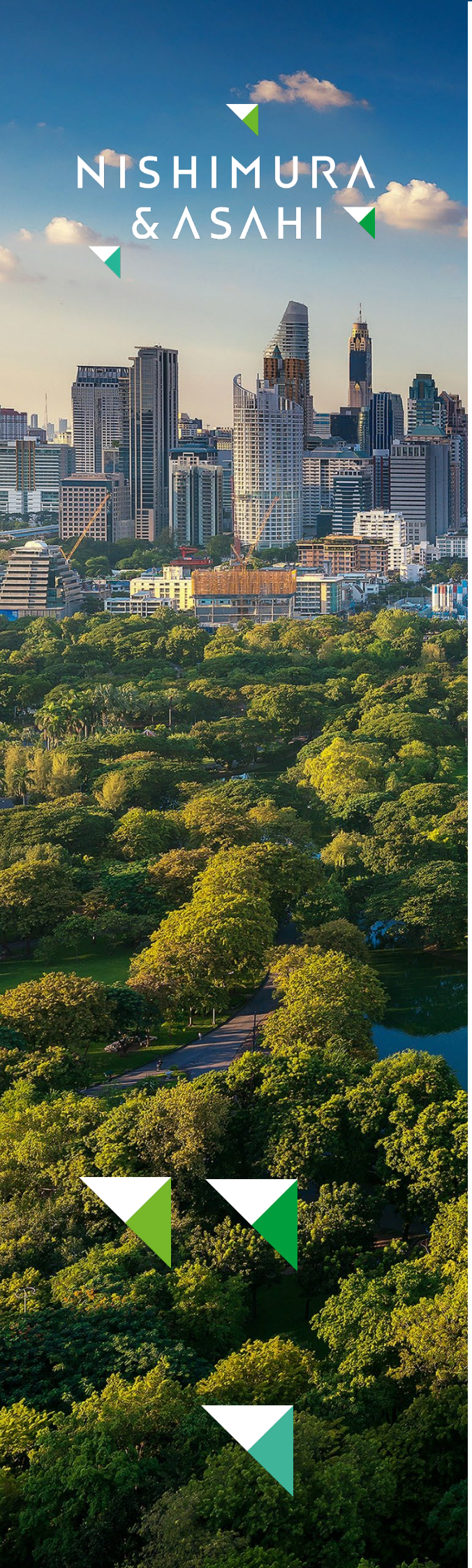

Asia Legal Update

Third Quarter 2024
(Jul. - Sep.)

Notice

The following sections have been updated from our Newsletter originally sent on December 24, 2025.

<Updates>
Page 19 Article of Kingdom of Saudi Arabia added
Page 20 Article of Arab Republic of Egypt added
Page 23 Authors of Kingdom of Saudi Arabia and Arab Republic of Egypt added
*Updated as of December 27, 2024

Indonesia Authors: Miriam Andreta and Hans Adiputra Kurniawan

1. Golden Visa

The Indonesian Minister of Law and Human Rights ("**MOLHR**") has introduced a new visa category, known as the "Golden Visa," which offers significant benefits for foreigners who will be appointed as members of the board of directors or board of commissioners of a newly established Indonesian foreign investment company (PT PMA). The new visa category was introduced in MOLHR Decree No. M.HH-02.GR.01.04 Tahun 2023 on Visa Classifications and MOLHR Regulation No. 22 of 2023 on Visa and Stay Permits, as amended by MOLHR Regulation No. 11 of 2024. The permitted stay under a Golden Visa is based on investment levels, as follows:

- A maximum stay of five years for investments of at least USD $25 million.
- A maximum stay of ten years for investments of at least USD $50 million.

The Golden Visa is available for a maximum of 10 individuals per PT PMA and also offers additional privileges:

- use of priority inspection lanes at immigration checkpoints;
- use of priority services at immigration offices; and
- use of priority services at relevant government ministries and agencies.

Practitioners consider the Golden Visa an improvement over the previous regime, which granted a Limited Stay Visa (working purpose) for a maximum of 2 years, regardless of investment amount, and believe the Indonesian government introduced the new visa category to increase foreign investments.

2. Financial Technology Innovation

The Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") issued Circular Letters No. 5/SEOJK.07/2024 ("**OJK CL 5**") and No. 6/SEOJK.07/2024 ("**OJK CL 6**"), which detail the new sandbox and registration procedures applicable to Financial Technology Innovation ("**ITSK**") operators.

Following the rapid growth of ITSK business models, the circular letters primarily implement OJK Regulation No. 3 of 2024 on ITSK ("**OJKR 3**") and Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector ("**Omnibus Finance**"). With the entry into force of OJKR 3, OJK CL 5, and OJK CL 6, former OJK Regulation No. 13/POJK.02/2018 and its implementing regulations are no longer valid ("**OJKR 13**").

OJKR 3 now includes risk management and crypto assets activities as part of ITSK-recognized business models, which aligns with the shift in the oversight of crypto assets by regulatory and supervisory authorities, from the Commodity Futures Trading Regulatory Agency to OJK, as mandated by Omnibus Finance.

The new sandbox process currently has been shortened to 1 year, compared with 1.5 years under the previous regime in OJKR 13. Conversely, the prerequisites for becoming a sandbox participant now appear to be more rigorous, and require each ITSK operator to bring significant distinguishing elements and add value to the Indonesian market.

The current approval process also grants ITSK operators a more expeditious timeline with regard to obtaining a decision from OJK. This works jointly with OJKR 3, which enables ITSK operators to compose an exit plan in anticipation of a rejection from OJK.

Malaysia Authors: Wan May Leong and Ryan Heng

1. A sea change in Malaysia's data protection framework – Personal Data Protection (Amendment) Bill 2024

On July 31, 2024, the Malaysian Senate (Dewan Negara) passed the Personal Data Protection (Amendment) Bill 2024 ("**Amendment Bill**"). The Amendment Bill is currently awaiting royal assent and publication in the Federal Gazette before it can come into effect. The Amendment Bill is intended to update and enhance the Personal Data Protection Act 2010 ("**PDPA**") by strengthening security and enforcement policies to more effectively address personal data breaches and misuse. Apart from the revision of terminology from "*data users*" to "*data controllers*", the key changes proposed in the Amendment Bill include the following.

(i) **Increased penalties under the Amendment Bill**: Under the Amendment Bill, penalties are increased for a data controller's non-compliance with any of the seven personal data protection principles, from a fine of RM300,000 (approx. USD 71,075) and/or imprisonment for a term not exceeding two years to a fine of up to RM1,000,000 (approx. USD 236,919) and/or imprisonment for a term not exceeding three years ("**Increased Penalties**").

(ii) **Requirements for data processors to comply with the security principles**: Data processors are subject to certain obligations, such as requiring them to comply with the security principles under the PDPA. In the event that a data processor fails to comply with the security principles, it will be subject to the Increased Penalties under the Amendment Bill.

(iii) **Mandatory data breach notification**: The Amendment Bill also requires data controllers to notify the Personal Data Protection Commissioner ("**PDPC**") as soon as practicable when they have reason to believe that a personal data breach has occurred. The notification is to be made in the manner and form determined by the PDPC. A fine not exceeding RM250,000 (approx. USD 59,229) and/or imprisonment for a term not exceeding two years can be imposed for failing to comply with this requirement.

(iv) **Mandatory appointment of data protection officer**: Every data controller and data processor is required to appoint at least one data protection officer to be accountable to the respective data controller/processor for their compliance with the PDPA. Data controllers must notify the PDPC of the appointed data protection officer in the manner and form determined by the PDPC.

(v) **Changes to Cross-Border Data Transfer Regime**: Currently, the PDPA prohibits, with certain exceptions, the transfer of personal data to locations outside of Malaysia, unless the destination has been whitelisted by the Minister. The Amendment Bill removes the power of the Minister to issue such a whitelist. Instead, a data controller may transfer personal data of a data subject to a location outside Malaysia provided that (a) the destination has laws in force that are substantially similar to the PDPA, or (b) the destination ensures an adequate level of protection for the processing of personal data equivalent to the level of protection afforded by the PDPA.

(vi) **New right to data portability**: The Amendment Bill also introduces a new right for data subjects to request that the data controller directly transmit the data subject's personal data to another data controller of the data subject's choice, by giving notice (either in writing or electronically) to the data controller. Any such request for data portability is subject to the technical feasibility of the request and the compatibility of the data format.

Once the Amendment Bill and related guidelines come into force, in order to comply with the new requirements, businesses should review and update their existing data protection policies and practices, as well as any data transfer/sharing/processing agreements to which they are a party.

2. Launching of the National Guidelines on AI Governance and Ethics

On September 20, 2024, the Malaysian government launched the national guidelines on AI governance and ethics ("**AI Code of Ethics**") with the intention of developing and utilizing AI in a safe, trustworthy, and ethical manner. The AI Code of Ethics was developed specifically for three main categories of AI users: (i) users and the public; (ii) policy makers; and (iii) providers or developers of AI-based technology. The AI Code of Ethics sets forth seven principles of responsible AI, those being (a) fairness; (b) reliability, safety, and control; (c) privacy and security; (d) inclusiveness; (e) transparency; (f) accountability; and (g) pursuit of human benefits and happiness. Adoption of the AI Code of Ethics is voluntary.

Philippines Authors: Michelle Marie F. Villarica and Steffi Sales

1. Issuance of the New Government Procurement Act

The Philippines enacted a new law governing the procurement of goods, infrastructure, and consulting services by the Philippine Government. The New Government Procurement Act ("**NGPA**"), Republic Act No. 12009, was enacted on July 20, 2024 and took effect on August 13, 2024. The NGPA repeals Republic Act No. 9184, also known as the Government Procurement Reform Act ("**GPRA**").

The following are among the key amendments introduced in the NGPA:

(i) Introduction of the "Most Economically Advantageous Responsive Bid" ("**MEARB**") as a new award criterion: Under the GPRA (the former law), contracts for the procurement of goods and infrastructure were awarded to the bidder with the Lowest Calculated Responsive Bid ("**LCRB**"). The NGPA now allows a procuring entity to award contracts based on the MEARB. In particular, when technical competence is more important than financial considerations, the MEARB will be taken into account. However, procuring entities may continue to award contracts based on the LCRB, as before, where budget considerations are of primary importance.

(ii) Institutionalized Early Procurement Activities ("**EPA**"): In 2019, the Government Procurement Policy Board ("**GPPB**") authorized procuring entities to start EPA for goods, infrastructure projects, and consulting services, before the enactment of general government appropriations for the calendar year. Specifically, the NGPA formally authorized and institutionalized EPA by including it in its provisions, giving procuring entities clear guidance to commence EPA for the immediate implementation of procurement projects, subject to formal funding approval under the general appropriations law for the calendar year before the procurement contract officially can be awarded.

(iii) Introduction of Lifecycle Assessments ("**LCA**") and Lifecycle Cost Analysis ("**LCCA**"): The NGPA introduced the concepts of LCA and LCCA to support strategic procurement management by government entities. These two approaches include considerations for environmental, social, and economic impacts throughout the entire duration of relevant projects.

(iv) Introduction of pooled procurement: Procuring entities now are encouraged to consider pooled procurement mechanisms, which entails consolidating the entities' requirements into a single, joint, or group procurement. This strategy seeks to encourage lower prices as a result of bulk purchasing by procuring entities in consolidated projects.

The NGPA directs the GPPB to issue the NGPA IRR within 180 days of promulgation of the NGPA (or by 16 January 2025). Pending issuance of the NGPA IRR, the IRR of the GPRA will remain in force.

2. Adoption of SEC Enhanced Compliance Incentive Plan

In 2023, the Securities and Exchange Commission ("**SEC**") implemented an amnesty program to encourage companies under its authority to comply with the SEC's reporting requirements, maintain good corporate housekeeping, and avoid fines and penalties. As a follow up to the amnesty program, on August 30, 2024 the SEC issued SEC Memorandum Circular ("**MC**") No. 13-2024 which adopts an Enhanced Compliance Incentive Plan ("**ECIP**"). Similar to last year, the purpose of the ECIP is to encourage non-compliant companies, including delinquent companies, to submit and comply with the SEC's reporting requirements.

The ECIP imposes a fixed fee of PHP 20,000, which an SEC-regulated entity may pay instead of the regular scale of SEC fines and penalties, to cover unassessed and/or uncollected fines and penalties for late filing or failure to file required reports, such as the General Information Sheet and Audited Financial Statements, as well as required disclosures of company contact details, with the SEC pursuant to MC No. 28-2020.

SEC-regulated entities that were suspended or whose licenses were revoked may make use of a fixed ECIP rate of 50% of the assessed fines for late filing or failure to file required reports and information, in addition to a petition fee of PHP 3,060. However, the ECIP fees correspond only to violations involving timeliness; penalties for erroneous entries in required reports may be imposed separately.

Non-compliant entities interested in taking advantage of the ECIP rates may refer to SEC MC No. 13-2024 for the procedure and required supporting documents. Applications for the ECIP are being accepted until November 30, 2024.

Singapore Authors: Melissa Tan and Su Xian Chin

1. New Platform Workers Bill to Strengthen Protections for Platform Workers

The Ministry of Manpower ("**MOM**") has introduced the Platform Workers Bill 2024 ("**Bill**") to strengthen protections for Platform Workers in three areas: housing and retirement adequacy, through Central Provident Fund ("**CPF**") contributions by both platform operators and workers, financial compensation if workers are injured while working, and a legal framework for representation. The Bill was passed in parliament on 10 September 2024 and it was announced that the Bill will come into effect on 1 January 2025.

The Bill defines platform operators as companies that: (a) have an agreement with users to provide ride-hail or delivery services to users, (b) use data to automate decision-making relating to platform workers in areas such as task assignment and how much platform workers are paid per task, and (c) impose rules, requirements or prohibitions on platform workers. Platform workers are workers who have an agreement with a platform operator to provide ride-hail or delivery services in Singapore to users on behalf of the platform operator and, from this, derive any payment or benefit in kind. They also are subject to the control of platform operators, for example, in terms of the tasks assigned to them and how much they are paid. Platform workers will be given an earnings slip that specifies their status as platform workers.

CPF contribution rates for platform workers and platform operators will be increased gradually to match those of employees and employers, respectively. With the CPF contributions from platform operators, platform workers will see an overall increase in their total earnings. These CPF contributions will go to platform workers' Ordinary, Special, and MediSave Accounts on a monthly basis, and will help platform workers achieve the same level of housing and retirement adequacy as employees who earn the same amounts. The CPF contribution rates for platform workers and platform operators will be increased gradually over five (5) years, by up to 2.5% per year and up to 3.5% per year, respectively.

Platform operators must provide their platform workers with Work Injury Compensation (WIC) insurance at the same level of coverage as employees, under the Work Injury Compensation Act 2019 of Singapore ("**WICA**"), comprised of: (i) reimbursement for medical expenses, (ii) income loss compensation for medical leave and hospitalisation leave, and (iii) lump-sum compensation for permanent incapacity or death. Platform operators and platform workers also will have legal duties to play their parts in preventing work-related safety incidents under the Workplace Safety and Health Act 2006 of Singapore ("**WSHA**").

To provide platform workers and platform operators with practical guidance for fulfilment of their duties under the WSHA, MOM and the Workplace Safety and Health Council are working with the industry to develop an Approved Code of Practice (ACOP) for platform services, which aims to establish baseline safety and health standards for platform services.

2. Fund Tax Incentive Structures for Family Offices

The Monetary Authority of Singapore ("**MAS**") announced that effective 1 October 2024, all new tax incentive applications for fund vehicles managed by family offices must be accompanied by a screening report issued by a screening service provider prescribed by MAS.

Pursuant to the structures established in sections 13O and 13U of the Income Tax Act 1947 of Singapore, the tax incentive structures provide for tax exemptions for fund vehicles that are managed by fund managers based in Singapore, including family offices, subject to fulfilment of the relevant conditions. To be approved for the section 13O or 13U structures, fund vehicles managed by family offices must meet certain criteria in relation to assets under management (AUM), investment professionals, spending, capital deployment and maintaining private banking accounts.

MAS has provided a list of the approved screening service providers on its website: https://www.mas.gov.sg/schemes-and-initiatives/fund-tax-incentive-scheme-for-family-offices. Screening Service Providers can be contacted directly for more details about their services, including estimated costs. In general, this screening process is expected to take around two (2) weeks to complete.

This new screening report requirement is in addition to the existing criteria that fund vehicles managed by family offices must meet to be approved for the section 13O or 13U structures.

Thailand Authors: Jirapong Sriwat and Apinya Sarntikasem

1. Deletion, Destruction, or Anonymization of the Personal Data

On 13 August 2024 the Personal Data Protection Committee of Thailand issued a notification regarding the criteria for the deletion, destruction, or anonymization of personal data, B.E. 2567 (2024) ("**PDPC Notification**"), which will enter into force on 11 November 2024.

The PDPC Notification mainly specifies that when data subjects exercise their rights to request the deletion, destruction, or anonymization of their personal data pursuant to Section 33 of the Personal Data Protection Act, B.E. 2562 (2019), the data controller must act without delay and complete the process within 90 days from the date of receipt of the request. This requirement also applies to copies of the relevant personal data (if any). If the data controller is unable to comply with the specified timeframe, the data controller must make the personal data difficult to collect, use, or disclose until the deletion, destruction, or anonymization is complete.

However, the PDPC Notification does not apply to personal data that cannot be deleted, destroyed, or anonymized for significant reasons, for example, the potential risk of harming the personal data of others.

2. DIW's Cancellation of the Request for a Copy of Company Affidavits

The Department of Industrial Works ("**DIW**") recently issued a notification regarding cancelation of the request to submit a copy of company affidavits, B.E. 2567 (2024) ("**DIW Notification**"), which entered into force on 19 August 2024.

The DIW Notification states that the DIW no longer will require submission of a company affidavit. If the DIW needs to use a copy of a company affidavit, DIW officers will obtain it from government agencies or coordinate directly with the issuer of the document, without charging a fee to the relevant company.

If the company authorizes any person to act under the DIW Notification, its authorized director must execute a power of attorney that clearly specifies the registration number of the company. In addition, its authorized director who appoints such attorney-in-fact must also submit a certified true copy of his/her identification card as one of the supporting documents for the power of attorney.

3. Update to New Regulations on Ready-to-Use Digital Tokens

On 6 August 2024, the Securities and Exchange Commission ("**SEC**") recently issued a notification regarding the non-applicability of certain provisions related to public offerings of digital tokens for certain types of digital token offerings ("**SEC Notification No. GorJor. 16/2567**"). The notification entered into force on 13 August 2024.

In general, a public or private company that wishes to offer newly issued digital tokens to the public must obtain approval from the SEC and comply with other requirements and conditions established by the SEC. For example, the offerings can be made only to specific investors prescribed by the SEC, and the offerings must be conducted through an SEC-approved digital token offering service provider. Following the publication of SEC Notification No. GorJor. 16/2567, the following ready-to-use digital tokens are exempt from the SEC's regulations regarding public offerings: (i) digital tokens intended primarily for consumption or for certifying or replacing deeds, and (ii) digital tokens not falling within item (i) that the issuer does not intend to list on digital asset exchanges.

These exempt tokens must not be intended for use as a Means of Payment (MOP) or for staking, except when staking is used as a proof-of-stake, for voting, participating in specific events, or receiving returns from specific events within the ecosystem.

Vietnam Authors: Vu Le Bang and Nguyen Thi Thanh Huong

1. Law No. 39/2024/QH15 on Capital

On 28 June 2024, Law No. 39/2024/QH15 on the Capital (**"2024 Capital Law"**) was promulgated by the National Assembly; the law will take effect on 1 January 2025, and will replace the current, 12-year-old 2012 Law on the Capital (as amended). Among other matters, the 2024 Capital Law provides a legal framework for construction, development, and management of Vietnam's Capital (Hanoi). The new law contains several notable points, including: (i) the People's Council of Hanoi and People's Committee of Hanoi may decide investment policies for certain public investment projects, PPP projects, and other projects that fall within the decision-making competence of the National Assembly or the Prime Minister, (ii) new conditions are added for those who will be treated as strategic investors in Hanoi, and those who meet the relevant conditions will be entitled to various types of incentives and support from the Hanoi authorities, including without limitation land rental exemptions and tax reductions (for certain types of projects), as well as prioritized customs and tax procedures, and (iii) the launch of a new mechanism for testing innovative new technologies, products, services, or business models in a number of sectors capable of bringing value and high socio-economic efficiency, which were not yet established or permitted by law or were subject to out-of-date regulations. Notably, the testing implementation will be subject to approval and control by the authorities, and the maximum duration of controlled testing is three years, which can be extended one time for no longer than three years.

2. New Decrees Providing Guidance on Three Laws Governing the Real Estate Market

Recently, the Government issued several new decrees that provide guidance on a number of issues, including three real estate laws: Decree 102/2024/ND-CP, providing guidance on a number of articles of the Land Law ("**Decree 102**"), Decree 96/2024/ND-CP, implementing the Law on Real Estate Business ("**Decree 96**"), and Decree No. 95/2024/ND-CP providing guidance for the Law on Housing ("**Decree 95**"), all of which became effective on 1 August 2024. Some notable points of each Decree are as follows:

(i) *Decree 102*: Establishes the concept of access-restricted areas, which are areas in (a) border communes, wards, and townships, (b) coastal communes, wards and townships, (c) islands, and (d) other areas affecting national defense and security, in accordance with the law on investment and the law on housing, together with an obligation for foreign-invested enterprises to obtain an opinion from the Ministry of National Defense and the Ministry of Public Security when asking the State to make a land allocation or land lease, or when receiving capital contributions equal to the value of land use rights ("**LUR**") in those land areas. In addition, Decree 102 provides specific statutory procedures to deal with situations in which the LUR were put up for auction twice but failed to sell due to no one participating in the auction.

(ii) *Decree 96*: Specifies the following specific financial thresholds applicable to real estate enterprises: (a) total amount of outstanding credit debt at credit institutions, outstanding corporate bonds and the owner equity of each real estate project required by law must not exceed 100% of the total investment capital, and (b) total ratio of outstanding credit debt at credit institutions and outstanding corporate bond must be no more than 4 times (for real estate projects having a land area of under 20 ha) or 5.67 times (for real estate projects having land area of more than 20 ha) the owner equity. Decree 96 also clarifies some exemptions from real estate business conditions, including without limitation individuals and organizations that sell houses, construction work, or construction floor area in construction work *for non-business purposes* or who sell, lease, or hire purchase houses, construction work or construction floor area in construction work on a *small scale*, for example, individuals not subject to establishment of project investment or entities with specific thresholds regarding the number and value of relevant transactions.

(iii) *Decree 95*: Decree 95 details regulations regarding foreign ownership limitations, in particular, (a) foreigners only are permitted to own up to 250 individual houses within an area with a population equivalent to that of a ward (i.e., 10,000 people, in accordance with the master plan approved by the competent authority), (b) where the condominium buildings comprise multiple blocks or sections sharing the same podium, the foreign ownership cap is up to 30% of the total number of residential units within each block or section, and (c) where there are two or more projects consisting of individual houses within the same area with a population equivalent to a ward, the cap is up to 250 houses in all projects, in the aggregate.

India Authors: Taeko Suzuki and Isha Shah

1. New compounding rules under FEMA

On 12 September 2024 the Ministry of Finance notified the Foreign Exchange (Compounding Proceedings) Rules, 2024 ("**New Rules**"). The New Rules aim to expedite and streamline the process of compounding applications and introduce digital payment options for application fees and compounding amounts. Some key provisions of the New Rules are described below:

- **Compounding authorities and monetary thresholds**: The New Rules designate the Director of Enforcement or an officer of the Reserve Bank of India ("**RBI**") as the primary compounding authorities. The New Rules establish the following revised monetary limits for ascertaining the compounding authority for contraventions[1]:

Rank of Compounding Officer	Amount (New Rules)	Amount (Prior Rules)
Assistant General Manager, RBI	Not exceeding INR 60 lakhs (~USD 71,000)	Not exceeding INR 10 lakhs (~USD 12,000)
Deputy General Manager, RBI	Not exceeding INR 2.5 crores (~USD 296,000)	More than INR 10 lakhs (USD 12,000~) but less than INR 40 lakhs (~USD 47,000)
General Manager, RBI	Not exceeding INR 5 crores (~USD 59,000)	More than INR 40 lakhs (USD 47,000~) but less than INR 1 crore (~USD 118,000)
Chief General Manager, RBI	Above INR 5 crores (USD 59,000~)	More than INR 1 crore (USD 118,000~)

- **Payment of fees and penalties**: Compared with the erstwhile rules, which required the fees and compounded penalties to be paid by demand draft, payments now can be made to the compounding authority via online modes of payment. Compounded penalties should be paid to the compounding officer within 15 days of an order, failing which the compounding application will be deemed not filed.

- **Non-compoundable contraventions**: The New Rules expand the list of contraventions that will not be compounded. These include cases in which the amount involved is not quantifiable or where the adjudicating authority already passed an order imposing a penalty under the Foreign Exchange Management Act, 1999.

2. Virtual AGM and EGM allowed until September 2025

The Ministry of Corporate Affairs ("**MCA**") vide General Circular No. 09/2024 dated 19 September 2024, has allowed companies whose annual general meetings ("**AGMs**") are due in 2024 and 2025 to hold their AGMs via video conferencing ("**VC**") or other audiovisual means ("**OAVM**") on or before 30 September 2025. Companies are also permitted to hold extraordinary general meetings through VCs or OAVMs, and to transact items through postal ballot until 30 September 2025, in accordance with the framework set out in earlier circulars.

3. Revised requirement for disclosure of beneficial interests

The MCA vide the Companies (Management and Administration) Amendment Rules, 2024 dated 15 July 2024, substituted the existing MGT-6 (i.e., a return filed to disclose a beneficial interest in shares of a company under the Companies Act, 2013) with a new web form MGT-6. The new form requires details about the identity of the registered owner, in the form of a permanent account number, passport number, or other registration number, and details about the beneficial owner, including date of birth (as opposed to date of incorporation) indicating that the beneficial owner should be a natural person.

[1] Please note that the revised limits are not applicable to contraventions of Section 3(a) of the Foreign Exchange Management Act, 1999, which states that no person will deal in or transfer any foreign exchange or foreign security with or to any person who is not authorized.)

Myanmar Author: Saw Nyan Htun

1. Amendment of the Trust Act

The State Administration Council of Myanmar enforced the Amendment of the Trusts Act (the "**Amendment Law**") that provides anti-money laundering and countering the financing of terrorism ("**AML/CFT**") measures on September 19, 2024.[2]

The Amendment Law supplements customer due diligence, record keeping, and reporting obligations to be complied with by any trustee regarding AML/CFT as follows:

(i) to obtain and hold adequate, accurate, and current information on the identity of author of the trust, the trustee(s), the beneficiaries, and any other natural person exercising ultimate effective control over the trust;
(ii) to hold basic information on other regulated agents of and service providers to, the trust, including investment advisors or managers, accountants, and tax advisors;
(iii) to keep all information accurate and up to date on a timely basis;
(iv) to disclose the trustee's status to financial institutions and designated non-financial businesses or professions ("**FIs/DNFBPs"**) and report to the relevant competent authorities when forming a business relationship or carrying out an occasional transaction above the threshold; and
(v) to provide any information relating to the trust to the competent authority and upon request by FIs/DNFBPs, any information on the beneficiary and assets of the trust to be held or managed under the terms of the business relationship to FIs/DNFBPs under the existing law.

The Amendment Law further provides that a trustee is bound to keep all the above-mentioned information for at least five years from the discharge of the trustee, and to comply with the Anti-Money Laundering Law and the Counter Terrorism Law.

2. Issuance of the Notification by the Ministry of Labour

The Ministry of Labour issued Notification No. 108/2024 dated August 28, 2024 (the "**Notification**"), with respect to the Law Relating to Overseas Employment, ordering Myanmar migrant workers working abroad to remit 25% of their monthly salary once a month or at least three months' wages once every three months to their families' or their bank accounts in Myanmar via the official banking system, or authorized remittance business licensee or international remittance service linked with the banking system.

The Notification demands that workers retain remittance receipts as evidentiary documentation. In addition, a copy of the remittance receipt must be sent to their relevant overseas employment agency (if any). The Notification further demands that overseas employment agencies send monthly reports to the Ministry of Labour, together with a copy of the remittance receipts sent by workers.

Under the Notification, where the migrant workers fail to comply with above obligations, the following actions will be taken:

(i) suspension of overseas employment with terms;
(ii) ban on granting overseas worker identification card; and
(iii) rejection of renewal of passport.

[2] Law No. 55/2024, the Amendment of the Trusts Act dated September 19, 2024.

Taiwan Author: Sheng-Chieh Chang

1. Change to the Withholding Agent for Withholding Tax

On 7 August 2024, the Legislative Yuan, the parliament of Taiwan, passed an amendment to the Income Tax Act. The amendment has changed the withholding agent for withholding tax, and the new regime is set to enter into effect on 1 January 2025. Below is a brief introduction to withholding tax in Taiwan and some key takeaways about the amendment.

(i) Introduction to Withholding Tax

Pursuant to Article 88 of the Income Tax Act, income tax accrued on certain income categories must be withheld by a withholding agent, instead of being filed by the income receiver. These income categories include: (a) dividends distributed by a company to a non-resident individual or a profit-seeking enterprise that has its head office outside Taiwan, (b) surplus profits or earnings distributed by other juristic persons, sole proprietorships, or partnerships to their non-resident investors, sole proprietor, or partners, (c) salary, interest, rental income, commission, royalties, retirement pay, severance pay, separation pay, resignation pay, life-time pensions, income from transactions in structured products, and fees for professional practices paid by organisations, institutions, schools, enterprises, bankruptcy estates, or practitioners of profession ("**Salary and Other Fees**"), (d) income paid to a foreign profit-seeking enterprise that has no fixed place of business or business agent within Taiwan, (e) income derived from operations in Taiwan by a foreign motion picture enterprise that has no branch office in Taiwan, and (f) other stated categories. The tax rates range from 15% to 20% and differ based on the specific income category.

(ii) Amendment

Under the current regime, with regard to dividends distributed by a company, or surplus profits or earnings distributed by other juristic persons, sole proprietorships or partnerships, the withholding agent is the responsible person of the company, other juristic persons, sole proprietorships, or partnerships; with regard to Salary and Other Fees, the withholding agents are the heads of the units responsible for tax withholding within relevant organisations, institutions or schools, the responsible persons for enterprises, the administrators of bankruptcy estates and the practitioners of professions.

However, in the amendment, to mitigate excessive accountability of the responsible persons and the heads of the units responsible for tax withholding under the current regime, the withholding agents have been amended to enterprises, organisations, institutions and other units paying the relevant income. After the amendment enters into force, the enterprises, organisations, institutions, and other units paying the income will be responsible for withholding tax.

2. Major Revamp of Money Laundering Control Act

The Money Laundering Control Act has received a major overhaul, in light of increasing fraud and scams, introducing a more stringent regulatory framework for virtual assets service providers ("**VASP**") and third-party payment service providers. The amendment came into effect on 31 July 2024; however, the date when Article 6, which dictates the new regulatory framework for VASPs and third-party payment service providers, will enter into force is yet to be decided.

The Financial Supervisory Commission ("**FSC**") has promulgated drafts of "Regulations on the Registration of Money Laundering Prevention for VASPs" ("**VASP Registration Regulations**") and "Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises Handling Virtual Currency Platforms or Transactions" ("**VASP AML Regulations**"), which comprise the new regulatory framework. According to the drafts, in the future, VASPs will be required to file an "Anti-Money-Laundering Registration" with the FSC before providing any services relating to the exchange, transfer, storage, administration, issuance, and sales of virtual assets, and subsequently will be regulated in accordance with the VASP AML Regulations.

After the new regulatory framework enters into force, third-party payment service providers will be required to complete an "Anti-Money Laundering Registration and Service Capability Registration" in order to provide third-party payment services.

Hong Kong Author: Ryuichi Sakamoto

1. Anti-Scam Consumer Protection Charter 2.0

On 10 April 2024, the Hong Kong Monetary Authority ("**HKMA**"), in collaboration with the Hong Kong Association of Banks ("**HKAB**"), announced the launch of the Anti-Scam Consumer Protection Charter 2.0 ("Charter 2.0"). Charter 2.0 has received full support from the Airport Authority, the Consumer Council, the Hong Kong Police Force, the Insurance Authority, the Mandatory Provident Fund Schemes Authority, the Securities and Futures Commission, and the Travel Industry Authority. More than 230 financial institutions and merchant institutions are participating in Charter 2.0, covering different aspects of the public's daily lives, including banking, insurance, the mandatory provident fund ("**MPF**"), securities and futures industries, food and beverage, logistics, transport, travel, and retail sectors. Charter 2.0 focuses on the following four key principles, to assist the public in identifying credit card scams and other digital fraud, as well as guarding against phishing messages purportedly to be sent by financial institutions and merchant institutions.

(i) Committing not to send any instant electronic messages (e.g., SMS, WhatsApp, WeChat, etc.) to customers with embedded hyperlinks to acquire bank, credit card, investment, insurance, and MPF account or other key personal information online, unless in response to requests from the customers;
(ii) Working together to raise public awareness of credit card scams and other digital fraud. This will include sending messages through suitable channels (such as corporate websites, mobile apps, etc.), publicity and promotional materials, and a key message to their respective customers and the public to "Beware of scams! Do not provide bank, credit card, investment, insurance and MPF account or other key personal information via hyperlinks embedded in suspicious messages purported to be coming from our institution!" to facilitate awareness of these types of scams and fraud;
(iii) Providing contact information through suitable channels (such as corporate websites, mobile apps, etc.) to facilitate customers' ability to make inquiries (e.g., to verify the identities of message senders or the authenticity of messages); and
(iv) Providing relevant training to frontline staff (including sales and customer service staff) on Charter 2.0 so they will be able to handle customer inquiries and convey anti-scam education messages as appropriate.

2. Deposit Protection Scheme (Amendment) Bill 2024

The Deposit Protection Scheme (Amendment) Bill 2024 ("**Amendment**") was passed by the Legislative Council on 3 July 2024, to implement various measures to enhance the Deposit Protection Scheme ("**DPS**"). The DPS protects deposits placed with DPS members, and the protection is statutory. All deposits denominated in Hong Kong dollars, Renminbi, or other currencies held with the Hong Kong Offices of a DPS member are protected. The Amendment will help further strengthen the function of the DPS within the financial safety net, enhance depositors' confidence, and raise the resilience of the banking sector and the overall stability of the financial system, thereby reinforcing Hong Kong's position as an international financial centre.

The Amendment includes several measures to enhance the DPS, including:

(i) raising the protection limit from the current HKD 500,000 to HKD 800,000;
(ii) refining the levy system to enable the DPS fund underpinning the scheme to reach the target fund size within a reasonable timeframe under the increased protection limit;
(iii) providing enhanced coverage to affected depositors upon a bank merger or acquisition;
(iv) requiring the display of the DPS membership sign on the electronic banking platforms of DPS members; and
(v) streamlining the negative disclosure requirement on non-protected deposit transactions for private banking customers.

The Amendment will be gazetted on 12 July 2024 and will be implemented in two phases. The first phase, which came into effect on October 1, 2024, covers measures requiring a shorter period of preparatory work, such as the enhancement of the protection limit to HKD 800,000. The second phase, which covers other measures, will be implemented on January 1, 2025.

United Arab Emirates Authors: Masao Morishita and Akihiro Hanoshima

1. Amendments to Labour Law

Federal Decree Law No. 33 of 2021 (the "**UAE Federal Labour Law**") was partially amended by Federal Decree Law No. 9 of 2024 (the "**2024 Amendment**"), which came into effect on August 31, 2024. Prior to the 2024 Amendment, Article 54 of the UAE Federal Labour Law, which regulates labour disputes, had been amended pursuant to Federal Decree No. 20 of 2023 (the "**2023 Amendment**"), which took effect on January 1, 2024. The 2024 Amendment further amended Article 54, as well as Article 60, which regulates penalties for disguised employment (among other issues of the UAE Federal Labour Law), in the following ways.

Article 54

(i) Under the 2023 Amendment, the Ministry of Human Resources & Emiratisation (MOHRE) was given the power to make a decision on any dispute submitted to it if the value of the claim does not exceed 50,000 UAE dirhams (AED) or if neither party complies with an amicable settlement decision, regardless of the claim's value. If the decision is not satisfactory to either party, they may file a lawsuit before the relevant Court of Appeals. However, under the 2024 Amendment, while MOHRE retains jurisdiction to resolve the same dispute by a decision, a party which is not satisfied with MOHRE's decision may file a lawsuit before the competent Court of First Instance, rather than the Court of Appeals.

(ii) Under the 2023 Amendment, the statute of limitations for labor claims was set at one (1) year from the maturity date of the right subject to the dispute. However, the 2024 amendment extends the statute of limitations to two (2) years from the termination of the employment.

Article 60

The 2024 Amendment significantly increases the fine for disguised employment etc., from between AED 50,000 to AED 200,000, to between AED 100,000 to AED 1,000,000.

2. New UAE Telemarketing Regulations

The UAE has issued the Cabinet Resolution No. 56 of 2024 and Cabinet Resolution No. 57 of 2024 (the "**Regulations**"), aiming to regulate marketing via telephone calls. The Regulations apply to all licensed companies in the UAE, including companies located in free zones, that market products or services through "**Telemarketing Phone Calls**", which is defined as "phone calls made by a company or a natural person to a consumer for purposes of marketing, advertising, or promotion of the products or services they provide or in the name of their principal, using a fixed or mobile phone number, including marketing SMS and marketing messages through social media applications." The Regulations have introduced certain controls that the licensed companies must adhere to when they make Telemarketing Phone Calls, including;

(i) obtaining prior approval to conduct telemarketing via phone calls from the competent authority;
(ii) providing comprehensive training to the company's marketers on the ethics of professional conduct;
(iii) using local phone numbers issued by telecommunication companies licensed in the UAE. These numbers shall be registered under the commercial license of the company licensed in the UAE;
(iv) not calling to consumers whose numbers are listed in the Do Not Call Register (DNCR);
(v) recording Telemarketing Phone Calls;
(vi) submitting periodic reports regarding Telemarketing Phone Calls made to the competent authority;
(vii) making phone calls for marketing purposes only within specified hours, from 9:00 am to 6:00 pm;
(viii) not calling back consumers when they reject the product or service in the first call;
(ix) not calling back consumers when they do not answer the call or hang up, more than once a day and more than twice a week;
(x) introducing the company and the purpose of the call at the beginning of Telemarketing Phone Calls; and
(xi) revealing the source of obtaining phone numbers and consumer data when requested from the competent authority.

The administrative penalties for violations of the above controls include warnings, fines, suspension or cancellation of licenses, removal from the commercial register, and disconnection of communications services. The penalties vary depending on the type and severity of the violation and the if and how often the offense is repeated, with fines ranging from AED 10,000 to 150,000.

Japan Authors: Hiroki Kaga and Aya Okada

1. New "Freelance" Act Came Into Force

On November 1, 2024, the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators (Act No. 25 of May 12, 2023, "Act") came into force.

(i) Purpose of the Act

The Act aims to (a) ensure that transactions between freelancers and entrusted businesses are conducted appropriately and (b) improve the working environment for freelancers, since there is often a disparity in negotiating power between freelancers and entrusted businesses.

(ii) Target parties and transactions

The Act defines the parties and transactions as follows.

Specified entrusted business operator	An enterprise that is the business operator being entrusted and which falls under any of the following items: ● an individual that does not employ any employees; or ● a corporation that has no officers other than a single representative and does not have any employees.
Specified person engaged in entrusted business	An individual who is a specified entrusted business operator and the representative of a corporation that is a specified entrusted business operator.
Business entrustment	● An enterprise entrusts the manufacture (including processing) of goods or the creation of an information-based product to another enterprise; ● an enterprise entrusts the provision of services to another enterprise (including having another enterprise provide services to the entrustor).
Entrusting business operator	An enterprise that entrusts business to a specified entrusted business operator.
Specified entrusting business operator	An entrusting business operator who falls under any of the following items: ● an individual that employs employees; or ● a corporation that has two or more officers or employs employees.

(iii) Ensuring proper transactions

The following is an overview of regulations for proper transactions.

Clear indication of the details of work in writing	When an entrusting business operator has entrusted business to a specified entrusted business operator, the entrusting business operator must immediately and clearly indicate to the specified entrusted business operator, in writing or by electronic or magnetic means, the details of the work to be performed by the specified entrusted business operator, the amount of remuneration for such work, the date of payment thereof, and other matters, pursuant to the provisions of the Rules of the Fair Trade Commission.
Setting the payment date of remuneration and paying within the deadline	The date of payment of remuneration in cases where a specified entrusting business operator has entrusted business to a specified entrusted business operator must be within 60 days (in the case of re-entrustment, within 30 days of the original entrustment date) from the day on which the specified entrusting business operator receives the work from the specified entrusted business operator. If the date is not fixed or if it is fixed in violation of the Act, the payment date will be fixed in accordance with the Act.
Matters to be observed by specified entrusting business operators	In cases where a specified entrusting business operator has entrusted business to a specified entrusted business operator (for a period of one month or more (including contract renewals)), the specified entrusting business operator must not conduct any of the following acts: (a) refusal to receive the work, (b) reduction of the amount of compensation, (c) causing a specified entrusted business operator to take back the goods it has produced under the business entrustment, (d) unjustly setting an amount of remuneration at a level conspicuously lower than the price ordinarily paid for the same or similar content of work, (e) coercing a specified entrusted business operator to purchase goods or to use services, (f) causing a specified entrusted business operator to provide cash, services, or other economic gains for the specified entrusting business operator, or (g) causing a specified entrusted business operator to change the contents of the work, or to re-perform the work after the work has been completed.

(iv) Improvement of working environments

The following is an overview of regulations for improvement of working environments.

Accurate presentation of recruitment information	When a specified entrusting business operator provides information via advertisements concerning the recruitment of specified entrusted business operators for the business entrustment by the specified entrusting business operator, the specified entrusting business operator must not make false or misleading representations in regard to the information and must keep the information accurate and up-to-date.
Considerations for pregnancy, childbirth, childcare, or nursing care ("childcare and nursing care")	In response to a request from a specified entrusted business operator, a specified entrusting business operator must give sufficient consideration to the circumstances of the specified entrusted business operator so that the specified entrusted business operator can continue to engage in the entrusted business (of six months or more) while maintaining a balance with childcare and nursing care.
Establishment of harassment prevention systems	A specified entrusting business operator must establish a system to respond appropriately and sufficiently to consultations regarding problems arising from harassment.
Advance notice of cancellation and disclosure of the reasons	When a specified entrusting business operator seeks to terminate a contract involving an ongoing business entrustment (including in the case where the contract term is not renewed after it expires), it must give at least 30 days' advance notice to the specified entrusted business operator. If the specified entrusted business operator has requested that the reasons for terminating the contract be disclosed, the specified entrusting business operator must disclose the reasons without delay.

(v) In cases of violation

In cases of violation of the Act, the Fair Trade Commission, the Commissioner of the Small and Medium-Sized Enterprise Agency, or the Minister of Health, Labour and Welfare may collect reports, conduct inspections, make recommendations and issue orders. Obstructing reporting or inspections, or failing to comply with orders is punishable by a fine not more than 500,000 yen.

Bangladesh Authors[3]: Taeko Suzuki and Varsha Bhattacharya

1. Bangladesh Parliament dissolved; interim government formed

On 6 August 2024, the President of Bangladesh, Mohammed Shahabuddin, dissolved the 12th Parliament formed pursuant to the national elections held in January 2024, following the resignation of Prime Minister Sheikh Hasina on 5 August 2024.[4]

On 8 August 2024, an interim government was formed. Nobel laureate Muhammad Yunus was appointed as the chief advisor to head the interim government.[5]

While the timeline for fresh elections remains unclear, so far a search committee has been created to reconstitute the Election Commission and nominate a Chief Election Commissioner.[6]

2. Government establishes six reform commissions to strengthen key sectors

On 11 September 2024, chief advisor to the interim government, Muhammad Yunus, announced a plan to establish six reform commissions.

On 3 October 2024, the interim government established five of the six reform commissions: (a) the Public Administration Reform Commission, (b) the Judiciary Reform Commission, (c) the Police Reform Commission, (d) the Anti-Corruption Reform Commission, and (e) the Electoral System Reform Commission.[7] Thereafter on 7 October 2024, the interim government announced the formation of the Constitutional Reform Commission.[8]

The commissions are expected to submit their reports within 90 days of their formation.

3. Changes in judicial appointments

The resignations of Bangladesh's Chief Justice, Obaidul Hassan, and five other senior judges of the Supreme Court, followed the resignation of Prime Minister Sheikh Hasina. Syed Refaat Ahmed, the senior-most High Court judge, was thereafter sworn in by the President as the new Chief Justice of Bangladesh.[9] Four justices were also elevated from the High Court Division to the Appellate Division of the Supreme Court of Bangladesh.

On 9 October 2024, 23 additional judges took their oaths in the High Court of Bangladesh, as part of a broader effort to enhance judicial efficiency.[10] 244 lower court judges, including district judges and metropolitan magistrates, were also promoted and transferred.[11]

Along with judicial appointments, the interim government also has carried out a significant reshuffling of several administrative and diplomatic positions.

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

[4] https://www.dpp.gov.bd/upload_file/gazettes/55347_14182.pdf

[5] https://www.dpp.gov.bd/upload_file/gazettes/55368_18211.pdf

[6] https://today.thefinancialexpress.com.bd/first-page/search-committee-for-ec-formed-1730221714

[7] https://www.dpp.gov.bd/upload_file/gazettes/55899_45501.pdf; https://www.dpp.gov.bd/upload_file/gazettes/55900_76160.pdf; https://www.dpp.gov.bd/upload_file/gazettes/55901_78651.pdf; https://www.dpp.gov.bd/upload_file/gazettes/55902_35935.pdf; and https://www.dpp.gov.bd/upload_file/gazettes/55903_81924.pdf

[8] https://www.dpp.gov.bd/upload_file/gazettes/55923_62741.pdf

[9] https://www.dpp.gov.bd/upload_file/gazettes/55568_48843.pdf

[10] https://www.dpp.gov.bd/upload_file/gazettes/56062_24924.pdf

[11] https://www.thedailystar.net/news/bangladesh/news/another-major-reshuffle-judiciary-3697681

Sri Lanka Author:[12] Akihiro Kawashima

1. Amendment to National Minimum Wage for Workers

On September 11, 2024, Sri Lanka adopted the National Minimum Wages of Workers (Amendment) Act No.48 of 2024 ("**Act**"), which raises the minimum wage for workers in the private sector. The previous law (National Minimum Wages of Workers Act No. 3 of 2016) established a minimum daily wage of 500 LKR (approximately 250 JPY, based on a rate of 1 LKR being equal to approximately 0.5 JPY) and a minimum monthly wage of 12,500 LKR (approximately 6,250 JPY) for each worker. However, in light of the recent economic turmoil, which resulted in a steep rise in the cost of living, the Act raised minimum wages by 40%; now, the minimum daily wage is 700 LKR (approximately 350 JPY) and the minimum monthly wage is 17,500 LKR (approximately 8,750 JPY).

Workers also are entitled to receive a Budgetary Relief Allowance ("**BRA**") in addition to their wages. The BRA equals 140 LKR (approximately 70 JPY) daily and 3,500 LKR (approximately 1,750 JPY) per month. Since the minimum earnings of a worker are computed on the basis of Minimum Wage plus BRA, the actual current minimum daily earnings of each worker is 840 LKR (approximately, 420 JPY) and the actual minimum monthly earnings is 21,000 LKR (approximately, 10,500 JPY).

2. Entry Into Force of New Legislation for the Empowerment of Women

On July 2, 2024, Women's Empowerment Act No. 37 of 2024 ("**Women's Act**") came into force. The purpose of the Women's Act is to introduce mechanisms to implement the obligations in the Convention on the Elimination of All Forms of Discrimination Against Women. The Women's Act describes the purposes of women's empowerment, for example, the advancement and empowerment of women at all levels across all sectors, including (a) protection of women against all forms of discrimination based on gender and sexual orientation, (b) prevention of discrimination, marginalization, sexual harassment and violence, (c) economic empowerment, with special regard for women with disabilities, (d) public education programs relating to the empowerment of women, and (e) equal salaries for men and women.

To advance these goals, the Women's Act establishes the National Commission on Women ("**Commission**"). The President will appoint seven (7) persons to serve as members of the Commission, a minimum of five (5) of whom must be women. The members will be appointed from among candidates who have proven knowledge and experience in specific areas, such as law, trade unionism, management and administration, and health and education. The Commission is granted various powers to ensure the empowerment of women, including formulation of national policy. The Commission also has, and may exercise, the powers to inquire into and investigate infringements of women's rights and to receive complaints, as set forth in the Women's Act. The Commission also may intervene in any pending or ongoing court proceedings relating to an infringement of women's rights, with permission from the court.

The Women's Act provides for an ombudsperson for women's rights ("**Ombudsperson**") who is in charge of receiving complaints from aggrieved persons that relate to gender-based violence or infringements of women's rights. The Ombudsperson will forward a report to the Commission containing recommendations upon completion of any inquiry into a complaint received.

The minister, in consultation with the Commission, will make regulations regarding matters required by the Women's Act. At the end of each financial year, the Commission will submit to the parliament a report of the actions taken by the Commission and the recommendations of the Commission with respect to the empowerment of women.

[12] 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.

Turkey Author: Taro Hirosawa

1. The Turkish Personal Data Protection Law

Recent amendments to Turkish Law No. 6698 on the Protection of Personal Data (DPL) entered into force on 1 June 2024, and completely overhaul the legal bases for overseas data transfers. Cross-border data transfers now are possible in each of the following situations: (i) where the Turkish Data Protection Authority (DPA) has issued an adequacy decision; (ii) where one of the listed appropriate safeguards is in place; or (iii) in other exceptional cases. Pursuant to the Regulations on the Procedures and Principles Regarding the Transfer of Personal Data Abroad ("Regulations") published by the DPA on 10 July 2024, personal data can be transferred outside Turkey by a data controller or data processor only as specified in the DPL and Regulations.

(i) **Adequacy Decision**: The DPL provides that if an exception to consent applies (e.g., a transfer to comply with a legal obligation or pursue a legitimate interest), personal data can be transferred abroad where the DPA has issued an adequacy decision with respect to a specific country, organisation, or sector. To date, the DPA has not published any adequacy decisions.

(ii) **Appropriate Safeguards**: Where one of the exceptions to consent applies, the DPL contemplates that personal data can be transferred outside Turkey if one of the listed appropriate safeguards is put in place, on the condition that the data subject has the opportunity to exercise their rights and apply for effective legal remedies in the country to which the transfer will be made. The listed appropriate safeguards are: (i) the execution of agreements between foreign and Turkish public institutions, as permitted by the DPA, (ii) the adoption of binding corporate rules for intra-group transfers, to be approved by the DPA, (iii) the execution of standard contractual clauses (SCCs) of which the DPA has been notified, and (iv) the execution of written undertakings that have been approved by the DPA. The most significant development brought by the new rules is the possibility to transfer data abroad on the basis of SCCs with mere notification to the DPA, which must be made within five business days after the completion of execution, instead of the prior approval process that was in place. The SCCs to be used for transfers of personal data abroad between data controllers and data processors were published on the DPA's website on 10 July 2024.

(iii) **Exceptional Situations**: Where there is no adequacy decision and none of the safeguards is available, the DPA permits cross-border transfers of personal data in exceptional, occasional cases (meaning irregular transfers that occur only once or a few times). These exceptional situations include: (i) where the data subject has given express consent to the transfer, (ii) the transfer is mandatory for performance of a contract between the data subject and the data controller, (iii) the transfer is mandatory due to an overriding public interest, and (iv) the transfer is mandatory for the establishment, exercise, or protection of a right.

2. Crypto Regulations

Crypto assets are a rapidly-evolving class of intangible assets that face increasing global regulatory scrutiny, which focuses primarily on the debate over whether crypto assets should be classified as capital market instruments. In Turkey, regulations governing crypto assets are being established and expanded. The most recent regulations include:

The amendment to the Turkish Capital Markets Law (CML) dated 2 July 2024 regulates crypto assets and service providers. Key points in the amendment include:

(i) **Crypto Assets**: Defined as intangible assets, not classified as capital market instruments, but may provide similar rights.
(ii) **Platforms and Wallets**: Platforms handle trading and transfers; wallets store crypto assets or related keys.
(iii) **Regulatory Oversight**: The Capital Markets Board (CMB) oversees crypto platforms, which require authorization.
(iv) **Client Protection**: Clients' crypto assets and cash are separated from service providers' assets.
(v) **Sanctions**: Unauthorized crypto services, including by foreign platforms targeting Turkish clients, are subject to penalties.
(vi) **Future Regulations**: Secondary regulations to be issued by the CMB will clarify issuance of capital market instruments as crypto assets, scope of trading and custody services, investment services, operations, and audits.

An additional CMB regulation dated 8 August 2024 focuses on the establishment of platforms and their shareholders; another regulation, dated 19 September 2024, focuses on protecting investors and managing risks, including:

(i) **Customer Account Restrictions**: Transfers must go through authorized banks and institutions. It is prohibited for platforms to receive, deliver, and store customer cash on hand.
(ii) **Order Procedures**: Orders must be taken through specified channels, not social media.
(iii) **NFTs and Game Assets**: Excluded from CML, requiring separate trading markets with disclaimers.
(iv) **Liquidity Providers and P2P Marketplaces**: New rules for liquidity providers and peer-to-peer digital marketplaces.
(v) **Prohibitions**: Bans on crypto lending, issuance of capital market instruments as crypto assets (until the regulations are issued by the CMB), and misleading ads and promotional campaigns.

These measures aim to protect investors and to create a transparent, traceable, and regulated crypto market in Turkey.

China Author: Zhiyuan Chen

1. New Rules on the Management of Registered Capital in Companies

In China, the “registered capital” of a limited liability company refers to the total capital subscribed by all shareholders. However, before the launch of the current Company Law ("New Company Law") on July 1, 2024, there were no clear rules regarding the deadline for shareholders to pay the subscribed capital.

The New Company Law introduces a rule stating that the subscribed capital must be paid within five years from the date of the company's establishment.[13] In conjunction with the New Company Law, the State Council issued the following provisions on July 1, 2024 (effective the same day) to provide transitional measures for existing companies established before June 30, 2024:

(i) If the deadline for the registered capital payment falls within five years from July 1, 2027 (i.e., no later than June 30, 2032), the payment can be made by the deadline originally set.

(ii) If the deadline for the registered capital payment is more than five years from July 1, 2027 (i.e., after June 30, 2032), in principle, companies are required to adjust the payment deadline to a date within five years (i.e., no later than June 30, 2032) by June 30, 2027, and for the payments to be made by the revised deadline.

Moreover, under the New Company Law, if shareholders fail to make their payments by the due date, they will be liable for damages to the company and also may face a corrective order from the authorities. In addition, they may incur fines ranging from 50,000 to 200,000 RMB and, in severe cases, fines equal to 5% to 15% of unpaid amounts, as well as fines of 10,000 to 100,000 RMB for the directly responsible personnel of the related shareholder. Therefore, shareholders who face difficulties in making payments should consider solutions such as equity transfers or capital reductions as soon as possible.

Furthermore, the Provisions also state that, taking into account factors such as the company's scope of business, operational status, and the financial capacity of shareholders, the company registration authority can demand adjustments if a company's capital payment deadlines or registered capital amounts are deemed to be abnormal or lacking reasonableness or truthfulness.

2. New Trends in Consumer Protection

To address the challenges posed by new business models and issues related to consumer protection, the "Implementing Regulations for the Consumer Rights Protection Law" came into effect on July 1, 2024. Key points are as follows:

The Implementing Regulations expressly state that business operators are responsible for ensuring consumers' personal and property safety, even for goods and services provided free of charge. Additionally, if there are defects in free goods or services, business operators must notify consumers in advance, even if the goods comply with all applicable laws and still can be used as usual.

When using boilerplate language, business operators are prohibited from including clauses that limit consumers' rights to modify or terminate a contract, select litigation or arbitration as a means of dispute resolution, or choose products and services from other providers. These prohibitions are in addition to the previous ban on clauses that unfairly or unreasonably exclude or limit consumers' rights, reduce or provide exemptions from the business operator's liability, or impose additional responsibilities on consumers.

Business operators offering goods or services on a prepaid basis are required to: (i) enter into a written contract that clearly specifies the content and price of the goods or services, refund methods, and liability for breach of contract, (ii) maintain quality and prices after receiving the prepaid funds, (iii) not collect prepaid funds in the event of significant operational risks, and (iv) provide at least 30 days’ advance notice in the event of a business suspension or relocation.

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[13] According to Article 228 of the Company Law, the rules regarding the payment deadline for capital contributions also apply to subscription for additional capital in the event of a capital increase in a limited liability company.

Kingdom of Saudi Arabia Authors: Masao Morishita and Suguru Kuroda

1. Trends in Personal Data Protection Law

Saudi Arabia Cabinet Decision No. 98/1443 Personal Data Protection Law (the "**PDPL**"), Saudi Arabia Administrative Decision No. 1516/1445 Approving the Implementing Regulation of the Personal Data Protection Law (the "**PDPL Regulation**"), and Saudi Arabia Administrative Decision No. 1517/1445 On the Approval of the Regulation on Personal Data Transfer Outside the Geographical Boundaries of the Kingdom (the "**Transfer Regulation**") have been in effect since September 14, 2024, after a one-year grace period. In addition, Rules for Appointing Personal Data Protection Officers, the Rules Governing the National Register of Controllers Within the Kingdom, Guidelines for Binding Common Rules (BCR) For Personal Data Transfers, Standard Contractual Clauses For Personal Data Transfers, and other guidelines have been published and are now in effect.

The points to note in regard to the recent updates are as follows.

(i) Amendment of the Transfer Regulation: The amendment to the Transfer Regulation clarifies the circumstances in which personal data can be transferred outside the country.

(ii) The enactments of Rules for Appointing Personal Data Protection Officer, the Rules Governing the National Register of Controllers Within the Kingdom, Guidelines for Binding Common Rules (BCR) For Personal Data Transfers, and Standard Contractual Clauses For Personal Data Transfers: These enactments are intended to clarify the rules for appointing DPOs, the controller registration system, and the contents of Binding Common Rules and Standard Contractual Clauses which were previously stated in the PDPL and PDPL Regulation.

(iii) Several other manuals and guidelines are available on the Saudi Data & Ai Authority website: Several manuals and rules including Personal Data Processing Activities Records Guideline have been published to clarify the application of PDPL and regulation.

A particularly important point to note is that while the Transfer Regulation states that the authority shall publish on its official website a list of countries or international organizations that provide an appropriate level of protection for personal data not less than that prescribed by the PDPL and regulation, the list of the countries or international organizations has not yet been published at this time (October 11, 2024). Also, the Transfer Regulation states that the competent authority shall issue guides and guidelines related to the provisions contained in this regulation, but the guidelines related to international data transfers have not been issued yet.

2. New Investment Law

Saudi Arabia Cabinet Decision No. 40/1446 Investment Law (the "**Investment Law**") was issued on August 11, 2024. The Investment Law will take effect 180 days after its publication, following which it will repeal Saudi Arabia Royal Decree No. M1/1421 On the Approval of the Foreign Investment Law (the "**Foreign Investment Law**") and its executive regulations. The implementing regulations to the Law (the "**Investment Regulation**") have not yet been issued.

The key points of the Investment Law are as follows.

(i) The Investment Law is set to apply to both local and foreign investors, which is a major deviation from the existing Foreign Investment Law that primarily applies only to foreign investors.

(ii) The Investment Law allows for the granting of investment incentives to investors in accordance with objective and fair eligibility criteria. The provisions necessary for implementation of these incentives, and the eligibility criteria, will be set forth in the Investment Regulation.

(iii) The Investment Law eliminates the requirement for foreign investors to obtain licenses (currently known as foreign investment licenses) as part of efforts to simplify the process. Instead, the Investment Law refers to a registration process, rather than the traditional licensing process required under the current regime, provided that the activities subject to the intended investment are not on the Negative List (or, in the alternative, that the Ministry's prior approval is obtained).

(iv) The Investment Law provides better mechanisms to protect investors, including the right to fair and just treatment, protection against confiscation and expropriation, safeguarding intellectual property rights, and the establishment of transparent procedures for handling complaints.

(v) In cases where disputes emerge between investors and the competent authority in the Kingdom, such disputes shall be resolved by the competent local court, unless the parties to the dispute agree otherwise. In this regard, the Investment Law expressly recognizes Investors' rights to resort to alternative dispute resolution methods, including arbitration.

Arab Republic of Egypt Authors: Masao Morishita and Suguru Kuroda

1. Egypt's New Merger Control Regime

The Egyptian pre-closing merger control regime went into full effect on 1 June 2024.

Egypt had only a non-suspensory post-merger notification system until the amendments to Egyptian Competition Law No. 3 of 2005 ("**Competition Law**), which were enacted in 2022 ("**2022 Amendments**"), entered into effect. The 2022 Amendments introduced the use of pre-merger filings instead of post-closing notifications.

Although the 2022 Amendments technically went into force on the day following their enactment, the new filing regime could not be put into operation because practical details about operational aspects of the system were to be contained in the executive regulations of the Competition Law. Therefore, the Egyptian Competition Authority announced that it would not implement the new merger control regime until the relevant executive regulations were issued.

On 4 April 2024, the updated executive regulations ("**Regulations**") implementing the 2022 Amendments were issued; the Regulations came into force on 1 June 2024, and any notifiable transactions that did not close by 31 May 2024 became subject to the new merger control regime introduced in the 2022 Amendments.

Some important points to note (other than the change to a pre-merger filing system) with regard to the 2022 Amendments to the Competition Law and Regulations include: (i) a change to the definition of Economic Concentration, (ii) higher turnover thresholds, (iii) a defined merger review process and timeline, (vi) new filing requirements and formalities, and (v) potentially steep fines for noncompliance.

Individuals or Companies engaging in mergers and similar transactions involving Egyptian companies or subsidiaries should pay close attention to ensure compliance with the amended Competition Law and Regulations.

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