

ASEAN Today

Regional Legal & Business News

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ASEAN Economic Community News

Electric Vehicles

Southeast Asia will soon have the most vehicle sales of any other region in the world. Last year, 3.4 million new cars were sold in Singapore, Indonesia, Malaysia and Thailand. Vehicle ownership in Southeast Asia is expected to grow by more than 40% by 2040. However, this trend is expected to increase traffic congestion and significantly add to the region's worsening air pollution. Experts believe that electric vehicles (EVs) could address the pollution problem as the cars themselves produce zero emissions. A recent study found that a third of Southeast Asian consumers would consider buying an EV, especially in the Philippines, Thailand, and Indonesia. However, ASEAN member states would need to offer incentives like tax exemptions to encourage the switch to EVs.

Chiang Mai Initiative

ASEAN is deliberating adding the Japanese yen and Chinese yuan to their US\$240 billion Chiang Mai Initiative, a currency swap safety net, which could reduce overreliance on the US dollar, but increase China's influence. Under the Initiative, countries can access Asian currencies in an emergency, but experts believe that this could also encourage their use in other contexts like foreign exchange reserves. Currently, the US dollar is the most popular currency globally for international payments at 45% of all payments with the yen at 4.3% and the yuan at only 1.2%.

Basel Convention

Plastic waste was added to the Basel Convention, a treaty that regulates the movement of hazardous wastes. Earlier this month, 187 countries, including the 10 ASEAN member states, agreed to control the movement of plastic waste between countries. Now, the trade in contaminated and most

mixes of plastic wastes will need prior consent from the receiving countries. This will definitely benefit ASEAN as the region has seen a steep increase in the import of waste plastics especially after China banned waste imports in 2018. As most contaminated and mixed plastic waste cannot be recycled, large amounts of it end up in rivers and oceans or incinerated. ASEAN already suffers from some of the most polluted rivers in Southeast Asia as huge quantities of toxic waste, sewage, and household garbage dumped directly into rivers.

Sustainable Economic System

Bankers believe that ASEAN and its 600 million people could create its own sustainable economic system that combines collectivist, community-first values with economic rights and freedom. Market forces powered by an open, connected, and accessible capital market would secure sustainable development goals and ensure communities' standard of living and rise in economic prosperity. Today, only 27% of ASEAN's population has a bank account and 65 million have no basic access to electricity and water.

Singapore News

Digital Innovation

Under its Smart Nation scheme, Singapore plans to use the latest technologies, networks, and big data to make the country a leading economy powered by digital innovation. One part of this is digitizing payments. Singapore launched an electronic funds transfer service in 2017 that allows instant transfers using a phone or national ID number. Singapore is also transitioning to open banking in which a consumer's financial information is securely shared electronically and allows for collaboration between financial and non-financial institutions. Broader use of digital wallets is expected which will compete with credit and debit card use. At this time, debit card spending in Singapore is declining and alternate payment solutions keep increasing.

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Laos Watch

Foreign Exchange

In its latest annual economic report, the Bank of the Lao PDR says that electricity generation will be the main provider of foreign exchange for the country in coming years. In 2014, electricity sales amounted to US\$570 million and rose to US\$1.3 billion in 2018. The export of mineral products is the country's current top foreign exchange earner, but resources will be depleted at some point. So, Laos plans to focus on electricity generation as it is sustainable.

Intellectual Property

The Ministry of Science and Technology of Laos and China's National Intellectual Property Administration (CNIPA) signed a Memorandum of Understanding (MoU) under which the government of Laos will recognize patent examination results made by Chinese authorities. The CNIPA then issued Announcement No. 307 which allows patent applicants with valid Chinese patents to request accelerated decisions on patent applications with the Lao Department of Intellectual Property.

Vietnam Update

Marine Debris

Marine debris including micro-plastics is threatening not just the ASEAN region's marine environment, but is a problem worldwide. Additionally, five of the world's top 10 polluting countries are ASEAN members and 70% of ASEAN's population lives in coastal areas. Vietnam recently issued a marine economic development strategy to accelerate the sustainable development of the marine economy and a National Action Plan on Management of Ocean Plastic Waste. The country has also established 15 marine economic zones to develop fishery logistics, sea sport, marine tourism, and scientific research.

Indonesia Bulletin

New QRIS Code System

Bank Indonesia launched the Quick Response Indonesia Standard (QRIS) code system this month to advance the country's cashless payment system. QRIS has a more complex QR pattern than regular QR codes and allows users from one payment service to transfer funds to

any rival payment service. Indonesia decided to back QR code technology over chip cards and RFID tags because the costs for QR code deployment are much lower. QR code deployment can be as simple as printing QR codes and downloading smartphone apps.

Cambodia News

Electrification Growth

The World Bank reported that Cambodia is one of the fastest electrifying countries in the world with 89.1% coverage at the end of 2017. Off-grid solutions were the most effective to expand electricity in the country's rural areas and include mini-grids, generators, off-grid solar products, and rechargeable batteries. Cambodia is one of four countries in the world that has electrified at a rate of over 8% yearly since 2010.

THAILAND LEGAL REVIEW

Immigration Update

TM30 Reporting Advisory

Although a new Head of the Immigration Bureau has been appointed, at present, there has been no change to the policy of reporting to the Immigration Department each time a foreigner enters Thailand. The reporting process remains as follows: Within 24 hours of arriving in Thailand a hotel, service apartment, or owner of the residence where the foreigner will be residing must file a TM 30 notification with the Immigration Department. This regulation applies to foreigners who own their own condos in Thailand; they will need to make this report on their own behalf. Each time a foreigner returns to Thailand from a foreign trip, a new report must be made. For those with long-term visas, if the reporting is not up to date, the Immigration Department will not accept the visa renewal application until the reporting has been made. At this time, for BOI and One Stop Service visa renewals, proof of TM 30 filing is not required; however, this rule still applies to all foreigners.

Health Insurance Requirement for OA Visa

The Cabinet passed a resolution on April 2, 2019 approving new measures for foreigners who are 50 years old or above applying for a Non-Immigrant visa, category "O-A" (1-year term). Applicants for this specific visa will be

required to have valid health insurance. This new measure was introduced to relieve the financial burden often placed on Government Hospitals for the non-payment of sickness and health treatment by foreign retirees.

From the current information provided by the authorities, this new measure will only be applicable for foreigners who apply overseas for a Non-Immigrant visa, category "O-A" for retirement purposes. However, this new measure has not yet been implemented as it is under discussion between the related Government Agencies: 1) Ministry of Health, 2) Ministry of Foreign Affairs, 3) National Police Bureau and 4) Immigration Bureau. As it is under discussion, there is no clear information on:

1. If the health insurance policy will only be required at a Thai Embassy overseas when the applicant files a Non-Immigrant visa, category "O-A" (1-year term); OR
2. If the health insurance policy will be required when the applicant applies for the in-country long term retirement visa at the Immigration Bureau in Thailand; OR
3. If the health insurance policy will be required for both 1 and 2 as well as at all times when the applicant holds a valid retirement visa in Thailand.
4. The amount of coverage required and conditions of the health insurance policy.

As of now, we can confirm that a health insurance policy is not required for any retirement visas, either new or renewal applications.

Corporate Law News

New Registration Fee for Transfer of Ownership or Possession of Land

On May 25, 2019, Land Code Amendment Act (No.) 15, B.E. 2562 ("the Amending Act") and the Asset Appraisal for the benefit of the State Act B.E. 2562 (The Act) were published in the Royal Gazette and will come into effect 180 days after said publication date (November 21, 2019).

Both Acts have been promulgated with the intention of setting up new standard criteria for imposing taxes and fees relating to any registration in case of transferring the

ownership or possession of land or immovable property.

Such transfer fee for said registration above is currently based on a rate of 2% of the appraisal value as announced by the Treasury Department or sale price, whichever is higher. The above criteria shall apply and be valid until the new asset appraisal as prescribed by the Asset Appraisal Committee under the Act becomes effective, most likely in two years.

For other registrations apart from the transfer of ownership or possession of land or immovable property as mentioned above, e.g., mortgages, such fees shall remain unchanged.

Employee Benefits under new Labour Law

On April 5, 2019, the Labour Protection Act (No. 7) B.E. 2562 (the "Act") was published in the Royal Gazette and became effective on May 5, 2019. Notable benefits received under the new Act for employee include:

- Change of employer or juristic person - When a change of employer or juristic person occurs and results in an employee having to work under a new employer, employee consent is required for such change and all rights of the employee as received under the previous employer shall remain unchanged.
- Personal leave - An employee shall be entitled to take leave for necessary personal business of not less than 3 working days per year. An employer shall pay an employee wages on such leave days, but not exceeding 3 working days in a year. Previously, said leave entitlement was based on work rules that mostly did not prescribe the number of leave days or leave payment.
- Maternity Leave - A pregnant employee shall be entitled to take maternity leave, including leave for pregnancy tests, of no more than 98 days (Holidays are counted during maternity leave) and an employer shall pay a pregnant employee wages equal to the regular rate paid throughout the period of taking such leave, but not exceeding 45 working days.

- Severance pay rate - Additional maximum severance pay to employees upon the termination of employment has increased, as stated below:

Severance Pay	
Length of Service	Severance Pay
More than 120 days, but less than 1 year	30 days
More than 1 year, but less than 3 years	90 days
More than 3 year, but less than 6 years	180 days
More than 6 year, but less than 10 years	240 days
More than 10 year, but less than 20 years	300 days
More than 20 years	400 days

- Relocation of Business Place - In case of relocation of the business place, an employer shall give prior notice to an employee in a prominent position for a consecutive period of 30 days before the relocation date. For any employer who fails to give prior notice of such relocation, such employer shall give special severance pay at the rate equal to the current wage received for 30 days to any employee who does agree to work at the new workplace.
- In the event that an employee does not wish to relocate as it will significantly impact their life, such employee shall give written notice to the employer within 30 days after the notification date or relocation date (in case of no notification), and this shall be deemed to terminate the employment agreement. The employee shall receive special severance pay not less than the rate they are eligible to receive according to the severance pay rates above.
- Payment of Consideration - For an employer who fails to refund insurance or makes no payment if the employer terminates an agreement without prior

notification or makes no payment of wages, overtime wages, holiday pay, holiday overtime pay, or any amount of money that employer is in charge of payment, such employer shall pay interest during any default at 15% per annum.

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