years i.e. 5% per year.</li> <li>Accelerated depreciation of tangible fixed assets and amortisation of intangible assets that are acquired for the investment.</li> </ul>	<p><b>Pioneer Status (PS) and Investment Tax Allowance (ITA)</b></p> <ul style="list-style-type: none"> <li>Companies in the manufacturing, agricultural, and hotel and tourism sectors, or any other industrial or commercial sector that participate in a promoted activity or produce a promoted product may be eligible for either PS or ITA.</li> <li>A standard PS grants exemption from corporate income tax on 70% of the statutory income for 5 years and the remaining 30% is taxed at the prevailing corporate income tax rate.</li> <li>A standard ITA is granted on 60% of qualifying capital expenditure incurred for a period of 5 years and is utilised against 70% of the statutory income, while the 30% balance is taxed at the prevailing corporate income tax rate.</li> <li>The PS and ITA incentives may be enhanced to 100% exemption of the statutory income or 100% of qualifying capital expenditure depending on the industry or activity the company is in. The incentive period may also be lengthened to 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>Industries listed under the Strategic Investment Priority Plan (SIPP) may qualify for tax incentives. The SIPP may be updated to include/exclude certain industries.</li> <li>Currently, the industries entitled to tax incentives include, among others: (1) qualified manufacturing; (2) agricultural; (3) creative industries and knowledge-based services; (4) maintenance, repair and overhaul of aircraft; (5) charging stations for alternate energy vehicles; (6) industrial waste management; (7) telecommunications; mass housing, and (8) infrastructure and logistics.</li> </ul>	<ul style="list-style-type: none"> <li>The Thailand Board of Investment (BOI) is instrumental in promoting business investments in Thailand. Its aim is to strengthen Thailand's economy by focusing on innovation, competitiveness and sustainable development through various forms of incentives.</li> <li>A comprehensive range of tax and non-tax incentives are offered to encourage both domestic and foreign business investments in priority sectors.</li> <li>Non-tax incentives offered include 100% foreign ownership (for BOI promoted companies and subject to conditions), visa and work permit benefits, land ownership privileges and foreign currency regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Tax incentives are granted to new investment projects based on regulated encouraged sectors, encouraged locations and the size of projects. Certain business expansion projects may also qualify.</li> <li>Sectors encouraged by the Government include education, health care, sports/culture, high technology, environmental protection, scientific research and technology development, infrastructural development, processing of agricultural and aquatic products, software production and renewable energy, manufacturing products of supporting industries prioritised for development as prescribed by Vietnamese law.</li> <li>Encouraged locations include qualifying economic and high-tech zones, certain industrial zones, difficult and extreme difficult socio-economic areas.</li> </ul>







# Tax incentives

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
Key Tax Incentives	<p><b>Finance and Treasury Centre Incentive</b></p> <ul style="list-style-type: none"> <li>The Incentive is for the conduct of approved activities such as international treasury and fund management to approved network companies and on own account</li> <li>Concessionary tax rate of 8% or 10% on qualifying income.</li> <li>Interest paid to overseas banks and approved network companies is exempt from withholding tax if the borrowed funds are used for approved activities.</li> </ul> <p><b>Global Trader Programme</b></p> <ul style="list-style-type: none"> <li>Available to established companies engaged in international physical trading, with good distribution network and track record, looking to setup their trading operations in Singapore.</li> <li>A concessionary tax rate of 5%, 10% or 15% on qualifying income derived from physical trading of approved commodities, brokering and derivative trading income.</li> </ul>	<p><b>Tax Allowance Incentive</b></p> <p>Tax Allowance Incentive is available for local corporate taxpayers initiating new investment or expanding existing business in designated business areas or regions. Such investment must have a high investment value or is export oriented, high local content in its production and involves the employment of a large workforce .</p> <p>The tax benefits include:</p> <ul style="list-style-type: none"> <li>Cost recovery of 30% for tangible fixed assets (including land) used for the business activities. The relief is given as a deduction from gross income over six years at a rate of 5% per year.</li> <li>Accelerated depreciation of 200% for tangible fixed assets and amortisation for intangible fixed assets.</li> <li>A reduced withholding rate of 10% (or applicable treaty rate if lower) applies to dividend distributions to non-resident shareholders.</li> <li>Tax losses can be carried forward for up to 10 years.</li> </ul>	<p><b>Reinvestment Allowance (RA)</b></p> <ul style="list-style-type: none"> <li>A resident company in operation for not less than 36 months that incurs capital expenditure to expand, modernise, automate or diversify its existing manufacturing business or has an approved agricultural project may be eligible for RA.</li> <li>RA is given for 15 years from the year of first claim on 60% of qualifying capital expenditure incurred and is to be utilised against 70% of the company's statutory income.</li> </ul>	<ul style="list-style-type: none"> <li>Qualified enterprises may avail themselves to the following incentives: <ul style="list-style-type: none"> <li>Income tax holiday for 4 to 7 years.</li> <li>5% special income tax for 10 years (only for exporters).</li> <li>Enhanced deductions for 5 to 10 years.</li> <li>VAT zero-rating on purchases (only for exporters).</li> <li>Duty exemption on importation of capital equipment, raw materials, spare parts and accessories.</li> <li>Local business tax exemption for 4 to 6 years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The main tax incentives available are: <p><i>Corporate income tax exemptions</i></p> <ul style="list-style-type: none"> <li>Exemption in corporate income tax for up to 13 years, depending on the nature of business and its location.</li> <li>For businesses located in industrial estates or promoted industrial zones, an additional year of tax exemption is offered.</li> </ul> <p><i>Import duty reductions</i></p> <ul style="list-style-type: none"> <li>To support manufacturing and R&amp;D activities, exemption or reduction of import duties granted include (a) machinery, (b) materials imported for R&amp;D purposes, and (c) raw and essential materials used in the manufacture of export products.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Preferential corporate income tax rate is either 10%, 15% or 17% for a tenure of 10 or 15 years.</li> <li>Besides, investors may be considered for total tax exemption for certain number of years, followed by a further period where tax is charged at 50% of the applicable rate.</li> </ul>







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Key Tax Incentives	<p><b>Development and Expansion Incentive</b></p> <ul style="list-style-type: none"> <li>The Incentive is aimed at encouraging companies to engage in high value-added activities, by expanding existing or setup new operations in Singapore.</li> <li>Companies intending to carry out global or regional headquarters activities from Singapore are also eligible to apply.</li> <li>Concessionary tax rate of 5%, 10% or 15% on incremental income derived from qualifying activities.</li> </ul>	<p><b>R&amp;D activities</b></p> <ul style="list-style-type: none"> <li>Corporate income tax reduction of 300% (maximum) of the amount of costs for R&amp;D that can result in Intellectual Property Rights (IPR), in particular patents and protection of plant varieties.</li> <li>The tax reduction is applied for 5 years from the earlier of (a) the registration of the IPR in the form of patent or protection of plant varieties and (b) the production reaches commercialization stage.</li> </ul>	<p><b>Relocation of manufacturing activity to Malaysia</b></p> <ul style="list-style-type: none"> <li>The following special tax incentives are available for new company, existing company and individuals (non-citizen individuals who are C-Suite), subject to meeting prescribed conditions:                             <ul style="list-style-type: none"> <li>For new company, 0% tax rate for 10 years for MYR300 million to MYR500 million new capital investment in manufacturing. The tax holiday period is increased to 15 years for investment above MYR500 million.</li> <li>For an existing Malaysia company relocating its overseas facilities back to Malaysia, ITA of 100% on qualifying capital investment above MYR300 million incurred within 5 years. The ITA goes to offset 100% of statutory income for each year of assessment.</li> <li>For individuals (non-citizen individuals who are C-Suite), income tax at a flat rate of 15% for 5 consecutive years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In addition to the industries enumerated under the SIPP, there are also special laws that grant tax incentives.                             <p>The commonly applied special law is the Republic Act No. 9513, which grants tax incentives to renewable energy companies. The tax incentives include 7 years income tax holiday and 10% preferential income tax rate after expiration of the holiday.</p> </li> </ul>	<p><i>Additional tax deductions</i></p> <ul style="list-style-type: none"> <li>If a promoted project is located within one of the 20 designated areas with low per capita income, a 50% corporate tax reduction is granted for a further 5 years.</li> <li>To encourage investment in infrastructure and promote decentralization, an additional 25% deduction for infrastructure installation or construction costs and double deduction for transportation, electricity and water supply costs for 10 years.</li> <li>Promoted or eligible business activities for tax incentive grants are in the following encouraged industry segments:                             <ul style="list-style-type: none"> <li>Agricultural, food, biotechnology and medical industries.</li> <li>Machinery, automotive, electrical appliances and electronics industries.</li> <li>Metals, materials, chemicals and petrochemicals industries, and public utilities.</li> <li>Digital, creative industries and high value services.</li> </ul> </li> </ul>	
	<p><b>Enterprise Innovation Scheme</b></p> <ul style="list-style-type: none"> <li>400% deduction on up to SGD400,000 qualifying expenditure incurred for qualifying R&amp;D, innovation and capability development activities.</li> <li>May convert at 20% of qualifying expenditure of up to SGD100,000 into a non-taxable cash payout.</li> </ul>					







## Tax incentives

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<p><b>Key Tax Incentives</b></p>	<p><b>Refundable Investment Credit Scheme</b></p> <ul style="list-style-type: none"> <li>Applicants must make sizable investments that bring high-value and substantive economic activity to Singapore in key economic sectors and new growth areas such as projects with decarbonisation objectives.</li> <li>The investment credits are awarded on expenditure incurred in respect of qualifying projects undertaken during qualifying period. The credits granted are to be used to offset corporate income tax payable.</li> <li>Any unutilized credits will be refunded in cash within 4 years from when the company satisfies the conditions for receiving the credits.</li> </ul>					







## Double taxation agreements and withholding tax rates

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Double Taxation Agreements (DTAs)</b>	<ul style="list-style-type: none"> <li>Singapore has concluded more than 90 DTAs with countries worldwide.</li> <li>DTAs allow resident companies the benefit of claiming certain tax treaty benefits such as reduced withholding tax rates for dividend, interest and royalty payments.</li> </ul>	<ul style="list-style-type: none"> <li>There are 71 DTAs concluded with countries worldwide.</li> <li>DTAs allow resident companies the benefit of claiming certain tax treaty benefits such as reduced withholding tax rates for interest, royalty and service fee payments.</li> </ul>	<ul style="list-style-type: none"> <li>Over 70 DTAs concluded with countries worldwide.</li> <li>DTAs allow resident companies the benefit of claiming certain tax treaty benefits such as reduced withholding tax rates for interest, royalty and service fee payments.</li> </ul>	<ul style="list-style-type: none"> <li>Philippines has about 44 DTAs with various countries.</li> <li>DTAs allow resident companies the benefit of claiming certain tax treaty benefits such as exemption for business profits and capital gains, as well as reduced withholding tax rates for dividends, interest and royalty payments.</li> </ul>	<ul style="list-style-type: none"> <li>Thailand has concluded 61 DTAs with countries worldwide.</li> <li>Resident companies may claim DTA benefits such as reduced withholding tax rates for dividend, interest and royalty payments.</li> </ul>	<ul style="list-style-type: none"> <li>There are 80 DTAs concluded with countries worldwide.</li> <li>DTAs allow resident companies the benefit of claiming certain tax treaty benefits such as reduced withholding tax rates for dividend, interest and royalty payments.</li> </ul>
<b>Payments to Non-Residents – Domestic Withholding Tax Rates</b>	<ul style="list-style-type: none"> <li>Dividends – Not subject to any tax withholding.</li> </ul>	<ul style="list-style-type: none"> <li>Dividends <ul style="list-style-type: none"> <li>✓ 20% for non-residents</li> <li>✓ 0% for residents</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Dividends – Not subject to any tax withholding.</li> </ul>	<ul style="list-style-type: none"> <li>Dividends – 25% withholding tax but may be reduced to 15% under the tax sparing rule or applicable treaty rate.</li> </ul>	<ul style="list-style-type: none"> <li>Dividends – 10%</li> </ul>	<ul style="list-style-type: none"> <li>Dividends – Not subject to any tax withholding.</li> </ul>
	<ul style="list-style-type: none"> <li>Interest – 15%</li> </ul>	<ul style="list-style-type: none"> <li>Interest <ul style="list-style-type: none"> <li>✓ 20% for non-residents</li> <li>✓ 15% for residents</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interest – 15%</li> </ul>	<ul style="list-style-type: none"> <li>Interest – 20% unless treaty relief is available.</li> </ul>	<ul style="list-style-type: none"> <li>Interest – 15%</li> </ul>	<ul style="list-style-type: none"> <li>Interest – 5%</li> </ul>
	<ul style="list-style-type: none"> <li>Royalties – 10%</li> </ul>	<ul style="list-style-type: none"> <li>Royalties <ul style="list-style-type: none"> <li>✓ 20% for non-residents</li> <li>✓ 15% for residents</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Royalties – 10%</li> </ul>	<ul style="list-style-type: none"> <li>Royalties – 25% unless treaty relief is available.</li> </ul>	<ul style="list-style-type: none"> <li>Royalties – 15%</li> </ul>	<ul style="list-style-type: none"> <li>Royalties – 10%</li> </ul>







## Double taxation agreements and withholding tax rates

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Payments to Non-Residents – Domestic Withholding Tax Rate	<ul style="list-style-type: none"> <li>Service fees –17% for services performed in Singapore.</li> </ul>	<ul style="list-style-type: none"> <li>Services fees               <ul style="list-style-type: none"> <li>✓ 20% for non-residents.</li> </ul> <p>Reduced treaty rate may apply if the recipient provides a Certificate of Domicile from its home country.</p> <li>✓ 2% for payment of technical services fees to residents.</li> </li></ul>	<ul style="list-style-type: none"> <li>Technical fees, payment for services, rent or payment for the use of movable property – 10%</li> </ul>	<ul style="list-style-type: none"> <li>Service fees – 25% unless treaty relief is available.</li> </ul>	<ul style="list-style-type: none"> <li>Service fees – 15%</li> </ul>	Services fees <ul style="list-style-type: none"> <li>Foreign Contractor Tax (FCT) collection mechanism applies to foreign contractors who conduct business in and receive income from Vietnam.</li> <li>FCT comprises two components, (a) VAT and corporate income tax apply to the business entity and (b) VAT and personal income tax apply to the individual foreign contractor.</li> <li>One of the methods of accounting for FCT is via withholding method. The withholding tax rates for corporate income tax range from 2% to 10% and for VAT from 3% to 5% depending on the types of services.</li> </ul>
	<ul style="list-style-type: none"> <li>Director's fees – 24%</li> </ul>	<ul style="list-style-type: none"> <li>Director's fees – 20%</li> </ul>	<ul style="list-style-type: none"> <li>Director's fees – 30%</li> </ul>	<ul style="list-style-type: none"> <li>Director's fees               <ul style="list-style-type: none"> <li>✓ 5% – 10% if resident or citizen of Philippines.</li> <li>✓ 25% if non-resident foreigner not engaged in trade or business in Philippines.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Director's fees – 15%</li> </ul>	<ul style="list-style-type: none"> <li>Director's fees – 20%</li> </ul>







## Double taxation agreements and withholding tax rates

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Corporate Residence</b>	<ul style="list-style-type: none"> <li>Corporate residence is determined by the place where central management and control of its business is exercised.</li> </ul>	<ul style="list-style-type: none"> <li>Treated as resident of Indonesia by virtue of having its establishment or its place of management in Indonesia.</li> </ul>	<ul style="list-style-type: none"> <li>A company is a tax resident in Malaysia if at any time during the basis year, the management and control of its affairs are exercised in Malaysia.</li> </ul>	<ul style="list-style-type: none"> <li>A corporation is considered a tax resident if incorporated in the Philippines.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate residence is determined by the place of incorporation.</li> </ul>	<ul style="list-style-type: none"> <li>There is no specific concept of tax residency for corporate income tax.</li> <li>Enterprises established under the law of Vietnam are subject to corporate income tax. In addition, a "permanent establishment" in Vietnam is broadly defined as "a fixed place of business through which a foreign enterprise carries out part or the whole of its business or production activities in Vietnam".</li> </ul>







## Transfer pricing

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Transfer Pricing (TP)</b>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>Contemporaneous TP Documentation must be prepared prior to annual income tax return filing due date.</li> <li>Not required to submit TP Documentation at the time of tax return filing but must be submitted within 30 days upon IRAS request.</li> <li>Required to prepare TP Documentation if (a) business gross revenue is more than SGD10 million or (b) was required to prepare TP Documentation for the immediate prior year.</li> <li>Exceptions from the requirement to prepare TP Documentation such as related party transactions are not in excess of certain thresholds or the loans have indicative margin applied to them.</li> <li>5% surcharge applies on TP adjustments made regardless of whether they resulted in additional tax payable.</li> <li>Penalties may apply for non-compliance with TP Regulations or requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>TP Documentation (i.e. Master File and Local File) must be prepared if one of the following thresholds is met: <ul style="list-style-type: none"> <li>✓ Annual gross revenue in the previous fiscal year exceeded IDR50 billion; or</li> <li>✓ The value of annual related party transactions in the previous fiscal year exceeded (a) IDR20 billion for tangible asset transfers; or (b) IDR 5 billion for each transaction involving services, interest payments, intangibles or high risk transactions; or</li> <li>✓ The related party is based in a country with lower corporate tax rate than that of Indonesia (22%).</li> </ul> </li> <li>TP Documentation must be prepared within 4 months after end of fiscal year. A strict one-month timeline to submit TP Documentation if requested to do so. Non-compliance could result in penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>Contemporaneous TP Documentation must be prepared prior to annual income tax return filing due date.</li> <li>Not required to submit TP Documentation at the time of tax return filing but must be submitted within 14 days upon request by the tax authority.</li> <li>Full TP Documentation must be prepared if (a) annual revenue exceeds MYR25 million and controlled transactions exceeds MYR15 million, (b) financial assistance provision exceeds MYR50 million or (c) a permanent establishment present in Malaysia. Those not within these criteria may prepare a Minimum TP Documentation.</li> <li>Tax authority may disregard controlled transactions and make TP adjustments. If this resulted in additional tax payable, a surcharge of up to 5% may apply, even if it is a tax-exempt company or in a loss position.</li> <li>Penalties may apply for non-compliance with TP Regulations or requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>Contemporaneous TP Documentation must be prepared by covered entities. Though not required to submit it at the time of tax return filing, it must be available for submission within 30 days (may be extended by a further 30 days on meritorious grounds) upon request from the tax authority.</li> <li>Covered entities are: <ul style="list-style-type: none"> <li>✓ (a) large taxpayers; (b) taxpayers who enjoy tax incentives; (c) taxpayers with net operating loss for current and two preceding taxable years; or (d) entities transacting with taxpayers (a), (b) and (c) above; and</li> <li>✓ who meet the threshold on either the amount of revenue earned or amount of related party transactions.</li> </ul> </li> <li>Penalties may apply for failure to comply with TP Regulations or in the event that TP adjustments are made which resulted in additional tax payable.</li> </ul>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>Taxpayers are required to prepare contemporaneous TP Documentation to substantiate the arm's-length contention.</li> <li>A company with total income of more than THB 200 million per annum and has related party transactions is required to submit TP disclosure form together with the corporate income tax return within 150 days from the end of its accounting period.</li> <li>Failure to submit details of related party transactions may be subject to a fine not exceeding THB 200,000.</li> </ul>	<ul style="list-style-type: none"> <li>Arm's length principle applies for related party transactions.</li> <li>The TP Documentation i.e. Master File, Local File and Country-by-Country Report (if applicable) must be prepared by the time of submitting the annual corporate income tax finalisation return (i.e. by the last day of the third month following the end of calendar year or fiscal year) so that if requested by tax authority, they could be submitted promptly.</li> <li>There are exceptions to the requirement to prepare TP Documentation such as the company's revenue is below VND50 billion and total related party transactions are not more than VND30 billion in a tax period.</li> <li>Penalties may apply for failure to comply with TP Regulations or requirements.</li> </ul>







## Other considerations

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Social Security Contributions</b>	<p><b>Central Provident Fund</b></p> <ul style="list-style-type: none"> <li>Central Provident Fund contributions are mandatory for employees who are Singapore citizens and permanent residents.</li> <li>For employees aged 55 and below, the contribution rates are 20% for employee and 17% for employer, on monthly ordinary wage up to a ceiling cap of SGD6,800. This cap will progressively increase to SGD8,000 by 2026.</li> <li>Reduced contribution rates apply for employees aged above 55.</li> <li>Different wage ceilings apply for contributions payable on additional wage (e.g. bonus) payment.</li> </ul>	<ul style="list-style-type: none"> <li>All employees (including expatriates who have been working in Indonesia for more than 6 months) must be covered by the workers social security programme which provides working accidents protection, death insurance, old age benefits, healthcare, unemployment and pension.</li> <li>Both employer and employee contribute to the programme. Employees' contributions are collected through payroll deductions.</li> <li>Employer's contributions are calculated based on a percentage, between 0.24% to 4%, of employee's regular monthly salary.</li> </ul>	<ul style="list-style-type: none"> <li><b>Employee's Provident Fund</b> Contributions to the Fund is mandatory for employees who are Malaysia citizens and permanent residents. The employee's contribution rate is 11% of monthly gross wages. Employer's rate is 13% for wages below MYR5,000 and 12% if more than MYR5,000.</li> <li><b>Social Security Organisation</b> A mandatory insurance scheme for eligible employees who are Malaysia citizens or permanent residents. For employees below age 60, contribution rates are 1.75% from employer and 0.5% from employee (on monthly wage up to MYR5,000) for the Employment Injury Scheme and the Invalidity Pension Scheme.</li> <li><b>Employment Insurance System</b> Employer and employee (aged 18 to 60) each contributes 0.2% , based on monthly wage of up to MYR5,000.</li> </ul>	<ul style="list-style-type: none"> <li>Employers and employees are required to make contributions for: <ul style="list-style-type: none"> <li>✓ Social Security System;</li> <li>✓ Philippines Health Insurance Corporation; and</li> <li>✓ Home Development Mutual Fund.</li> </ul> </li> <li>The contributions are based on the monthly salary level of the employee up to a ceiling cap.</li> </ul>	<ul style="list-style-type: none"> <li>Social Security Fund registration is mandatory for employees working in Thailand who are aged between 15 and 60. The scheme is to provide benefits to employees who are insured for their children, maternity, old age, accidents, illnesses, death and unemployment.</li> <li>Social Security Fund contributions of 5% of an employee's monthly wage, subject to a maximum levy of THB750 per month, is payable by both the employer and employee.</li> </ul>	<ul style="list-style-type: none"> <li><b>Unemployment insurance</b> Applicable only to Vietnamese employees: 1% (employee); 1% (employer) on monthly ordinary wages.</li> <li><b>Health insurance</b> Applicable for both Vietnamese and foreign employees under contract of employment of at least 3 months: 1.5% (employee) and 3.5% (employer) on monthly ordinary wages.</li> <li><b>Social insurance</b> Applicable to foreign employees under contract for an indefinite term or one year or more: 8%(employee) and 17.5% (employer).</li> </ul>







## Other considerations

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
<b>Payroll Withholding</b>	<ul style="list-style-type: none"> <li>There is no requirement for an employer to withhold personal income taxes from monthly salary or benefits payments made to its employees. Personal tax owed by employees is settled by the individuals themselves through their annual income tax return filings.</li> <li>An employer however must deduct and account for monthly Central Provident Fund contributions for each of its employees who are Singapore citizens or Permanent Residents.</li> </ul>	<ul style="list-style-type: none"> <li>The obligation to withhold, remit and report personal tax on compensation paid in connection with employment rests with the local employing entity.</li> <li>Personal income tax withheld by employers must be remitted on a monthly basis by the 10<sup>th</sup> of the following month and reported by the 20<sup>th</sup> of the following month.</li> </ul>	<ul style="list-style-type: none"> <li>Employers must deduct monthly tax deductions from an employee's remuneration and benefits provided.</li> <li>The monthly tax deducted must be remitted to tax authority no later than the 15th day of the following calendar month.</li> <li>Legal action will be taken against employers if the tax deduction requirements are not complied with. If found guilty, penalties and/or imprisonment may be imposed.</li> <li>For non-resident employees or those whose residency status is unclear, employers must deduct tax at a non-resident rate of 30% on their gross pay until their residency status is confirmed.</li> </ul>	<ul style="list-style-type: none"> <li>Employers are required to subject the compensation and benefits paid to employees to withholding taxes.</li> <li>The withholding tax is remitted to the tax authority on a monthly basis.</li> <li>If the employee only has a single employer during the year and the amount of tax has been properly withheld, substituted filing will apply such that the employee concerned is not required to file a year-end personal income tax return.</li> </ul>	<ul style="list-style-type: none"> <li>Employers are obligated to withhold personal income tax from salary and benefits payments made to employees and must remit the tax to the Revenue Department within seven days of the following month.</li> </ul>	<ul style="list-style-type: none"> <li>An employer must undertake monthly tax declaration and submit annual tax finalisation return in respect of employment income received by its employees.</li> <li>The monthly declaration is due to be filed no later than 20th day of the following month. As for the annual tax finalisation return, it must be filed within the first 3 months of the following tax year.</li> </ul>

## Indirect tax

Topic	Singapore 	Indonesia 	Malaysia 	Philippines 	Thailand 	Vietnam 
VAT/GST	<ul style="list-style-type: none"> <li>Goods and Services Tax (GST) registration is compulsory if taxable supplies at end of calendar year exceed SGD1 million or taxable supplies expected to exceed SGD1 million in the next 12 months.</li> <li>9% on supply of goods and services made in Singapore and on goods importation into Singapore. International services and exports may be zero-rated subject to conditions.</li> <li>Residential property transactions and provision of prescribed financial services are exempt supplies.</li> <li>An overseas vendor may need to register for GST under the Overseas Vendor Registration regime under which GST will be charged on imported remote services and low-value goods if made to non-GST registered customers in Singapore.</li> <li>A GST-registered trader in Singapore who makes exempt supplies, and is subject to input tax recovery restriction, is required to self-account for GST under the Reverse Charge regime on its procurement of imported services from overseas service providers and on its imports of low-value goods.</li> </ul>	<ul style="list-style-type: none"> <li>The Value-Added Tax (VAT) law allows the Government to change the VAT rate within the range of 5% to 15%. The VAT rate applicable to the supply of goods and services within Indonesia and importation of goods into Indonesia is 11% starting from 1 April 2022 onwards.</li> <li>International services and export of tangible and intangible taxable goods may be zero-rated subject to meeting conditions.</li> <li>In addition to VAT, some goods are subject to luxury-goods sales tax of 10% (minimum) to 200% (maximum) upon importation into Indonesia. Export of taxable luxurious goods is zero-rated.</li> <li>The imposition of administrative sanction of IDR 500,000 applies for the late submission of VAT returns.</li> </ul>	<p>No VAT or GST regime in Malaysia but there are Sales Tax and Service Tax which are both single-stage taxes.</p> <ul style="list-style-type: none"> <li><b>Sales Tax</b> <ul style="list-style-type: none"> <li>Imposed by registered manufacturers on taxable goods manufactured locally and importation by any person of taxable and low-value goods into Malaysia.</li> <li>The ad valorem tax is charged at 5% or 10%.</li> </ul> </li> <li><b>Service Tax</b> <p>Service tax charged on:</p> <ul style="list-style-type: none"> <li>Any prescribed taxable services including digital services provided in Malaysia by registered persons in carrying on their business.</li> <li>Any imported taxable services acquired by person who carries on business in Malaysia.</li> <li>Any digital services provided by foreign registered person to a Malaysian consumer.</li> </ul> <p>The charge is 8% ad valorem for all taxable services with some exceptions where the charge is at 6%.</p> </li> </ul>	<ul style="list-style-type: none"> <li>12% VAT is imposed on the gross selling price of goods and services.</li> <li>12% VAT is imposed on the landed cost of goods importation.</li> </ul>	<ul style="list-style-type: none"> <li>Any person who is, or will be, liable to VAT must register as a VAT registrant before the business starts or within 30 days of reaching the annual turnover threshold of THB 1.8 million.</li> <li>An importer, whether a VAT registrant or not, is subject to import VAT on goods importation into Thailand.</li> <li>The standard VAT rate is currently 7% but this may revert to the statutory rate of 10% at some future date. The provision of international services and exports are mainly zero-rated.</li> <li>Certain supplies of goods and services are exempt from VAT such as agricultural products, education, healthcare, sale or lease of real estate.</li> <li>Non-resident electronic service providers and electronic platform operators who are expected to make electronic services supplies of more than THB1.8 million per year to non-VAT registered customers in Thailand are required to register and account for VAT to the Revenue Department.</li> </ul>	<p>VAT registration is mandatory for the following:</p> <ul style="list-style-type: none"> <li>All Companies and Organisations engaged in the production and trading of goods and services in Vietnam.</li> <li>Foreign Contractors and project operation offices engaged in construction projects or oil &amp; gas exploitation contracts in Vietnam.</li> <li>Individuals and households engaged in business activities that have annual revenue exceeding VND 100 million.</li> <li>The standard rate is 10% on supply of goods and services.</li> </ul> <p>The rates of 0% and 5% apply under following situations:</p> <ul style="list-style-type: none"> <li>0%: Subject to meeting conditions, export of goods and services, construction and installation of works overseas in non-tariff zones and international transportation.</li> <li>5%: Applicable in areas of the economy concerned with the provision of essential goods and services such as water, medicine and medical equipment.</li> </ul>

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<b>Customs and Excise Duties</b>	<ul style="list-style-type: none"> <li>Only imposed on intoxicating liquors, tobacco products, motor vehicles, petroleum products and biodiesel blends.</li> </ul>	<ul style="list-style-type: none"> <li>For goods with import value of less than USD3, only VAT at 11% is imposed.</li> <li>If the import value for goods is between USD3 to USD1,500, customs duty at 7.5% (or at MFN rate) and VAT at 11% are levied.</li> <li>For goods with import value in excess of USD1,500, the customs duty is based on MFN rates and import VAT at 11%.</li> </ul>	<p><b>Import duties</b></p> <ul style="list-style-type: none"> <li>Levied on dutiable goods imported into the country, generally based on ad valorem rates ranging from 0% to 60%.</li> <li>Raw materials, machinery, essential foodstuffs and pharmaceutical products are generally non-dutiable or subject to duties at lower rates.</li> </ul> <p><b>Export duties</b></p> <ul style="list-style-type: none"> <li>Generally imposed on the country's main commodities such as crude petroleum and palm oil.</li> </ul> <p><b>Excise duties</b></p> <ul style="list-style-type: none"> <li>Imposed on selected range of goods manufactured in Malaysia or imported into Malaysia such as beer/stout, brandy, whisky, cigarettes containing tobacco, electronic cigarette and electronic vapourising device, motor vehicles and motorcycles.</li> </ul>	<p><b>Customs duties</b></p> <ul style="list-style-type: none"> <li>Levied on goods imported into the Philippines.</li> <li>The rate varies depending on the types of goods imported.</li> </ul> <p><b>Excise duties</b></p> <ul style="list-style-type: none"> <li>Levied on goods manufactured or imported into the Philippines such as tobacco, alcohol, oil and fuels and sweetened beverages.</li> </ul>	<ul style="list-style-type: none"> <li>Goods imported into Thailand are subject to import duties.</li> <li>Tariff ranges between 0% and 80%, based on the custom value of the imported goods.</li> </ul>	<ul style="list-style-type: none"> <li>Subject to certain exceptions, goods imported into Vietnam are subject to import duty (from 0% to 150%) and import VAT (most commonly 10%).</li> <li>There are also export duty (on minerals, forestry products, and scrap metals), import special sales tax, environment protection tax, anti-dumping tax, anti-subsidy tax, and safeguard tax which are only applicable to certain classes of goods. Rates range from 0% to 40%.</li> </ul>

Note: The "Tax Considerations" slides are prepared for general information only. The brief summary written for each country does not constitute and should not be considered as tax advice to prospective investors.

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