

# ASEAN TODAY

## REGIONAL LEGAL & BUSINESS NEWS

April 2021

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### ASEAN Economic Community News

#### ASEAN Environmental Services Report

A new report by the ASEAN-Japan Centre, *Promoting Services Trade in ASEAN – Trade in Environmental Services*, was published this month and says that the ASEAN region is seeing an increase in the demand for environmental services due to rapid population growth and urbanization, including waste and wastewater management, air pollution and climate change mitigation. The report says that because of the public nature of environmental services provision, the main types of trade liberalization are service market access and national treatment and licensing and approval procedures are the most prevalent regulatory measures. The report says that freer trade would reduce the cost of environmental services and help businesses access cheaper or more advanced technology. The report recommends that ASEAN member states further delineate the commitments and activities that fall under environmental services and focus on adapting to emerging new environmental situations as a region. However, in the environmental services sector globally, even though supply has been rising, it remains insufficient to meet the increasing demand.

#### ASEAN Green Investments Framework

The issuance of Green, Social, and Sustainability (GSS) bonds in ASEAN reached a record high of US\$12.1 billion in 2020, a 5.2% year-on-year increase. The GSS market composition also continued to change with green labeled debt and sustainability bonds rising in prominence. Singapore led ASEAN with 53% of GSS issuance in 2020 while Thailand and Indonesia also saw significant growth. ASEAN wants to establish a framework for green investments in the region that could be worth US\$3 trillion by 2030 and launched the ASEAN Taxonomy

Board (ATB) this month. The ATB will develop and maintain a set of categories and definitions to support the member states with sustainable economic activities. ASEAN is also joining Europe in devising benchmarks for green investments to meet the targets of the Paris Agreement. Experts believe that setting clear rules will help the region capture green financing opportunities worth US\$3 trillion between 2016 and 2030.

#### Zero Carbon Emissions Survey

A survey by a multinational banking and financial services company says that 60% of business leaders in ASEAN believe that their companies are not transitioning to net zero carbon emissions fast enough and may fall short of the international targets to do so by 2050. The global average is 55%. The survey also found that most while most companies intend to transition by 2050, most have not yet taken the necessary actions to achieve this goal. In ASEAN, only 40% of the surveyed said they supported the Paris Agreement compared to 47% globally, and 73% in ASEAN said the lack of support from their investors is the biggest barrier to progress compared to 60% globally.

### Cambodia News

#### VAT on Digital Goods and Services

Cambodia issued Sub-Decree 65 on April 8, 2021, that officially implements value-added tax (VAT) on e-commerce transactions made by non-resident entities that do not have a permanent establishment (PE) in the country. Non-resident entities with no PE that meet the specific revenue threshold must register for VAT and then file a monthly VAT return and pay 10% VAT on any online transactions where they provide digital goods and services to end-users in Cambodia. The reverse charge mechanism for business-to-business transactions was also implemented where the recipient of the goods is liable to pay VAT instead of the provider.

### Philippines Update

#### Corporate Income Tax Reduction

The Philippines' Corporate Recovery and Tax Incentives for Enterprises Act (The Act) came into effect on April 11, 2021, and contains a set of corporate and tax reforms to counter the effects of COVID-19 on the country's

economy. The corporate income tax rate for foreign companies will drop to 25% from July 2020 to 2022 and then reduce by 1% a year until it reaches 20% in 2027. Domestic micro, small, and medium-sized companies will enjoy a preferential corporate income tax rate of 20% during the same period. The preferential rates will supersede all other national and local taxes and be the start of a standalone corporate tax system. The Philippines wants to use the CREATE Act to increase the country's investment appeal and is targeting businesses based in China looking to diversify their supply chain in the region.

## Indonesia Bulletin

### Special Economic Zones

Indonesia issued the implementing regulations for Special Economic Zones (SEZ) under the Omnibus Job Creation Law of 2020 earlier this month. The regulations add more allowed business activities including the creative industries, sports, and financial services and detail the criteria for setting up new SEZs. Benefits for businesses in SEZs include relief measures on taxation, customs, and excise, fast-tracked flow of goods, simplified employment and immigration processes for foreign workers, land affairs and spatial planning support, and ease of business licensing.

## Vietnam News

### Renewable Energy Boom

Experts believe that Vietnam will soon lead ASEAN in renewable energy development and has a solar power boom underway. Vietnam added 11.6 GW of solar power to the national grid in 2020 up from 105MW in 2018 for a total of 16.5 GW. As demand for power is forecast to increase dramatically in coming years, there has been heavy investment in solar plants in Vietnam. A special market mechanism that allows investors to sell renewable energy to the grid at a fixed price that covers the cost of investment is the driving force behind Vietnam's solar energy surge. Vietnam plans to double its power capacity by 2030 with 29% of its electricity coming from renewable sources. Renewable energy capacity could be as high as 45GW within the next few years and the country plans to have most of its electricity coming from renewable sources by 2045.

## Singapore News

### New IP Roadmap

Singapore released its new 10-year IP roadmap this month that continues driving the country's rise as a global hub for intangible assets and intellectual property. The new roadmap emphasizes the role of innovation in driving Singapore's digital economy and anticipates the coming legal changes in the use of big data and artificial intelligence technologies. Attracting and growing innovative businesses' intangible assets and intellectual property and developing skillsets and jobs in the two areas are also part of the roadmap's objectives as well as returning data control to users to regain public trust. The value of intangible assets currently is SD\$65 trillion and makes up 54% of the world's total value listings, surpassing the value of tangible assets.

## THAILAND LEGAL REVIEW

## Immigration News

### Quarantine Update

On April 29, 2021, the Centre for COVID-19 Situation Administration (CCSA) announced the extension of the quarantine period for all international travelers regardless of their nationality or vaccination status in order to reduce the risk of local transmission of new COVID-19 variants in Thailand.

The new regulation extends the quarantine period to 14 days for all travelers entering Thailand, regardless of nationality and vaccination status as follows:

1. Travelers who obtained the Certificate of Entry (COE) after 1 May 2021 must be quarantined for no less than 14 days.
2. Travelers who receive a COE before 1 May 2021 will be quarantined as follows:
  - 2.1 Those arriving in Thailand between 1-5 May 2021 will be quarantined as indicated in the COE (7, 10, or 14 days depending on vaccination record); and
  - 2.2 Those arriving in Thailand from 6 May 2021 onwards must be quarantined for no less than 14 days.

## Restrictions on Entry from India

Regarding flights to Thailand from India, on 22 April 2021, the Thai Embassy in New Delhi announced that due to the COVID-19 situation, the Centre for COVID-19 Situation Administration (CCSA) has put restrictions on non-Thai nationals who wish to enter Thailand on all flights from India as follows:

1. All COEs that were issued to non-Thai nationals to enter into Thailand from India with the arrival date from 1 May 2021 have been cancelled.
2. The issuance of COEs for non-Thai nationals who wish to travel to Thailand from India from 1 May 2021 onwards has been suspended **until further notice**.

As a result, anyone who has already received visa approval and a COE from a Thai Embassy or Consulate in India for flights from 1 May 2021 onwards will not be able to enter Thailand until further notice from the Thai Government.

When the suspension is lifted and non-Thai nationals are allowed to enter Thailand from India again, applications for new COEs must be submitted. However, if the visa is still valid at the time of permission, such visa can still be used. Otherwise, a new visa must be granted prior to being able to obtain a new COE and entering Thailand.

## Corporate Law News

### Personal Data Protection Act Postponement

Pursuant to the Royal Decree on Agencies and Businesses not subject to the PDPA B.E. 2562 (No. 2), as announced in the Royal Gazette on May 8, 2021, the enforcement of certain provisions (e.g. Chapter 2: Personal Data Protection; Chapter 3: Use or Disclosure of Personal Data; Chapter 5: Complaints, etc.) under the Personal Data Protection Act B.E. 2562 (2019) ('PDPA') have again been deferred from June 1, 2020, to June 1, 2022. This is due to complications in implementing the rules, criteria, and conditions as proscribed by PDPA, together with the need for applying with advanced technology, as well as the continuation of the Covid-19 crisis, which has resulted in the unreadiness of legal compliance for all data controllers whether

governmental, private agencies, or businesses.

### Extension for Submitting the Financial Statement for a Registered Partnership, Juristic Person Established under Foreign Laws Conducting Business in Thailand, and Joint Ventures

On May 3, 2021, the Department of Business Development (DBD) announced that it was granting certain juristic entities an extension for submitting the financial statements from generally being within 5 months from the closing date of the accounting period to June 30, 2021, under following conditions:

1. **Being a juristic person**, including:  
Registered partnerships;  
Juristic persons established under foreign laws conducting business in Thailand; or  
Joint ventures
2. **Fiscal Year-ending Date:** From December 1, 2020 to December 31, 2020
3. **New Deadline:** Within June 30, 2021

### Convening a Meeting under the Provincial Notification on the Temporary Closure of the Premises

According to the COVID-19 measures issued under provisions controlling premises, businesses, or activities, any juristic person who has already fixed the date, time, and venue of its meeting of shareholders, chamber members, etc., between April 26, 2021, and April 30, 2021, and is affected by such measures, the Department of Business Development (DBD) has announced that it is granting permission to certain juristic persons to postpone said meetings under the following conditions:

1. **Being a juristic person**, including a:  
Limited company;  
Public limited company;  
Trade association; or  
Chamber of commerce
2. **Fiscal Year-ended Date:** From December 26, 2020 to December 31, 2020
3. **Impact Reason:** Premises have been temporary shutdown according to the

government's order or a limitation of the number of attendees entering at the set venue

**4. Original Fixed Meeting Date:** Between April 26, 2021 and April 30, 2021

**5. Extension:**

- The new meeting date shall be fixed **within 1 month** from the original fixed meeting date, and
- Such juristic person shall submit a clarification letter, together with the financial statement, copy of shareholder list, copy of minutes of shareholders' meeting, or annual report (as the case maybe), via online submission, from June 1, 2021 to June 30, 2021

**6. Submission of Supporting Documents:**

- **Clarification letter** - This shall be submitted online via DBD e-Registration
- **Financial statements, copy of shareholder list, and other related documents** - This shall be submitted via DBD e-filing system, as follows:

**1. Limited Company**

Financial statements:

Within 14 days from the new date of the shareholders' meeting

Copy of shareholder list:

Within 1 month from the new date of the shareholders' meeting, together with the submission of the auditor's report and notes to the financial statements

**2. Public Limited Company**

Financial statements:

Within 1 month from the new date of the shareholders' meeting

Copy of shareholder list:

Within 1 month from the new date of the shareholders' meeting, together with the submission of the auditor's report and notes to the financial statements, copy of the minutes of shareholders' meeting, and annual report

**3. Trade Association and Chamber of Commerce**

Balance Sheet:

Within 30 days from the new date of the general meeting of members, together

with the annual report, and copy of the minutes of members' meeting (such copy of minutes will be only required in case that there is no specification of the meeting date in the balance sheet).

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