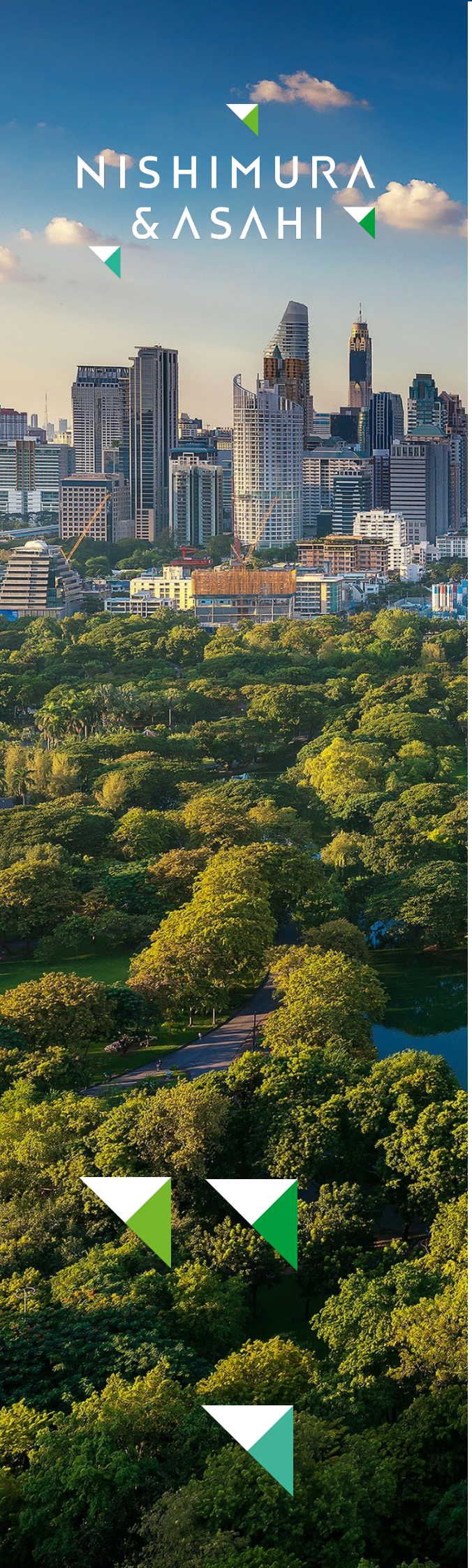

Asia Legal Update

Second Quarter 2024
(Apr. - Jun.)

Indonesia Authors: Miriam Andreta and Jeanne Donauw

1. Rooftop Solar Power

In ongoing efforts to encourage and promote the use of rooftop solar power generation by businesses, the Indonesian Minister of Energy and Mineral Resources ("**MEMR**") issued Regulation No. 2 of 2024 on Rooftop Solar Power Plants Connected to the Electricity Grid of Holders of Electricity Supply Business License for Public Interests ("**IUPTLU**") ("**MEMR Regulation 2/2024**"), which replaces former MEMR Regulation No. 26 of 2021.

According to MEMR Regulation 2/2024, IUPTLU holders (including PT Perusahaan Listrik Negara (Persero) ("**PLN**")) will determine the annual rooftop solar development quota for which their customers can apply during the next 5-year period, subject to the MEMR's approval. This new mechanism should lead to a more transparent approval process. The approved rooftop solar development quota will serve as a reference, and as a basis for IUPTLU holders, including PLN, to decide whether or not to approve customers' applications for rooftop solar power generation.

Since MEMR Regulation 2/2024 no longer establishes an individual threshold, it is widely expected that customers will have more flexibility to apply for rooftop solar power generation capacity on an 'as needed' basis, which may exceed their existing connected electricity capacity supplied by the IUPTLU holder, as long as the IUPTLU holder's approved quota balance is sufficient. MEMR Regulation 2/2024 does not address the specific procedures for submitting and approving customers' applications for rooftop solar power generation. However, it is widely anticipated that these applications will be processed on a 'first come, first served' basis.

The new updates in MEMR Regulation 2/2024, especially those concerning the newly introduced rooftop solar development quota and the removal of the individual threshold requirement, could spark businesses' interest in installing rooftop solar systems.

2. Public Housing Savings Program

Recent implementation of the Public Housing Savings program (locally known as *Tabungan Perumahan Rakyat* – "**Tapera**") aims to provide Indonesian employees with a comprehensive housing financing system. Tapera, implemented via Government Regulation No. 25 of 2020 ("**GR 25/2020**") and Government Regulation No. 21 of 2024 (collectively, the "**Tapera Regulations**"), is propagated through a statutory monthly contribution fund that is mandatory for both employers and employees ("**Tapera Contribution Fund**"). Key takeaways about Tapera are:

A. **Mandatory Enrolment of Employees**
The Tapera Regulations mandate the enrolment of all employees of private corporations who are minimum 20 years old *or* married and earn at least the applicable minimum wage. The employees include expatriates employed in Indonesia for a minimum of 6 months.
GR 25/2020 requires enrolment of all employees by 20 May 2027. However, this date remains tentative, as the Minister of Public Works and Public Housing has suggested postponing the Tapera program.

B. **Tapera Contribution Fund**
For private sector employees, the Tapera Contribution Fund levy is set at 3% of an employee's salary, of which 2.5% is paid by the employee and 0.5% by the employer. Employers must deposit the Tapera Contribution Fund levy by the tenth day of every month into a bank account designated by Tapera Management Body (*Badan Pengelola Tapera*), a legal entity established by the government to manage the fund.

Failure to comply with these statutory obligations may result in administrative sanctions, ranging from written warnings to the revocation of business licenses. In addition, corporations now are expected to develop procedures to allow for compliance with Tapera. Examples include updating payroll systems to incorporate the required contributions and making timely payments to the Tapera Contribution Fund.

Malaysia Authors: Wan May Leong and Ryan Heng

1. The Occupational Safety and Health Act 1994 extended to most workplaces

The Occupational Safety and Health (Amendment) Act 2022 ("**Amendment Act**") has significantly amended the Occupational Safety and Health Act 1994 ("**OSHA**"). These amendments have come into force on 1 June 2024. Some of the significant amendments under the Amendment Act include:

(i) **Widening of the application**: Previously, OSHA was only applicable to specific industries such as manufacturing, mining and quarrying, construction, agriculture, forestry and fishing, utilities, and transport, storage and communication. The Amendment Act widens the application of OSHA to cover all places of work throughout Malaysia including public services and statutory authorities, with limited exceptions;

(ii) **Expansion of responsibilities**: An employer/principal is required to comply with additional obligations which include:
   (a) An employer shall develop and implement procedures to deal with emergencies that may arise when the persons are at work;
   (b) If an employer has five or more employees at work, the employer shall appoint one of its employees as an occupational safety and health coordinator unless otherwise excluded in the Gazette. The appointed occupational safety and health coordinator shall carry out his duties to oversee and manage all occupational safety and health matters at work;
   (c) A principal must ensure the safety and health of the contractor, any subcontractor and the employees of the contractor and subcontractor when at work. A principal is now defined under OSHA as a person who in the course of or for the purposes of their trade, business, profession or undertaking contracts with a contractor for the execution, by or under the contractor, of the whole or any part of any work undertaken by the principal;
   (d) An employer, self-employed person or principal shall conduct health and safety risk assessments in relation to any person who may be affected by their work at the workplace. If the risk assessment indicates that risk control is required to eliminate or reduce the risk, the employer must implement such control;

(iii) **Increase in penalties for safety breaches**: The maximum penalties for certain offences in OSHA have been increased by the Amendment Act in various ranges. For example, the maximum fines for breach of duty by employers to ensure employees' safety, health and welfare at work or to establish a safety and health policy has been increased from RM50,000 to RM500,000; and

(iv) **Joint and several liabilities of directors and office bearers**: any person who (1) was a director, compliance officer, partners, managers, secretary or similar officer within the company, (2) was purporting to act in the capacity or was in any manner or to any extent responsible for the management of any of the affairs of the company, or (3) was assisting in the management of the company, may now be jointly and severally liable for offences committed by the company. This is a broader category of individuals compared to the previous version of OSHA. However, it is a defence if such a person proves that the offence was committed without his knowledge, and without his consent or connivance and that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

2. Exemptions to cabotage policy under the Merchant Shipping Ordinance 1952

On 29 May 2024, the Minister of Transport Malaysia issued among others, exemption Order No. PU(B) 199/2024 pursuant to Section 65U of the Merchant Shipping Ordinance 1952 ("**Order**") with effect from 1 June 2024. Briefly, the effect of the Order is that non-Malaysian cable laying ships are now permitted to be engaged in the provision of installation, maintenance and repair of submarine telecommunication cables landed in Malaysian waters; thereby reinstating the exemption that was revoked by the previous Minister of Transport in November 2020. However, non-Malaysian cable laying ships are still required to obtain a domestic shipping licence from the Domestic Shipping Licence Board.

The Order represents the Malaysian government's efforts to boost investments in internet technology infrastructure, particularly for the data centre services sector.

Philippines Authors: Michelle Marie F. Villarica and Steffi C. Sales

1. Issuance of Guidelines on Review and Approval of PPP Proposals by NEDA

Under Republic Act No. 11966 ("**PPP Code**"), national PPP projects costing at least PHP 15 billion (or less than PHP 15 billion if they meet certain criteria under the PPP Code) are subject to approval by the National Economic Development Authority ("**NEDA**"). In relation to this, on 25 April 2024, NEDA issued the NEDA Board-Investment Coordination Committee ("**ICC**") Guidelines on the Review and Approval of Public-Private Partnership Proposals Requiring ICC and/or NEDA Board Approval ("**ICC Guidelines**").

The ICC Guidelines provide the procedures and documentary checklists for evaluating PPP projects requiring NEDA approval. In addition, the ICC Guidelines also provide (i) the reasonable rate of return to be set when there is only one compliant bid for a solicited project for approval by NEDA or the ICC; (ii) guidelines where the approving body requires parameters, terms, and conditions outside of the negotiated terms in an unsolicited proposal; (iii) guidelines where the approving body fails to render its decision on a PPP project within the required timeframe; and (iv) guidelines for changes in procurement modality.

2. Enforcement of Model Contractual Clauses for Cross-Border Transfers of Personal Data

On 30 May 2024, the National Privacy Commission of the Philippines ("**NPC**") issued Advisory No. 2024-01, encouraging personal information controllers ("**PICs**") and personal information processors ("**PIPs**") to include in their legally binding agreements model contractual clauses ("**MCCs**") for cross-border transfers of personal data. The advisory highlights the following guides:

(i) the Global Privacy Assembly Global Frameworks and Standards Working Group's Comparative Tables of Contractual Clauses, which provide an overview of select MCCs in certain jurisdictions for cross-border transfers of personal data and serve as a comparative guide for PICs and PIPs; and
(ii) the European Commission and ASEAN's Joint Guide to ASEAN Model Contractual Clauses and EU Standard Contractual Clauses, which provides an overview and a comparative analysis of the ASEAN and EU MCCs, as well as best practices to operationalize safeguards under these MCCs, for cross-border transfers of personal data from ASEAN to the EU and vice versa, or between the EU and ASEAN, and within ASEAN.

The NPC advisory reiterates that adoption of MCCs is voluntary and that the NPC does not impose any additional rights or obligations on PICs or PIPs in executing legal agreements. Nevertheless, the use of MCCs may aid PICs in maintaining accountability in cross-border transfers of personal data as required by Philippine data privacy regulations.

3. Issuance of Guidelines for Cornerstone Investors in Initial Public Offerings

On 11 April 2024, the Securities and Exchange Commission ("**SEC**") issued Memorandum Circular No. 8, Series of 2024, providing guidelines for cornerstone investors. Simply put, a cornerstone investor is an investor who agrees in advance to subscribe for an IPO. Considering the importance of cornerstone investors in lending credibility to issuing companies proposing IPOs, the SEC issued these guidelines to formulate policies and recommendations concerning the securities market.

In addition to the disclosures in IPO prospectuses, the following requirements apply to IPOs with cornerstone investors:

(i) the allocations to cornerstone investors are guaranteed in an agreement signed on or before the pricing event of the IPO;
(ii) the cornerstone investment agreement forms part of the material contracts in the issuer's registration statement;
(iii) cornerstone investors are not provided with any material information beyond what is available to the public or in the final prospectus;
(iv) cornerstone investors are identified in the final prospectus;
(v) cornerstone investor placing is at the IPO price; and
(vi) cornerstone investors may have representation in the board of directors, provided they own the required shares.

Singapore Authors: Melissa Tan and Su Xian Chin

1. Enhanced Disclosure of Nominee Arrangements

As part of the Ministry of Finance's ("**MOF**") and the Accounting and Corporate Regulatory Authority's ("**ACRA**") regular review of legislation administered by the ACRA, the Companies and Limited Liability Partnerships ("**LLPs**") (Miscellaneous Amendments) ("**CLLPMA**") Bill was passed by the Singapore Parliament on 2 July 2024.

Among the key amendments to enhance transparency around nominee arrangements under the CLLPMA Bill, an individual's status as a nominee director or nominee shareholder will be made public, which is done by adding nominee status to business profile extractions which are publicly available for purchase from ACRA. In addition, companies will be required to provide comprehensive information of nominee arrangements to ACRA, including the identities of the nominators of the nominees in addition to particulars of the nominee directors and shareholders, although such additional information will only be available to ACRA and other public agencies for the administration or enforcement of any written law.

The publicly available information relating to the status of nominees will be useful to banks, CSPs, and other gatekeepers who may, for instance, wish to conduct additional checks on companies with many nominee directors or shareholders. It will also ensure Singapore's continued compliance with the Financial Action Task Force's (FATF) March 2022 update of its standards on beneficial ownership.

Another set of key amendments relate to enhancing the accuracy of information contained in registers of registrable controllers, or beneficial owners, nominee directors, and nominee shareholders that are currently maintained by companies and LLPs. The maximum penalties for companies and LLPs that commit offences relating to their registers will be raised from S$5,000 to S$25,000. These offences could include failing to maintain their registers, keep the information up-to-date, or correct inaccurate information. Further, it also will be an offence for persons to provide false or misleading information about their registers to ACRA, with a fine of up to S$25,000. This will apply to persons who did not act with reasonable due diligence in ensuring the accuracy of the information that they provide to ACRA. Lastly, companies and LLPs will be required to verify and update their controllers' information on an annual basis.

2. New Tripartite Guidelines on Flexible Work Arrangement

The Ministry of Manpower ("**MOM**") announced the release of the New Tripartite Guidelines on Flexible Work Arrangement ("**FWA Guidelines**") on 16 April 2024, which will come into effect on 1 December 2024.

The FWA Guidelines effectively replace the Tripartite Standard on Flexible Work Arrangements which was launched in 2017, and sets forth the following key recommendations for all employers to:

(a) implement a process that allows their employees to submit their requests for FWA in a formal manner ("**Formal FWA Requests**"), such as through a designated work portal or by email to their supervisor;
(b) properly consider employees' Formal FWA Requests, i.e., consideration on reasonable business grounds and not including the employer's personal bias against FWAs;
(c) engage in open and constructive discussions with the relevant employee to allow all parties to each a mutually beneficial agreement, and to explore ways to accommodate the employee's requests to the extent reasonably practical; and
(d) provide their written decision to the requesting employee within two (2) months after receiving a Formal FWA Request, and to properly communicate their reasons when a Formal FWA Request is rejected.

MOM has published a sample (i) template Formal FWA Request, (ii) employer's response, and (iii) HR Policy for FWA, available under the FWA Guidelines at: https://www.mom.gov.sg/-/media/mom/documents/press-releases/2024/tripartite-guidelines-on-flexible-work-arrangement-requests.pdf.

Under the Guidelines, FWAs generally refer to work arrangements where employers and employees agree to a variation of the standard work arrangement. FWAs generally fall within three broad categories: (1) flexi-place, where employees work flexibly from different locations aside from their usual office location, (2) flexi-time, where employees work flexibly at different times with no changes to total work hours or workload, and (3) flexi-load, where employees work flexibly with different workloads with commensurate remuneration. A non-exhaustive list of the different types of FWAS under each category is also provided by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) on its website: https://www.tal.sg/tafep/employment-practices/work-life-harmony/work-life-programmes#types-of-fwas.

Thailand Authors: Jirapong Sriwat and Apinya Sarntikasem

1. Changes to the Commercial Registration

The Notification of the Ministry of Commerce Establishing the Businesses that Require the Business Operator to Register for Commercial Registration and Businesses that are not Regulated Under the Commercial Registration Act B.E. 2499 (1956) B.E. 2567 (2024) ("**MOC Notification**") was issued recently, and entered into force on 5 June 2024.

In principle, the MOC Notification aims to reduce redundancy in business registrations and to alleviate the burden registration places on business operators. Previously, juristic persons (e.g., private and public companies, registered partnerships, and limited partnerships) engaged in certain types of business activities (as established by the MOC) were required to file both a registration of establishment of their status as juristic persons and a Commercial Registration. However, pursuant to the MOC Notification, only a non-juristic person, such as an individual or a non-registered partnership, is required to file a Commercial Registration. In addition, the MOC Notification narrows the scope of businesses for which a Commercial Registration is required, by reducing the types of businesses that must register and by introducing new qualifications for businesses that do require a Commercial Registration. For example, previously all businesses involved in sales of goods were required to file a Commercial Registration; however, the MOC Notification requires only those businesses engaged in sales of goods that have a turnover of Baht 300 or more on any day, or that sell goods valued at Baht 10,000 or more, to file for Commercial Registration.

2. New Business Activities Eligible for the Board of Investment's Investment Promotion

The Board of Investment ("**BOI**") recently issued Notification No. Sor. 5/2567 Re: Amendment to the List of Business Activities Eligible for Investment Promotion Pursuant to the Notification of the Board of Investment No. 9/2565 ("**BOI Notification No. Sor. 5/2567**"). BOI Notification No. Sor. 5/2567 introduces changes to promoted business activities, which apply to all applications submitted on and after 28 June 2024. Key updates include the addition of new business activities that are eligible for the BOI investment promotion, such as electric vehicle battery management services, energy storage business, and data hosting businesses. The amendment to the investment promotion also impacts several existing business activities, such as the manufacturing of aseptic plastic packaging and manufacturing of long steel products for industrial use. In addition, BOI Notification No. Sor. 5/2567 suspends investment promotion for certain segments of the pulp and paper industry, particularly those involving hygienic pulp and paper, specialty pulp and paper, recycled pulp, and eco-friendly pulp products.

3. Update to Registration Requirements for Registration of Companies With Registered Capital Exceeding Baht 5 Million

The Department of Business Development ("**DBD**") recently updated the requirements for registration of partnerships and companies with registered capital in excess of Baht 5 million, effective 1 July 2024, in accordance with Central Partnership and Company Registration Office Order No. 1/2567 ("**Order**"). When (A) incorporating companies with registered capital exceeding Baht 5 million, (B) increasing registered capital to an amount in excess of Baht 5 million, (C) amalgamating companies into a new company and/or (D) conducting a merger with a surviving company, it generally is necessary to submit the following documents to the DBD:

(i) a bank statement confirming the company's receipt of share payments and (ii) a letter from the company director confirming that the company already received the share payments; or

(iii) a letter of explanation, if the documents in (i) and (ii) cannot be submitted because all of the directors of the company are foreigners, or if the company receives investment promotion from the BOI or Industrial Estate Authority of Thailand; however, the documents in (i) and (ii) need to be submitted to the BOI within 15 days after the company incorporation or amalgamation, as the case may be.

This leniency of item (iii) aims to ease the requirements applicable to companies with foreign directors or investment promotion, by allowing submission of a letter of explanation in lieu of a bank statement at the time of company incorporation, although the bank statement does need to be submitted later on.

It should be noted that the explanatory document in (iii) is not required for registration of a capital increase (item (B)) and a merger with a surviving company (item (D)).

Vietnam Authors: Vu Le Bang and Nguyen Thi Thanh Huong

1. Earlier Effective Dates of Several New Laws

On 29 June 2024, the National Assembly approved the Law Amending and Supplementing Some Articles of Land Law No. 31/2024/QH15 (**"New Land Law"**), the Law on Housing No. 27/2023/QH15, the Law on Real Estate Business No. 29/2023/QH15 and the Law on Credit Institutions No. 32/2024/QH15 ("**New LoCI**"). Pursuant to this new law, (a) three laws governing the real estate market (excluding Articles 252.2 and 252.3 of the New Land Law related to sea encroachment and forestry management, and land use planning for the 2021-2030 period, respectively), and (b) Articles 200.3 and 210.15 of the New LoCI, which relate to transfers of collateral which is real estate projects for debt recovery by credit institutions, will enter into effect on 1 August 2024, five months earlier than the initial effective date of 1 January 2025. As a result, several key changes to the real estate market will enter into force on 1 August 2024, including: (i) a narrowing of the scope of enterprises that are considered "foreign invested enterprises" to only those enterprises in which foreign investors hold more than 50% of the total shares, either directly or via subsidiaries; (ii) land price brackets will no longer exist, and it is expected that land prices will be calculated based on market principles; (iii) the provincial People's Committee ("**PC**") will have the right to decide whether commercial housing developers must set aside residential land in their projects to build social housing, or can arrange a social housing land fund within the relevant urban area, in a location other than within the developers' own commercial housing projects, or can pay money instead of the other foregoing options; (iv) real estate developers will be prohibited from collecting deposits from purchasers in amounts greater than 5% of the sale price of off-plan buildings, and a written deposit agreement between the developer and the purchaser is mandatory; and (v) credit institutions transferring collateral that is a real estate project for debt recovery are exempt from satisfying conditions applicable to real estate business entities.

2. Decree No. 80/2024/ND-CP on Direct Power Purchase Mechanism ("DPPA")

On 3 July 2024, Government issued Decree 80/2024/ND-CP ("**Decree 80**"), which became effective on the issuance date, and regulates the DPPA mechanism between renewable energy generators ("**GENCO**") and large electricity users ("**Customers**"). Some notable points about Decree 80 include:

(i) Large electricity users generally are organizations, individuals purchasing power for use without reselling it to others, or those with average or registered consumption outputs of at least 200,000 kWh/month.

(ii) There are two forms of DPPAs: (a) DPPA via private connection lines ("**Physical DPPA**") between GENCO and Customers, and (b) DPPA via the national grid ("**Virtual DPPA**") between (1) solar/wind GENCOs with a capacity of at least 10 MW that are connected to the national grid and directly participating in the competitive wholesale electricity market, (2) Customers who purchase and use power for production purposes and are connected to the grid at voltage levels of at least 22 kV, and (3) electricity retailers in industrial, economic, export processing, hi-tech, and other zones and clusters authorized by Customers to participate to the Virtual DPPA ("**Authorized Retailers**").

(iii) Physical DPPAs basically have no restrictions on power sale prices and PPA templates. GENCOs generally can sell power directly to Customers by signing a PPA at power sale price agreed upon by the parties. In this case, the Customers must report execution of the PPA to the provincial PC, Vietnam Electricity ("**EVN**") and National Load Dispatch Centre ("**NLDC**") within 10 days after the signing date.

(iv) In a Virtual DPPA, (a) the GENCO signs the PPA with EVN to sell power to the spot power trading market, and (b) the GENCO signs forward contracts with Customers or Authorized Retailers, and (c) the Customers or Authorized Retailers also sign retail PPAs with EVN to purchase electricity, in line with individual demand; all of these contracts must contain certain statutory key terms and conditions, as set forth in Decree 80. The power sale price in a Virtual DPPA is determined based on various formulas for different pricing mechanisms for each contract, as set forth in Decree 80. To participate in Virtual DPPAs, the GENCO, the Customers, or the Authorized Retailers must submit dossiers and register for participation with the NLDC.

3. Draft Decree on Penalties Applicable to Violations of Personal Data Protection Law

The latest version of the draft decree finally is publicly available, though the time of official issuance has not been revealed. Among the notable points in this draft decree, a fine of up to 10% of the violator's total revenue in Vietnam during the immediately preceding fiscal year may be imposed on organizations that violate personal data protection regulations. Additional sanctions and measures might be imposed also, for example, revocation of licenses for a certain period.

India Authors: Taeko Suzuki and Isha Shah[1]

1. Amendment to SEBI AIF Regulations to prevent circumvention of foreign investment norms

The Securities and Exchange Board of India ("**SEBI**") notified the SEBI (Alternative Investment Funds ("**AIF**")) (Second Amendment) Regulations, 2024, dated 25 April 2024, which amended the SEBI (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") to impose obligations on AIF, their managers, and key managerial personnel of the managers and the AIF to exercise specific due diligence with respect to investors and investments, to prevent circumvention of relevant laws.

The SEBI's consultation paper dated 19 January 2024 observed that classification of downstream investments by AIFs is determined on the basis of the domicile of ownership and control of the manager and sponsor of the AIF, and that some AIFs were being set up with domestic domiciles with the intent of circumventing foreign investment regulations, such as those governing investments (i) in sectors that are prohibited from receiving foreign direct investments ("**FDI**"), (ii) in excess of permissible sectoral limits on FDI, and (iii) in debt or debt linked securities, which must be pursuant to the foreign portfolio investment or external commercial borrowings route.

2. SEBI framework for considering unaffected price for verification of market rumors

SEBI issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 dated 17 May 2024, which amend the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**"). Effective 1 June 2024, the top 100 listed companies, and from 1 December 2024, the top 250 listed companies, are required to verify market rumours reported in the mainstream media that relate to impending, specific material events, within 24 hours of the event being reported. If a rumour is confirmed within 24 hours from a trigger for a material price movement, the effect on the price of equity shares of the listed entity due to the material price movement or confirmation of the reported event or information may be excluded for purposes of calculating the unaffected price. In a circular dated 21 May 2024, SEBI directed these listed entities to follow a specified framework for considering unaffected prices.

SEBI also issued another circular, dated 21 May 2024, to facilitate ease of doing business, which provides that the Industry Standards Forum, which is comprised of representatives from ASSOCHAM, CII and FICCI, in consultation with SEBI, and on a pilot basis, has formulated an industry standard for effective implementation of the requirement to verify market rumours under Regulation 30(11) of the LODR.

3. New criminal laws in effect

Starting 1 July 2024, India's primary criminal laws have been replaced with three new laws: (i) the Bharatiya Nyaya Sanhita, 2023, which replaces the Indian Penal Code, 1860; (ii) the Bharatiya Nagarik Suraksha Sanhita, 2023, which replaces the Code of Criminal Procedure, 1973; and (iii) the Bharatiya Sakshya Adhiniyam, 2023, which replaces the Indian Evidence Act, 1872.

A few key provisions of these new laws, which may have an impact on foreign nationals and companies, include: (i) abetment of a criminal act in India by a person outside India may constitutes an offence, (ii) trial, conviction and sentencing of those accused of grave offences may be performed 'in-absentia' (i.e., the trial and other procedures may continue in the absence of the accused person or entity), and (iii) the investigative authorities have been granted wide powers to make applications to courts to seize and attach property, on the suspicion that the relevant property may have been obtained as a result of criminal activity, and the courts have been empowered to attach the relevant property of the accused, including overseas assets, by way of an *ex-parte* order (i.e., without giving the accused an opportunity to be heard). The new laws also allow for issuance of digital summons and electronic registration of FIRs.

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[1] We hereby thank Ms. Zahra Aziz from S&R Associates, an Indian law firm, for her support in preparation of this article.

Myanmar Author: Saw Nyan Htun

1. Entry Into Force of Patent Law and Issuance of Patent Rules

The State Administration Council ("**SAC**") issued Notification No. 106/2024, which states that the Patent Law (The Pyidaungsu Hluttaw Law No.7/2019), which was enacted on 11 March 2019, entered into force on 31 May 2024. The SAC also issued Patent Rules ("**Rules**") on 4 June 2024, in Notification No. 43/2024. The Rules include the detailed requirements for applications to register patent rights, as well as applications to withdraw an application for registration of patent rights before the registrar permits or refuses registration. Applications for registration can be made electronically, in person, or by post, using the prescribed form. According to the Rules, the following information, inter alia, must be included in an application for registration:

(i) Request for grant of a patent;
(ii) Names, nationalities or countries of incorporation, and addresses of the applicant individuals or legal entities;
(iii) Names of the inventors, as well as their nationalities and addresses;
(iv) Complete description of the invention;
(v) Representative or agent's name, national registration card number, and address;
(vi) One or more patent claims;
(vii) Priority documents, if applicable;
(viii) Writings or drawings that explain the invention, if any, etc.

The Rules establish a detailed process and requirements for examination of applications for registration of patent rights and publication thereof, including the method(s) for opposing registration of a patent at the time of publication. The Rules also establish interpretations for patents relevant to computer software. The Rules set forth the process to apply for recordation of a transfer of ownership of a patent to any individual or legal entity, including the publication requirements relating to transfers of ownership.

According to the Rules, the following information, inter alia, should be included in the registration of a patent:

(i) Name and address of the applicant;
(ii) Names and addresses of the inventors;
(iii) Representative or agent's name, national registration card number, and address;
(iv) Patent right certificate number;
(v) Application date;
(vi) Name and brief description of the invention;
(vii) Writings or drawings that explain the invention, if any, etc.

The implementation of Patent registration will be operational when the Intellectual Property Department under the Ministry of Commerce ("**IP Department**") announces official form, fees, and commencement date of the submissions.

2. IP Department Publication of Applications and Registration of Marks

The IP Department issued series of publications relating to applications for and registration of marks so that any person who wants to make an objection to the application for the registration of marks under Section 26 of the Trademark Law. The publications include marks for which applications for registration have been filed with the WIPO filing system; any person who wants to oppose the application for registration of a mark may file an opposition, using the relevant application form and paying the relevant fee, within 60 days of the date of publication. Oppositions also must contain a statement of the grounds under Sections 13 and 14 of the Trademark Law for opposing registration of the relevant mark. The registrar may allow the registration of mark if no objection is made within 60 days from the date of publication. The registrar must notify the permission or refusal of the registration of mark to the applicant and such permission or refusal will also be published.

Taiwan Author: Cheng-Yi Chiang

1. Regulations on Approval and Management of Exploration and Development of Geothermal Energy

On 13 May 2024, the Energy Administration of the Ministry of Economic Affairs promulgated the Regulation on Approval and Management of Exploration and Development of Geothermal Energy ("**Regulations**"). The Regulations provide a regulatory framework for potential future developments of geothermal energy in Taiwan. The following are some key takeaways about the Regulations:

(i) Types of Permits:

Separate permits are required for exploration and development of geothermal energy. An exploration permit is required to drill wells, excavate, or carry out other acts for purposes of exploring subsurface geothermal energy; this permit has a term of 2 years (extendable to up to 4 years). A development permit is required to exploit geothermal energy, and has a term of 5 years (extendable on a yearly basis).

(ii) Qualifications to Apply:

The applicant for an exploration or development permit may be natural person, a legal entity, a registered business, or an unincorporated association with a designated representative. However, applicants for exploration permits must possess funds of 5 million NT dollars or more, whereas applicants for development permits must own at least 15% of the total investment.

(iii) Required Application Documents:

Documents required to apply for either an exploration permit or a development permit include: (1) identification or registration of the applicant, (2) proof of funding, (3) exploration or development plans, (4) proof of consent from the owner of the land on which the exploration or development will take place, (5) proof of consent from indigenous peoples or tribes, in accordance with the Indigenous Peoples Basic Law, and (6) documents related to the controlled status of the exploration site (if the site is a designated environmentally-sensitive site). The following additional documents are required to apply for a development permit: (1) documentation related to the land-use plan or land segmentation control, and (2) an analysis of the potential effect on the hot spring industry (if the development site is located in a designated hot spring area, pursuant to the Hot Springs Act).

2. Implementation of Fast-Track Trademark Examination Programme

The Intellectual Property Office, which is the trademark examination authority in Taiwan, has promulgated "Procedures for the Accelerated Examination of Trademark Applications" ("**Procedures**") to regulate the fast-track examination programme for trademark applications. The Procedures were officially implemented on 1 May 2024, and enable applicants seeking urgent trademark approvals to receive results in about 2 months, as opposed to the normal timeline of about 8 months, for an additional fee of 6,000 NT dollars. However, the Procedures state that fast-track examinations apply to only the following two sets of circumstances:

(i) All goods or services designated in the trademark application actually have been used, or substantial preparations have been made for their use

The definition of "actual use" aligns with the "use of trademark" concept defined in Article 5 of the Trademark Act, and includes applying the trademark to goods, to articles relating to the provision of services, or to commercial documents or advertisements relating to the relevant goods or services. To prove that substantial preparations have been made, the applicant may specify the details of its intended use (including timing, goods or services, marketing channels, etc.), and submit relevant samples.

(ii) Some of the goods or services designated in the trademark application actually have been used, or substantial preparations have been made for their use, and it is commercially necessary and urgent to obtain trademark rights

Examples of situations in which "commercial necessity and urgency to obtain trademark rights" exist include circumstances in which: (a) a third party has used, or made substantial preparations to use the applicant's trademark without consent, (b) a third party has warned the applicant that use of the trademark constitutes infringement, (c) a third party has requested authorisation to use the trademark, or (d) use of the trademark in the market is planned and sales or distribution contracts have been executed. However, in this category, the application must be limited to goods and services that are of commercial necessity and urgency.

Hong Kong Author: Ryuichi Sakamoto

1. New Capital Investment Entrant Scheme

The New Capital Investment Entrant Scheme (the "**Scheme**") was re-introduced by changing the contents of the previous scheme which existed until 2015, with a view toward further enriching the talent pool and attracting new capital to Hong Kong. The Scheme began accepting applications on 1 March 2024, and upon being approved, applicants are granted permission to stay in Hong Kong for a period of not more than twenty-four months. A further extension of not more than three years normally will be granted on the same conditions, and further applications for such an extension of stay must follow the same application procedures. The eligibility criteria for entry applications is as follows:

(i) the applicant is aged 18 or above;

(ii) the applicant is one of the following:
  (a) a foreign national (nationals of Afghanistan, Cuba, and the Democratic People's Republic of Korea are excluded);
  (b) a Chinese national who has obtained permanent resident status in a foreign country;
  (c) a Macao Special Administrative Region resident; or
  (d) a Chinese resident of Taiwan;

(iii) the applicant demonstrates that he/she has net assets or net equity to which he/she is absolutely beneficially entitled with a market value of not less than HKD 30 million net throughout the two years before the application;

(iv) the applicant will make his/her investment in permissible investment assets. He/she must invest a minimum of HKD 27 million in permissible financial assets (i.e., equities, debt securities, certificates of deposit, subordinated debts, eligible collective investment schemes, limited partnership funds) and/or non-residential real estate (subject to a cap of HKD 10 million). Separately, he/she is required to place HKD 3 million into a new CIES Investment Portfolio, which will be set up and managed by the Hong Kong Investment Corporation Limited;

(v) the applicant demonstrates that he/she has no adverse immigration record and meets all normal immigration and security requirements; and

(vi) the applicant demonstrates that he/she is capable of supporting and accommodating him/herself and his/her dependants on his/her own.

2. Construction Industry Security of Payment Bill

The Development Bureau published the Construction Industry Security of Payment Bill (the "**Bill**") on 16 May 2024 to establish a mechanism to improve payment delay problems among contracting parties, which has been an ongoing issue in the construction industry. There are various contracting parties involved in construction projects, including clients, contractors, subcontractors, suppliers, consultants, etc. If a party delays in making payment, it puts financial pressure on the various stakeholders along the supply chain, and disproportionately affects small and medium-sized enterprises with a relatively low financial risk tolerance level. The Bill contains provisions to improve contractual payment terms, establish an adjudication mechanism to resolve disputes quickly, and grant unpaid parties the right to suspend or slow down the progress of work or services provided. The key provisions of the Bill are as follows.

(i) Improvement of contractual payment terms
  The Bill prohibits the use of unfair payment terms, such as "pay when paid", and imposes time limits on the paying party to respond to payment claims and make payment of the full amount that the paying party has admitted is payable.

(ii) Introduction of adjudication mechanism
  When a payment dispute arises, the claiming party is entitled to initiate adjudication proceedings. The contracting parties can resolve the payment dispute through an independent adjudicator, who must make his/her decision within 55 working days after being appointed. Both parties have the right to refer the payment dispute to litigation or arbitration if they are dissatisfied with the adjudicator's decision.

(iii) Suspension or slowing down progress
  If the paying party has admitted the amount payable but fails to pay such amount in full to the claiming party on or before the deadline, or the adjudicator has made a decision regarding the case but the paying party has failed to pay the adjudicated amount in full on or before the deadline, the claiming party is entitled to suspend or slow down the work or services it provides.

United Arab Emirates Authors: Ayush Sharma and Suguru Kuroda

1. DIFC Issues Law on Digital Assets

The Dubai International Financial Centre ("**DIFC**") Law No. 2 of 2024 on Digital Assets Law ("**Digital Assets Law**") came into effect on 8 March 2024[2]. DIFC is a special economic zone ("**free zone**") in Dubai, and a financial hub for the Middle East, South Asia, and Africa. The Digital Assets Law defines "Digital Asset" as a thing that (a) exists as a notional quantity unit manifested by a combination of the active operation of software by a network of participants and network-instantiated data, (b) exists independently from any particular person and legal system, and (c) is not capable of duplication, and use or consumption of the thing by one person or specific group of persons necessarily prejudices the use or consumption of that thing by one or more other person.

A few salient features of the Digital Assets Law are as follows:

(i) Scope: The Digital Assets Law is applicable within the jurisdiction of the DIFC, which means the Digital Assets Law does not apply to mainland UAE or to other free zones except for the DIFC.

(ii) Title to Digital Assets: A person (or a group of persons acting together) acquires original, legal title to a Digital Asset when it obtains "Control" (as explained below) of the Digital Asset, has the intent to exercise control over the Digital Asset, or has a general intent to exercise control over the Digital Asset in the "Address" (as explained below) in which the Digital Asset is located. For purposes of the Digital Assets Law: (a) an "Address" is the string of data that is unique to a participant on a Distributed Ledger and is shared with other participants, and (b) "Distributed Ledger" means a digital store of information or data shared across a network of computers, where participants approve and eventually synchronize additions to the ledger through an agreed consensus mechanism.

(iii) Meaning of "Control": A person has Control of a Digital Asset if: (a) subject to certain conditions in the Digital Assets Law, the Digital Asset, or the relevant protocol or system, confers on that person: (i) the exclusive ability to prevent others from obtaining substantially all of the benefit from the Digital Asset, (ii) the ability to obtain substantially all of the benefit from the Digital Asset, and (iii) the exclusive ability to transfer the abilities in items (i) and (ii) to another person; and (b) the Digital Asset, or the relevant protocols or system, allows the person with control to identify itself as having the abilities set out in subsection (a).

(iv) Transfer of title: The transfer of title to a Digital Asset occurs upon satisfaction of the following conditions: (a) there is a Change of Control of the Digital Asset to the transferee; and (b) the transferor intends to transfer title to the transferee. Where a Digital Asset is transferred to by way of a gift, it is presumed that the intent of the parties is that title to the Digital Asset should be transferred, unless a contrary intent can be proven.

2. Amendments to DIFC Employment Law

DIFC Law 1 of 2024 ("**Amended Law**") amended the DIFC Law 2 of 2019 ("**Old Employment Law**"). The point of the Amended Law is as follow(under the Old Employment Law and the Amended Law, a UAE and a GCC national are supposed to receive pension benefits, not gratuity payment):

(i) The Amendment Law states that if an employee is a UAE national or a GCC national, and his/her pension contribution to the GPSSA is less than the amount of core benefits (the gratuity payment received by those other than a UAE or a GCC national) that would be due to the relevant employee had the employee not been a UAE or a GCC national, the DIFC employer is required to calculate the difference and make top-up payments into a qualifying scheme.

(ii) The rule in paragraph (i) applies only when the monthly top-up contribution obligation for the relevant employee is equal to or greater than AED1,000.

[2] DIFC Announces Enactment of New Digital Assets Law, New Law of Security and Related Amendments to Select Legislation

Japan Authors: Hiroki Kaga and Aya Okada

1. Commencement of Operation of the System for Ensuring Stable Provision of Essential Infrastructure Services Under the Economic Security Promotion Act

The system for ensuring stable provision of essential infrastructure services ("**System**") pursuant to the Act on the Promotion of Ensuring National Security Through Integrated Implementation of Economic Measures (Act No. 43 of 18 May 2022, or the "Economic Security Promotion Act" ("**Act**")) began operation on 17 May 2024.

(i) Purpose of the System

Given the increasing complexity of the global landscape and changes to the world's socio-economic structure, and in light of the growing importance of preventing economic activities that cause harm to the security of the nation and its citizens, the Act states that the government of Japan has formulated a basic policy and is introducing the following systems, as economic measures related to ensuring national security, in order to engage in comprehensive and effective promotion of economic measures related to ensuring security: (a) a system to ensure a stable supply of critical products, (b) a system to ensure the stable provision of essential infrastructure services, (c) a system to enhance development of specified critical technologies, and (d) a system to ensure non-disclosure of selected patent applications. The System is the one described in item (b), and aims to prevent critical facilities that are part of essential infrastructure from being used as a way for actions taken outside Japan to interfere with the stable provision of specified essential infrastructure services ("**Specified Interference**") within Japan. Through the System, the Japanese government designates certain entities as essential infrastructure business ("**Specified Essential Infrastructure Businesses**") and service providers ("**Specified Essential Infrastructure Service Providers**"), pursuant to certain criteria. Such service providers that introduce designated facilities ("**Specified Critical Facilities**") or entrust maintenance, management, or operation of those facilities to a third party must give the government prior notice and undergo a screening process.

(ii) Scope of the System

The Specified Essential Infrastructure Businesses are defined, by Cabinet Order, as businesses that provide specified essential infrastructure services in the 14 business sectors specified in Article 50, paragraph 1 of the Act [3] (electricity, gas, oil, water supply, railway, motor truck transportation, international maritime cargo, air transport, airport, telecommunications, broadcasting, postal service, finance service, and credit cards). Specified Essential Infrastructure Service Providers are entities that fall within the criteria established by order of the competent ministry, and are entities that engage in Specified Essential Infrastructure Businesses, where suspension or degradation of the functioning of the specified critical facilities in use by the business is highly likely to damage the security of the nation and its citizens. A list of the designated Specified Essential Infrastructure Service Providers can be found on the Cabinet Office website[4].

(iii) Prior notification

When a Specified Essential Infrastructure Service Provider (a) introduces specified critical facilities from a different enterprise, or (b) entrusts a different enterprise with maintenance, management, or operations, the relevant Specified Essential Infrastructure Service Provider must prepare a plan of introduction or entrustment and other required materials in advance, notify the competent minister and submit the documents required by the competent ministry. The plan must include an overview and description of the specified critical facility, the details and timing of the introduction or entrustment, information about the suppliers or contractors and subcontractors (including name, address, country of incorporation/jurisdiction, information on persons who directly hold 5% or more of the voting rights therein, executives' names, date of birth, and nationalities, and percentage of sales from transactions with a foreign government and the name of the foreign government), and risk management measures.

(iv) Screening process

In principle, Specified Essential Infrastructure Service Providers must not introduce or entrust management, maintenance, or operations until 30 days have passed from the date the competent ministry receives notification of the plan; during this period (which can be extended to a maximum of 4 months) the competent minister will perform a screening. As a result of the screening, if the competent minister finds that the Specified Critical Facilities are highly likely to be used as a means of Specified Interference, the minister may recommend that the content of the plan be changed or that the relevant activities should be suspended, and if the Specified Infrastructure Service Provider does not comply with that recommendation, the minister may order the change or suspension to take place.

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[3] On 17 May 2024, an amendment to the law was published, adding the "Port and Harbor Transportation" sector. This amendment will come into effect on the date specified by Cabinet Order, within a period not exceeding one year and six months from the date of publication. After its entry into force, the number of specified business sectors will be 15.

[4] https://www.cao.go.jp/keizai_anzen_hosho/suishinhou/infra/doc/infra_setsumeikai_eng.pdf

Bangladesh Authors[5]: Taeko Suzuki and Varsha Bhattacharya

1. Notification Mandating Appointment of Female Independent Director

On 4 April 2024, the Bangladesh Securities and Exchange Commission issued a notification[6] mandating that all listed companies must appoint at least one (1) female independent director to their boards of directors. Companies are required to comply with this requirement by 4 April 2025.

2. Income Tax Exemption for New Establishments

On 27 June 2024, Bangladesh's National Board of Revenue ("**NBR**") issued two Statutory Regulatory Orders ("**SROs**"), which exempt new establishments set up in Bangladesh's economic zones and hi-tech parks from income taxes for the first ten (10) years starting from the year of commencement of business:

(a) SRO No. 244-Law/Income Tax-38/2024 exempts income earned from business activities carried out by a new establishment within an economic zone, as declared under the Bangladesh Economic Zones Act, 2010. The tax exemption is available for hundred percent (100%) of the income earned or received during the first three (3) years from the date of commencement of business activities by the establishment, eighty percent (80%) of the income in year four (4), and progressively lower percentages of income during years five (5) to ten (10).

(b) SRO No. 245-Law/Income-tax-39/2024 exempts income earned from business activities carried out by a new establishment within a hi-tech park, as declared under Section 22 of the Bangladesh Hi-Tech Park Authority Act, 2010. The tax exemption is available for hundred percent (100%) of income earned or received during the first seven (7) years from the date of commencement of business activities by the establishment, and seventy percent (70%) of income during years eight (8) to ten (10).

To take advantage of the exemption, the establishment must be approved by the NBR and must commence business operations by 30 June 2035.

[5] We hereby thank Ms. Shimu Kamrunnaher from Rahman's Chambers, a Bangladesh law firm, for her support in preparation of this article.

[6] No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 4 April 2024 https://sec.gov.bd/slaws/Notification_26.05.2024.pdf

Sri Lanka Author:[7] Akihiro Kawashima

1. Sri Lanka Executes Comprehensive Debt Restructuring Agreements

On 26 June 2024, Sri Lanka concluded negotiations with the Official Creditor Committee ("**OCC**") and China Exim Bank, and signed comprehensive debt restructuring agreements valued at a combined USD 10 billion. The OCC is led by Japan, France, and India, and is comprised of seventeen countries, including Australia, Austria, Belgium, Canada, Denmark, Germany, Hungary, Korea, the Netherlands, Russia, Spain, Sweden, the United Kingdom, and the United States of America.

The comprehensive agreements contain restructuring arrangements with these bilateral creditors, and allowed extension of the maturity periods of Sri Lanka's bilateral debt, initiation of certain moratoria, and substantial reductions in interest rates. Sri Lanka also announced that it has reached an agreement with private creditors on the major conditions for restructuring USD 12.5 billion in debt owed to those creditors. The execution of these agreements will promote USD 2.9 billion in financial support to Sri Lanka from the International Monetary Fund (IMF).

Sri Lanka defaulted on its outside debts and began debt restructuring in September 2022. Measures taken under the agreements will alleviate Sri Lanka's short-term debt service obligations and promote renewed bilateral financing opportunities to resume critical infrastructure projects, contributing to the economic stabilization and growth of Sri Lanka.

2. Sri Lanka Implements New Electricity Act

The Sri Lanka Electricity Act, No.36 of 2024 ("**Electricity Act**") came into effect on 27 June 2024. In recognition of the need for reforms to the existing institutional framework of the electricity industry to attract new investments, the Electricity Act aims to separate business activities in the electricity industry, which currently are managed by a single government-owned entity. Specifically, independent corporate entities will be established to manage the generation, transmission, distribution, trade, supply, and procurement of electricity, ensuring efficient operations and fostering market competition. The Electricity Act also aims to help the new corporate entities achieve financial self-sufficiency through a transparent tariff system, clear financial and resource management, and enhanced accountability measures. The Electricity Act also aims to achieve decarbonization of the electricity industry, implementation of climate change policies, and an increase to the amount of electricity generated through renewable energy sources. This will facilitate the use of modern technologies and the electricity network to optimize generation of electricity from domestic renewable sources, reduce reliance on imported fossil fuels, and integrate emerging energy conversion, storage, and management technologies.

[7] We hereby thank Ms. Hansi Abayaratne from D.L. & F. De Saram, a Sri Lankan law firm, for her support in preparation of this article.

Pakistan Authors[8]: Taeko Suzuki and Tomoko Nakashima

1. Amendment to Prevention of Electronic Crimes Act

The Prevention of Electronic Crimes Act Amendment Bill 2024 ("**PECA Amendment Bill**") has been presented to the Senate of Pakistan. The PECA Amendment Bill aims to regulate social media and protect citizens' privacy from online threats, and is focused on protecting citizens' privacy without targeting any specific institutions.

2. Announcement of the Pakistan Budget for 2024-2025

On 12 June 2024, the Finance Bill, 2024 was presented as the Pakistan budget for the fiscal year 2024-2025 which came into effect on 1 July 2024 ("**Budget**"). According to the summary of the Budget, the main objects of the Budget is (i) economic stability and growth through fiscal consolidation and efficient use of public money, (ii) bringing public debt to GDP ratio to sustainable levels, (iii) prioritizing improvements in the country's balance of payments position, (iv) strengthening policy framework for revitalizing the private sector, fostering entrepreneurship, encouraging investment, and promoting innovation to stimulate economic growth, (v) supporting vulnerable section of society through pro poor initiatives, (vi) improving service delivery and public good by funnelling more funds into the Public Sector Development Programme (PSDP), introducing sector specific reforms and encouraging innovation, (vii) education and skill development of youth, and (viii) integrating green and gender responsive budgeting into public finance management.

The Budget includes plans to privatize various state-owned enterprises, which could create opportunities for foreign investors to participate in these sectors and enhance their efficiency and performance. Also, the Budget includes incentives for IT exports and initiatives to improve the digital skills of the workforce. This focus on the digital economy can attract foreign tech companies and investors looking for skilled labor and growth opportunities in the IT sector.

[8] We hereby thank Mr. Syed Ali Bin Maaz from Kabraji & Talibuddin, a Pakistan law firm, for his support in preparation of this article.

Turkey Author[9]: Taro Hirosawa

1. ESG Regulations in Turkey: Addressing the "S" Criterion

In Turkey, compliance with Environmental, Social, Governance (ESG) criteria has gained prominence. While the primary focus is on the "E" (Environmental matters), attention to the "S" (Social) criteria also has been notable in Turkish legislation and judicial decisions. Robust labor standards have been established to ensure employee rights and protections, such as allowing outsourcing labor in limited circumstances and entrusting the principal employer with various responsibilities and provisions for health, safety and well-being. Gender equality, diversity, and human rights are safeguarded through legislation prohibiting discrimination and providing specific protections for vulnerable groups. While Turkey lacks traditional work councils, it mandates occupational health and safety committees in larger workplaces. Executive pay is not yet linked to ESG mandates, but sustainability indexes encourage voluntary adoption. Whistle-blowers are indirectly protected under constitutional rights and court precedents. Overall, while Turkey's regulatory framework for ESG is evolving, companies are increasingly implementing internal measures to enhance social responsibility and sustainability.

2. Recent Developments in Healthcare Legislation

(i) Medicinal Products For Human Use: Amendment to the Guideline on the Clinical Trial Applications to the Clinical Trial Department of the Turkish Medicines and Medical Devices Agency ("**Agency**") (18 March), Amendment to the Guideline on Non-Clinical Evaluation of Animal Immunoglobulins / Immune Serums for Human Use Against Viral and Bacterial Agents (18 March), Guideline on the Labelling of Investigational Products and Ancillary Medicinal Products (22 March), Amendment to the Guideline on Clinical Trial Applications to Ethics Committees (22 March), Amendment to the GMP Guideline on Manufacturing Facilities for Medicinal Products for Human Use (27 March), Turkey Pharmaceutical Market Observation Report (5 April), Amendment to the Guideline on the Procurement of Medicinal Products from Abroad (17 April), Guideline on Ancillary Medicinal Products (20 May), and Amendment to the Guideline on Import Applications and Authorisation for Market Release Authorization (27 May) were published.
(ii) Medical Devices: The Communiqué on the Determination of Common Specifications for Product Groups Without an Intended Medical Purpose Listed in Annex XVI of the Medical Device Regulation (14 March), Announcement on the Market Entry and Circulation of Medical Devices Not Be Certified by the Manufacturer (20 March), Announcement on the Product Tracking System Processes for Products Ineligible for Time Extension by the Manufacturer (24 April), and a Medical Devices Sector Review (4 April) were published. On 4 April, the Agency conducted a comprehensive review comparing Turkey's medical device sector activities. Draft Communiqué on Determination of Common Specifications for Certain Class D In Vitro Diagnostic Medical Devices was submitted for stakeholders' feedback on 15 April.
(iii) Cosmetics: The Guideline on Cosmetic Product Safety Assessor Training and Certification (21 March) and Announcement on the Initiation of the Revision of the Cosmetic Products Regulation on the Agency's website (5 April) were published.

3. Recent Amendments to the Turkish Commercial Code

Effective from 29 May 2024, some provisions of the Turkish Commercial Code have been amended to clarify uncertainties in practice and facilitate companies' transactions. First, the board of directors' obligation to designate duties on an annual basis has been removed, allowing the terms of office for chairmen and vice-chairmen to align with board membership terms (not exceeding three years). Also, the appointment and dismissal of branch managers and authorized signatories are no longer exclusive duties of the board. In addition, the chairman must call a board meeting within 30 days upon request by the majority of board members, and if the chairman is unresponsive, the requesting members can call the meeting themselves. Last, Presidential Decree dated 25 November 2023 revised the minimum incorporation share capital requirements for joint-stock companies and limited liability companies to TRY 250,000 and TRY 50,000 respectively, effective from 1 January 2024. Companies established before this date must comply by 31 December 2026 or may face dissolution, with a possible two-year extension by the Ministry of Trade.

[9] This newsletter is prepared based on the publications of Paksoy, a major Turkish law firm, dated 29 February 2024 (*Turkish Competition Law Newsletter – 2024 Winter Issue*), 13 March 2024 (*Recent Developments in Healthcare Legislation)*, and 14 March 2024 (*Amendments to Turkish Data Protection Law soon to enter into force*).

China Author: Wenxian Cai

1. Trends in Cross-Border Data Transfer Administration Lists in China's FTZs

In China, three procedural requirements exist for cross-border data transfers: (a) security assessment, (b) standard contract, and (c) protection certification. The Provisions on Promoting and Regulating Cross-border Data Flows ("**Mitigation Provisions**") promulgated in March 2023 clarify that Pilot Free Trade Zones ("**FTZ**"s) may, under the framework of the national system for classified and hierarchical protection of data, at their own discretion, formulate lists ("**Negative List**") of data that need to be included in the scope of administration of (a), (b), and (c) for providing data abroad. In principle, cross-border transfers of data not listed in the Negative List are exempt from (a), (b), and (c), which means that FTZs are given discretion to establish more relaxed regulations than non-FTZs.

(1) Tianjin Negative List

On 9 May 2024, the Tianjin Municipal Bureau of Commerce and the Administrative Committee of China (Tianjin) FTZ took the lead in promulgating the Administrative List (Negative List) for Data Exit from China (Tianjin) FTZ (Edition 2024) ("**Tianjin Negative List**"). This is the first Negative List for data cross-border transfers in an FTZ and mainly consists of the following two parts:[10]

(i) Part 1: When a data cross-border transfer security assessment must be conducted, 13 major categories of data (strategic materials/bulk commodities, natural resources/environment, etc.) are listed. Each major category is further divided into 2 to 11 subcategories (a total of 45 subcategories), with detailed descriptions of the basic characteristics of the data and specific examples.

(ii) Part 2: When a standard contract must be concluded or personal information protection certification must be obtained, one category is specified, which is that personal information of 100,000 or more but less than 1 million individuals (excluding sensitive personal information), or sensitive personal information of less than 10,000 individuals, has been provided outside China by data handlers (excluding critical information infrastructure operators) since 1 January of the relevant year. The criteria in this category are consistent with the those in the Mitigation Provisions.

(2) Trends in Other FTZs

On 16 May 2024, the Administrative Committee of the Lin-gang Special Area in the China (Shanghai) FTZ also promulgated scene-specific general data lists[11] (trial) on cross-border transfers of fata in the sectors of biomedicine, intelligent connected cars, and publicly offered funds. The establishment of data lists for cross-border transfers in each FTZ should continue to be monitored closely in the future.

2. Anti-monopoly Compliance Guide for Undertakings (2024)

On 25 April 2024, the Anti-monopoly and Anti-unfair Competition Commission of the State Council promulgated the Anti-monopoly Compliance Guide for Undertakings (2024) (the "**Guide**"). Compared to the previous Guide issued on 11 September 2020, the Guide provides more detailed regulations on how undertakings should establish their anti-monopoly compliance management systems. It introduces a separate chapter on compliance incentives and provides 22 reference examples, offering more explicit guidance for undertakings. Although the Guide is not legally binding, it provides practical guidelines for companies to comply with anti-monopoly regulations.

The most notable feature of the Guide is the addition of a separate chapter (Chapter 5, Articles 32 to 38) on compliance incentives. The Guide specifies that law enforcement agencies may consider the establishment and implementation of an anti-monopoly compliance management system when investigating and handling monopolistic behaviour. Specifically, it details four scenarios for compliance incentives: (a) prior to the investigation, (b) under the commitment system, (c) under the leniency system, and (d) before the administrative penalty decision is made (in the zones of discretion for fine range).

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10 However, data related to national secrets, core data, and government data are excluded from the scope of the Tianjin Negative List.

11 Data listed on the general data lists may be transferred freely if it has been notified to the Administrative Committee of the Lin-gang Special Area and the relevant management requirements have been met.

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