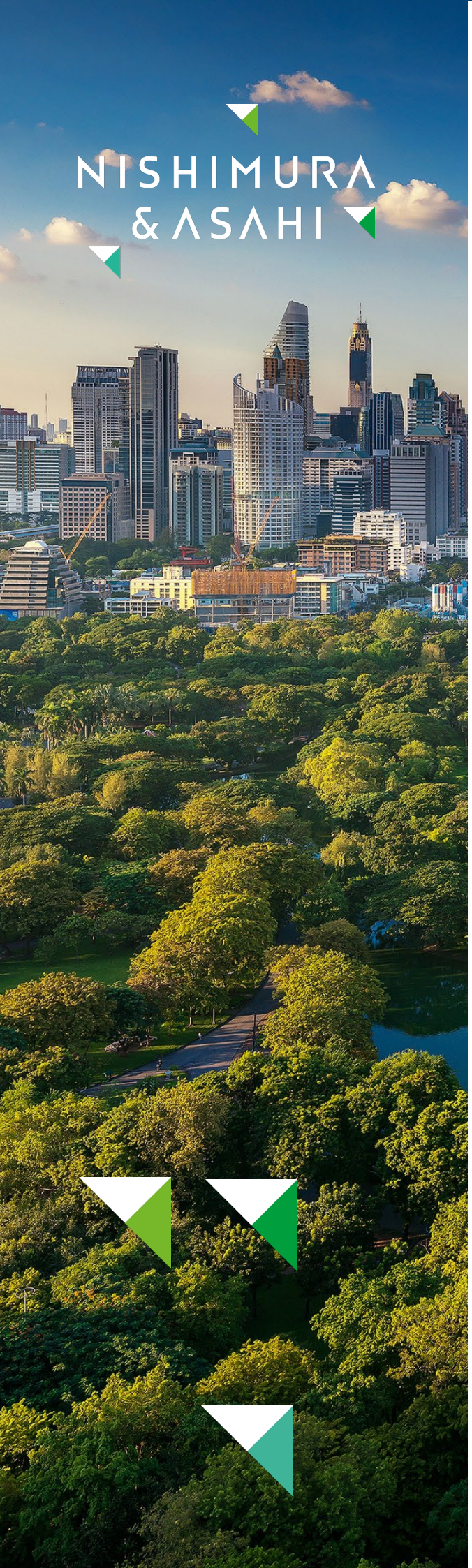

Asia Legal Update

First Quarter 2025
(Jan. - Mar.)

Japan Authors: Hiroki Kaga and Aya Okada

1. Cabinet Order to Revise FDI Screening System to Take Effect in May

On 4 April 2025, the "Cabinet Order Amending Part of the Cabinet Order on Inward Direct Investment" ("**Cabinet Order**"), which revises the foreign direct investment screening system ("**FDI Screening System**") under the Foreign Exchange and Foreign Trade Act ("**FEFTA**"), was promulgated. The Cabinet Order came into effect on 19 May 2025.

(i) Overview of the FDI Screening System

The FEFTA establishes the FDI Screening System to promote sound investment while preventing the outflow of technology and other matters related to national security. Under this system, foreign investors who wish to make foreign direct investments in companies that do business in certain businesses sectors, which are designated from the perspective of national security, are required to submit a prior notification to the Minister of Finance and the Minister that has jurisdiction over the relevant business, and the proposed investments are subject to screening for approval. However, from the perspective of promoting sound economic growth, certain investments are exempt from prior notification provided that certain conditions are met; for example, if neither foreign investors nor their closely-related persons are or will be involvement in management ("**Prior Notification Exemption System**").

(ii) Background of the review of the FDI Screening System and key points of the revisions

In recent years, due to the growing complexity in the international environment and changes in the socio-economic structure, the scope of national interest has expanded beyond the pure security field and into the economic security field. With regard to foreign direct investment, concerns have been raised about economic security issues such as the risk of foreign investors using investments to transfer technology and information from Japanese companies, or the risk of damage to industries and services related to national security. As a result, there have been growing calls for reinforcement of the FDI Screening system. This Cabinet Order revises the application of the prior notification exemption system for investments deemed to pose a high risk of harming national security or other national interests.

Key points of the revisions to the Cabinet Order and other relevant rules and regulations are as follows:

- Categorizes high-risk groups
- Persons who fall within the category of "**Type-A investors**" **are required to submit prior notifications for all investments in designated business sectors** (the Prior Notification Exemption System is not applicable).
- Persons who fall within the category of "Type-B investors"
  - **Prior notification is required** for investments in "**Designated Core Business Entities**" (the Prior Notification Exemption System is not applicable).
  - **Investments in core business sectors other than "Designated Core Business Entities"** will be subject to **additional conditions on top of the existing exemption conditions**.

If any of the following applies, the investor qualifies as a "**Type-A investor**" and is **subject to the obligation to submit a prior notification** for investments in all designated business sectors:

- Persons or organizations that are obligated to cooperate with foreign governments by collecting information that could significantly undermine Japan's national security acquired through foreign direct investment, based on agreements with foreign governments or foreign laws and regulations ("**Parties Obligated to Collect Information**")
- **Organizations controlled by Parties Obligated to Collect Information or by foreign governments that impose relevant obligations**

Even if an investor does not qualify as a Type-A investor, if any of the following applies, the investor will be classified as a "**Type-B investor**" and shall be **subject to the obligation to submit a prior notification for investments in "Designated Core Business Entities."**

- The substantive decision-making is controlled by Parties Obligated to Collect Information
- The substantive headquarters are located in foreign countries/regions other than the countries/regions of incorporation, and the entity's activities are affected by laws and regulations governing information collection activities related to Japan's national security in the place in which the substantive headquarters is located
- Investors who are obligated to cooperate with information gathering activities conducted by foreign governments based on agreements with Parties Obligated to Collect Information, with organizations controlled by those parties, or by foreign governments (including by agreements, when chains of similar agreements exist).

Companies designated as "Specified Essential Infrastructure Service Providers" under the Economic Security Promotion Act, which engage in business activities in the core sectors designated under the FEFTA, will be categorized as "**Designated Core Business Entities.**"

India Authors: Taeko Suzuki, Udhav Gulati

1. SEBI expands scope of UPSI under the Insider Trading Regulations

On 11 March 2025, the Securities and Exchange Board of India ("**SEBI**") notified the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2025 ("**SEBI Amendment**") amending the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"). The SEBI Amendment will come into effect on 10 June 2025 and, among other changes, will expand the scope of the definition of unpublished price sensitive information ("**UPSI**"). SEBI has previously observed that listed entities were only categorizing the illustrative list of items specifically included in Regulation 2(1)(n) of Insider Trading Regulations as UPSI, thereby failing to comply with the law in spirit. The expanded definition of UPSI now includes certain additional material events that require disclosure under Regulation 30 (read with Para A and Para B of Part A of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These events include:

- Changes in ratings, other than environmental, social, and governance (ESG) ratings;
- Proposed fundraising initiatives to be undertaken by the company;
- Agreements impacting management or control of the company;
- Fraud or default by the company, its promoter, director, key managerial personnel, or subsidiary, or the arrest of key managerial personnel or the promoter or director of the company, whether these events occurred within India or abroad; and
- Initiation of forensic audit by the company or any other entity for detecting misstatements in financials, misappropriation, siphoning or diversion of funds, and receipt of final forensic audit report.

2. MCA extends deadline for dematerialization of securities of private companies

On 12 February 2025, the Ministry of Corporate Affairs ("**MCA**") notified the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025 ("**MCA Amendment**") amending the Companies (Prospectus and Allotment of Securities) Rules, 2014 to extend the deadline for dematerialization of securities of certain private companies (i.e., private companies, other than producer companies, that were not classified as small companies as of 31 March 2023) from 30 September 2024 to 30 June 2025. Accordingly, such private companies can continue to issue and transfer their securities in physical form until 30 June 2025. Despite the extension of the deadline for private companies, given the logistical delays typically faced in obtaining an International Securities Identification Number ("**ISIN**") from the depository, it is advisable for such companies to apply for the ISIN at their earliest convenience to ensure timely compliance.

3. MoEFCC issues new consent guidelines under the Air Act and Water Act

On 29 January 2025 and 30 January 2025, the Ministry of Environment, Forest and Climate Change ("**MoEFCC**") notified the Control of Air Pollution (Grant, Refusal or Cancellation of Consent) Guidelines, 2025 and the Control of Water Pollution (Grant, Refusal or Cancellation of Consent) Guidelines, 2025, respectively, to streamline the process of obtaining, renewing and revoking consent to establish ("**CTE**") and consent to operate ("**CTO**") industrial unit from the State Pollution Control Boards ("**SPCBs**"). Key provisions of the new consent guidelines include:

- **Streamlined process for Hazardous Wastes Authorization:** Single step procedure to be adopted for granting authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, along with grant of consents under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") and the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**").
- **Timelines and Process:** Applications for grant of CTE and grant or renewal of CTO must be processed by the SPCBs in the timebound manner specified for each industrial category. A centralized online portal is also proposed to be developed to streamline the consent application, renewal, verification, and inspection processes.
- **Validity Period:** CTE will be valid for a period five years with an extension of two years available on application. The CTO validity is based on industrial category – red (five years), orange (ten years), green (fifteen years) and blue (seventeen years).

United Arab Emirates Authors: Masao Morishita and Ayush Sharma

1. Introduction of Thresholds for Merger Filings

Cabinet Decision 3 of 2025 on the Ratios Related to the Implementation of Federal Law 36 of 2023 on the Regulation of Competition ("**Cabinet Decision**") was introduced on 20 January 2025. The Cabinet Decision (read with Federal Law 36 of 2023 on the Regulation of Competition) requires establishments involved in an "Economic Concentration" (i.e., any act resulting in complete or partial transfer (merger or acquisition) of the ownership or usufruct rights of property, rights, equity, shares or obligations of an undertaking to another, empowering the undertaking or a group of undertakings to directly or indirectly control another undertaking or group of undertakings) to submit an application to the UAE Ministry of Economy no less than ninety (90) days prior to completion of the relevant Economic Concentration, if any of the following conditions are met:

(i) In case the total annual sales of the establishments in the Relevant Market (defined below) in the UAE exceeds AED 300 million (approximately USD $81.7 million) during the previous fiscal year; or

(ii) In case the total market share of the establishments exceeds forty percent (40%) of the overall transactions in the Relevant Market (as defined below) in the UAE during the previous fiscal year.

("**Relevant Market**" means a market defined on the basis of on two elements: (a) Relevant Products: the product(s) or service(s) that, in view of their price, characteristics and uses, are interchangeable to meet a particular consumer need; and (b) Relevant Geographic Area: the physical or digital place in which supply and demand for a product or service converge and in which the conditions of competition are similar or homogeneous).

Any violation of the foregoing may result in imposition of a fine of no less than two percent (2%) and no more than ten percent (10%) of the total annual revenue from sales of the goods or services that are the subject of the violation, made by the violating establishment in the UAE during the previous fiscal year, and if it is not possible to determine the annual total sales or revenue of the violating establishment in the UAE during the previous fiscal year, the penalty will be a fine of no less than AED 500,000 (approximately USD $136,000) and no more than AED 5,000,000 (approximately USD $1.36 million). The Cabinet Decision came into effect on 31 March 2025.

2. Dubai Free Zone Entities Permitted to Carry on Business in Mainland Dubai

The Government of Dubai issued Dubai Executive Council Decision 11 of 2025 ("**EC Decision**"), which applies to all Dubai free zone entities ("**Free Zone Entities**") intending to carry out business activities outside the free zone in which they are established and in mainland Dubai. Prior to issuance of the EC Decision, Free Zone Entities only could engage in business activities within their respective free zones. The Resolution excludes all entities licensed to operate in the Dubai International Financial Centre.

A Free Zone Entity may engage in business activities in mainland Dubai, provided it obtains one of the following licenses or permits from the Dubai Department of Economy and Tourism ("**DET**"), by payment of the prescribed fee:

(i) licence to establish a branch of the establishment within the mainland Dubai;

(ii) licence to establish a branch of the establishment operating out of the free zone;

(iii) permit to the establishment to conduct specific activities within the mainland Dubai.

Issuance of the licenses and permits referenced above is conditional on the requirements set out in the EC Decision, which (depending on the nature of the license applied for) include obtaining approval from the respective free zone licensing authority, submission of the constitutional documents of the Free Zone Entity, a copy of the Free Zone Entity's manager's passport and identification card, approval from the relevant authorities overseeing the activity to be carried out outside the free zone, and other relevant requirements. The license is valid for one year, and renewable for a similar period. A Free Zone Entity licensed to operate outside the free zone and in mainland Dubai also is required to comply with (a) the controls set forth in local and federal legislation relevant to the activity in which the entity intends to engage; and (b) maintaining financial records of its activities outside the free zone, separately from the financial records for activities carried out within the free zone.

Pursuant to the EC Decision, within a period of 6 (six) months from the date of entry into force of the EC Decision (i.e., by 3 September 2025), the DET will issue a list of economic activities in which the Free Zone Establishments may engage in mainland Dubai under each of the licenses mentioned in items (i), (ii), and (iii) above.

Saudi Arabia Authors: Masao Morishita

1. Updated Economic Concentration Review Guidelines

On April 8, 2025, the General Authority for Competition ("**GAC**") of the Kingdom of Saudi Arabia ("**KSA**") published the 5th edition of its Economic Concentration Review Guidelines ("**Guidelines**"), which included significant updates to the KSA's merger control regime. The key updates are as follows.

(i) **Merger Filing Thresholds**: The updated Guidelines set distinct revenue thresholds for acquisitions, mergers, and joint ventures. A transaction is notifiable if it results in an economic concentration leading to a change of control and meets all revenue thresholds below:
   (a) The combined annual worldwide turnover exceeds SAR 200 million (approx. USD 53.3 million).
   (b) In the case of an acquisition, the target's worldwide turnover, or in the case of a merger or joint venture, at least two of the parties' worldwide turnover, exceeds SAR 40 million (approx. USD 10.6 million).
   (c) The target generates revenue in the KSA that contributes to an aggregate turnover of SAR 40 million or more.

(ii) **Change of Control**: The definition of control has been clarified, indicating that control can arise from both positive (decision-making ability) and negative (decision-blocking ability such as veto rights) influences. A change of control is recognized when a new party gains positive or negative control or when an entity with negative control acquires positive control.

(iii) **Exemptions**: It has been clarified that certain transactions are exempt from the notification obligations:
   (a) Joint ventures related to manufacturing of a product that is not currently produced in the KSA.
   (b) Acquisitions by investment funds that do not aim to obtain control over the target's operations.

(iv) **Validity Period for Clearance**: Approval or conditional approval from the GAC is now valid for one year, with the possibility of requesting an extension.

2. Introduction of UBO Rules

The KSA's Minister of Commerce ("**MoC**") recently introduced Ultimate Beneficial Owner ("**UBO**") Rules, which became effective on April 3, 2025. These rules support the KSA's commitment to complying with Financial Action Task Force (FATF) recommendations to combat financial crimes and improve anti-money laundering (AML) efforts.

Previously, while companies maintained ownership records, there was no obligation for private entities to disclose UBOs in the KSA, making it difficult to trace ownership, particularly in complex corporate structures. The new UBO Rules require companies to register UBO information with the MoC at the time of incorporation, update it annually, and notify authorities of any changes within 15 days. Existing companies must disclose their UBO information by the date of the company's registration in the Commercial Register.

A UBO is defined as a natural person who:
(a) owns at least twenty five percent (25%) of a company's capital, either directly or indirectly;
(b) controls at least twenty five percent (25%) of the total voting rights in a company, either directly or indirectly;
(c) has the power to appoint a company's manager, the majority of its board members, or its chairman, or has the authority to dismiss the manager, a majority of the board members, or the chairman, either directly or indirectly; or
(d) has the ability to influence a company's operations or decisions, either directly or indirectly; or
(e) is a legal representative of a legal entity that meets any of the criteria outlined in (a) to (d) above.

If none of the criteria outlined above are met, the company's manager, board member, or chairman, as the case may be, is considered the UBO.

Companies that fail to comply may face fines of up to SAR 500,000 (approximately USD 133,000).

Bangladesh Authors: Taeko Suzuki and Varsha Bhattacharya[1]

1. Process for Appointment of Supreme Court Judges Revised

On 21 January 2025, the interim government in Bangladesh passed the Supreme Court Judges Appointment Ordinance, 2025 establishing an independent council of advisors to appoint judges to the Supreme Court of Bangladesh.[2]

The seven-member council will include the Chief Justice of Bangladesh, two Appellate Division judges, two High Court judges, the Attorney General of Bangladesh, and a law professor or law expert.[3]

The council is required to collect the names of, and assess, potential candidates, and the final recommendations are to be sent to the President of Bangladesh as recommendations of the Chief Justice.[4] The President may request a review of the recommendations, but if the council considers the request and decides not to change the recommendations, the President then will have to take steps toward appointment of the recommended individuals.[5]

2. Bangladesh Bank Approval No Longer Required for Outward Remittances of Certain Service Payments

On 19 February 2025, the Foreign Exchange Policy Department of the Bangladesh Bank issued a circular permitting Authorized Dealer Banks ("**ADs**") in Bangladesh to facilitate outward remittances of service payments by subsidiaries in Bangladesh of foreign companies to their parent companies abroad.[6]

ADs no longer will be required to obtain prior approval from the Bangladesh Bank to process these outward remittances against services from or through parent/group companies or their associates, provided the following conditions are met:

(a) the services are not available locally;
(b) the parent company holds in excess of 50% of the subsidiary's shares; and
(c) the remittance does not exceed 10% of the subsidiary's net profit in an accounting year.

ADs also must obtain necessary contracts and invoices, and ensure that the services are competitively priced and compliant with tax regulations.

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1 We hereby thank Ms. Nauriin Ahmed from the Legal Circle, a Bangladeshi law firm, for her support in preparation of this article.
2 http://bdlaws.minlaw.gov.bd/act-details-1516.html
3 Section 3(2), Supreme Court Judges Appointment Ordinance, 2025
4 Section 10, Supreme Court Judges Appointment Ordinance, 2025
5 Section 11, Supreme Court Judges Appointment Ordinance, 2025
6 https://www.bb.org.bd/mediaroom/circulars/fepd/feb192025fepd12e.pdf

Sri Lanka Author[7]: Akihiro Kawashima

1. Enforcement Timeline Adjustment for Data Protection Act

Sri Lanka enacted the Personal Data Protection Act No. 9 of 2022 ("**PDPA**") in March 2022, for which the enforcement date was originally set for March 18th, 2025. However, many stakeholders, including the public sector, had expressed the need for additional time to enhance their human and technical infrastructure, enabling them to fully comply with the requirements under the PDPA. Considering these circumstances, the government has decided that the enforcement date should be extended by a period not less than six months, allowing more time to fully comply with the PDPA requirements and the data protection authority ("**DPA**") is fully operational. Accordingly, the previous enforcement date was repealed by Extraordinary Gazette No. 2427/34 issued on March 14th, 2025.

On March 27th, 2025, the government announced the bill ("**Bill**") to propose amending the PDPA. The Bill incorporates concerns as well as feedback from the public and private sectors in relation to the draft rules, draft regulations, and draft guidelines proposed by the DPA.

The proposed amendments under the Bill contain the following:

- Regarding the data subject right requests, the time limit to respond to a data subject right request is to be changed from "21 working days from the date of such request" to "one month from the receipt of such request". Further, when a controller requires an extension of the period, such period may be extended for a further two months, which shall not exceed three months from the date of receipt of the request on condition that the controller informs the data subject of such extension before expiry of the initial one-month period.
- Regarding the data protection impact assessments ("**DPIA**"), a controller is no longer required to submit the data protection impact assessment to the DPA. The submission is required only where the controller receives a written request from the DPA.
- The requirement to consult the DPA if the controller is unable to mitigate risks of harm to the data subjects pursuant to the DPIA is to be removed. Such consultation of the DPA is mandatory only where personal data is processed by the controller pertaining to national security, public order, and public health.
- Regarding the cross-border data transfers, the DPA will no longer issue adequacy decisions that specify third countries where certain categories of personal data may be transferred. Therefore, when a controller and a processor transfer personal data to third countries, they are required to ensure compliance with certain provisions under the PDPA and adopt a specific safeguard specified by a directive issued by the DPA, unless any of the exemptions, such as explicit consent of the data subject, is met.
- The data protection officers may no longer need to be employees of a controller or processor and may be third parties outside the controller and processor.

The new enforcement dates for the provisions under the Bill have not been specified, but they will be specified by an order subsequently published in the Gazette, once parliament enacts the Bill.

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

Pakistan Authors[8]: Taeko Suzuki, Tomoko Nakashima

1. Amendment of Prevention of Electronic Crimes Act

The Prevention of Electronic Crimes (Amendment) Act 2025 ("**PECA**") entered into force on January 29, 2025, and introduced reforms to cybercrime regulations. The purpose of the PECA is to enhance oversight of digital platforms, strengthen online content regulations, and impose stricter penalties for disseminating disinformation.

The PECA establishes the Social Media Protection and Regulatory Authority ("**SMPRA**"), which will monitor social media platforms, ensuring compliance with national laws and overseeing the removal of unlawful or harmful content. The SMPRA will have the authority to block non-compliant platforms, impose penalties, and issue guidelines to promote online safety, while also regulating unlawful online content, such as materials that incite violence, promote terrorism, or defame individuals or institutions like the judiciary, armed forces, or Pakistani parliament.

Also, a Social Media Protection Tribunal ("**Tribunal**") can be established by the Federal Government to manage grievances and adjudicate cases related to online content. The Tribunal will include a chairman (who is qualified to be a judge of a high court) and a diverse range of experts, including journalists and software engineers.

Additionally, the PECA obligates the federal government of Pakistan to establish the National Cyber Crime Investigation Agency ("**NCCIA**"), replacing the Federal Investigation Agency's Cyber Crime Wing. The NCCIA will investigate cybercrimes, conduct forensic analysis, and enforce regulations with greater efficiency than before. The SMPRA and NCCIA are tasked with ensuring compliance with PECA, promoting awareness of digital rights, and regulating emerging technologies like AI within the framework of ethical and national security standards, with an emphasis on transparency and accountability.

2. Introduction of Digital Nation Pakistan Act, 2025

The Digital Nation Pakistan Act, 2025 ("**DNPA**") entered into force on January 29, 2025, and is designed to optimize digital transformation, improve delivery of services, and stimulate economic growth in key sectors such as health, education, agriculture, finance, industries, commerce, and governance.

The DNPA establishes the Pakistan Digital Authority ("**Authority**") to implement the National Digital Masterplan, and oversee the integration of digital governance, economy, and societal advancements. With a focus on establishing a secure and inclusive public digital infrastructure, the Authority is tasked with monitoring digital projects, formulating regulations, and ensuring compliance with governance standards.

The DNPA also created the National Digital Commission, which is chaired by the Prime Minister, which is intended to provide strategic outlooks and alignment for digital initiatives across various sectors. Additionally, the Digital Nation Fund supports innovative projects and fosters the development of digital services that enhance public accessibility to such services.

[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: Taro Hirosawa

1. Turkish Cybersecurity Law Enters Into Force

The Cybersecurity Law ("**Law**") No. 7545 came into force in Turkey upon its publication in the Official Gazette on 19 March 2025. Key points of this Law include:

1. Duties and Powers of Cybersecurity Directorate ("Directorate")

- Responsibilities include identifying critical infrastructure, forming incident response teams, auditing, certification, and setting cybersecurity standards.
- Granted broad powers to inspect and collect data from public and private entities.

2. Obligations of IT and Cybersecurity Companies

- IT companies (companies that provide services, collect and process data, and perform relevant activities via information systems) shall:
  - Cooperate with the Directorate by providing requested data and support.
  - Report vulnerabilities and cyber incidents to the Directorate.
  - Use Directorate-approved cybersecurity products for critical infrastructure.
- Cybersecurity companies (manufacturers of cybersecurity products, systems, software, hardware and services) shall:
  - Obtain prior approval for operation of and export permissions for certain cybersecurity products.
  - Notify the Directorate of legal transactions involving mergers, spin-offs or share transfers or sales and obtain prior approval from the Directorate for any such transactions that result in a direct or indirect change of control.

3. Criminal Offences

- Includes imprisonment and judicial fines for:
  - Refusal to provide requested information (1–3 years imprisonment).
  - Operating without required licenses (2–4 years imprisonment).
  - Unauthorized sharing of personal or critical data upon a data breach (3–5 years imprisonment).
  - Spreading false cybersecurity breach incident information (2–5 years imprisonment).

4. Administrative Fines

- Range from TRY 100,000 to TRY 100,000,000 (EUR 2,440–2.44M), or up to 5% of a company's gross revenue.
- Entities have 30 days to provide defense statements from the notification by Directorate before a fine is imposed.

5. Transition Period

- Secondary regulations will be issued within one year.
- Companies in the cybersecurity field shall complete all certification and licensing within one year of regulation release or face suspension or deregistration.

2. Executive Annual Leave in Turkey

Annual leave in Turkey is a constitutional right designed to protect employee well-being and support occupational health and safety. Turkish labor law establishes statutory minimum paid leave, which can be extended via agreements between employers and employees. These rules generally apply to all employees, but the situation becomes complex in the case of high-level executives.

Due to their autonomy and lack of direct supervisors, executives often fail to follow formal leave procedures. As a result, their leave frequently is undocumented, which can pose serious challenges at the time of termination. Under Turkish law, unused annual leave must be paid for, regardless of the reason for termination. Moreover, it is the employer's responsibility to prove that leave was taken—typically through signed documents. If no such proof exists, it is presumed that the leave was not taken, exposing the company to financial risk.

Historically, courts have focused on procedural aspects when reviewing disputes over unpaid leave. However, in a landmark 2024 decision, the Turkish Court of Appeals reduced an executive's claim for unused leave by 50%. The executive, a general manager, worked for nine years without taking any documented leave. The court emphasized that a person in such a role had the authority to manage their own leave and found it unrealistic that no leave had been taken over such a long period. This decision reflects a notable shift in judicial thinking, which acknowledges the practical realities of executive roles and sets a precedent for a more balanced approach to handling future disputes over unpaid leave.

Indonesia Authors: Jeanne Elisabeth Donauw and Hans Adiputra Kurniawan

1. Mining Law Amendment

In February 2025, the House of Representatives passed the revised Mineral and Coal Mining Law.

The key elements of this latest amendment include prioritization of domestic uses, rather than exports, of minerals and coal. In the context of mining areas, priority is given to companies with domestic processing facilities, which seems consistent with Indonesia's goal to develop the domestic mineral processing industry.

The Mining Law has been amended several times in the past, including in 2020. Some of the previous changes to the law include revisions to mining permits and consolidating the authority to issue licenses, which now is held by the central government (except for limited exceptions relating to local community mining permits). The 2020 amendment also maintains a divestment obligation pursuant to which a foreign-owned holder of a mining business license (*Ijin Usaha Pertambangan* or IUP) must *gradually* divest 51% of its ownership to regional governments, State-owned enterprises, national private entities, or other designated recipients, although no clear timing for this divestment has been mandated. By contrast, the law in effect *before* 2020 required the divestment to start, at the latest, after the 5th year of production, and for the 51% divestment goal to be reached by the 10th year.

2. Mandatory Deposit of Forex Export Proceeds from Natural Resources

Effective 1 March 2025, Government Regulation No.8 of 2025 (GR 8/2025) amended existing Government Regulation No.36 of 2023 on Foreign Exchange Export Proceeds from Businesses, Management and/ or Processing of Natural Resources (GR 36/2023).

Both regulations require exporters of certain products derived from natural resources, for example, the products of mining, plantations, forestry, and fisheries with export value of at least $250,000, to deposit a certain amount of their foreign exchange export proceeds into a designated account with the Indonesia Export Financing Agency or other Indonesian banks with forex activities.

One notable change made by GR 8/2025 is an increased flexibility in the use of the deposited DHE SDA* during the retention period. Under certain circumstances, exporters now are allowed to use the retained DHE SDA to support their operational and financial needs, providing them with more flexibility compared with the previous regulation.

Some other key points in the new GR 8/2025 are:

- **Minimum retention percentage and period of DHE SDA**: For oil and gas, at least 30% of DHE SDA must be deposited for at least 3 months, whereas for other mining sectors, and certain plantation, forestry and fisheries products, 100% of DHE SDA must be deposited for at least 12 months.

- **Right to use of DHE SDA during the retention period**: During the retention period, deposited DHE SDA may be used for currency exchanges to Rupiah, tax payments, procurement of certain capital goods and services in foreign currency, repayment of foreign currency loans for capital goods procurement, and other approved purposes. Under the previous version of the regulation, these uses were strictly prohibited.

- **Inspection of MOF:** The new regulation gives the Ministry of Finance the authority to inspect the fulfilment of DHE SDA deposits. This was not regulated by the previous version of the regulation.

Devisa Hasil Ekspor dari Barang Ekspor Sumber Daya Alam* (DHE SDA**) refers to foreign exchange export proceeds from certain exported natural resource goods.

Malaysia Authors: Wan May Leong and Wai Kin Leo

1. Mandatory Appointment of Data Protection Officer and Data Breach Notification

Following the passing of the Personal Data Protection (Amendment) Act 2024("**PDPA**"), with effect from 1 June 2025,

(i) data controllers and data processors must appoint a data protection officer ("**DPO**"), who shall be accountable to them for ensuring compliance with the PDPA; and

(ii) data controllers must notify both the Personal Data Protection Commissioner ("**Commissioner**") and affected data subjects (if significant harm is likely) of personal data breaches.

On 25 February 2025, Commissioner issued the following guidelines:

(i) Personal Data Protection Guideline on Appointment of Data Protection Officer ("**DPO Guidelines**"), which provides that:
   (a) data controllers and data processors are required to appoint one or more DPOs if their processing of personal data involves: (i) personal data of more than 20,000 data subjects; (ii) sensitive personal data of more than 10,000 data subjects; or (iii) activities that require regular and systematic monitoring of personal data; and
   (b) the DPO must be: (i) a resident in Malaysia (physically present in Malaysia for at least 180 days during one calendar year); or (ii) easily contactable via any means; and (iii) proficient in the Bahasa Melayu and English languages.

(ii) Personal Data Protection Guideline on Data Breach Notification ("**DBN Guidelines**"), pursuant to which data controllers are required to notify the Commissioner and the affected data subjects if the personal data breach causes or is likely to cause "significant harm".

Please refer to our newsletter for a more detailed overview of the DPO Guidelines and DBN Guidelines.

2. Updates to Beneficial Ownership Reporting Framework

To recap, the Companies (Amendment) Act 2024 introduced an enhanced framework for reporting of beneficial ownership in Malaysian companies. Beneficial owner refers to a natural person who ultimately owns or controls over a company and includes a person who exercises ultimate effective control over a company. The Companies (Access to the Register and Information relating to Beneficial Ownership) Regulations 2025 which come into effect on 10 January 2025 ("**BO Regulations**"), further clarified the access rights of parties as follows:

(i) The register of beneficial owner maintained by the company can only be accessed by:
   (a) beneficial owner, only relating to his information;
   (b) person authorized in writing by the beneficial owner, only relating to the information of such beneficial owner;
   (c) Central Bank of Malaysia ("**BNM**"), as the competent authority under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("**AMLATFA**"); and
   (d) any enforcement agency in Malaysia.

(ii) Beneficial ownership information lodged with the Companies Commission of Malaysia ("**CCM**") can be accessed in the form of supply of information to be determined by the CCM:
   (a) any party referred to in the paragraph (i) above;
   (b) any reporting institution carrying on any activity listed in the First Schedule to the AMLATFA; and
   (c) Federal Government, State Government or the relevant local authority, for the purpose of carrying on the function of Government procurement.

In addition, the CCM issued the Guidelines for the Reporting Framework for Beneficial Ownership of Companies and Case Studies and Illustrations of the Guidelines for the Reporting Framework for Beneficial Ownership of Companies, which clarified that:

(i) if a corporate shareholder with more than 20% shares in a reporting company is still in the process of identifying the beneficial owner, the corporate shareholder may submit the name of its senior management (rather than senior management of the reporting company) to be put in place as the beneficial owner of the reporting company;

(ii) senior management may include, among others, the chief executive officer, managing director or chief operating officer of the company; and

(iii) in any case, notwithstanding that the senior management has been identified in place of the beneficial owner, companies must exercise continuous effort to identify their beneficial owner.

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

1. Approval of the Implementing Rules and Regulations for the New Government Procurement Act

On 20 July 2024, the Philippines enacted Republic Act No. 12009 (the New Government Procurement Act) ("**NGPA**") to govern the procurement of goods, infrastructure, and consulting services by the Philippine Government. Although the NGPA took effect on 13 August 2024, the implementing rules and regulations of the prior Government Procurement Reform Act ("**GPRA**") remained in effect until the Government Procurement Policy Board ("**GPPB**") issued the implementing rules and regulations for the NGPA on 4 February 2025, in GPPB Resolution No. 02-2025 ("**IRRs**"). The IRRs were published on 10 February 2025 and took effect 15 days later, on 25 February 2025.
The IRRs detail the new developments to the procurement process that were established in the NGPA, including:

(i) Enhanced Transparency: While the GPRA already mandated transparency in the procurement process, the NGPA requires full disclosure at all procurement stages and requires public monitoring. The IRRs require the development of an open data platform[9] that allows publication of relevant procurement information and data to promote transparency and facilitate public monitoring of the procurement process. This means bidders can expect a higher level of scrutiny of their submissions when participating in public procurements.

(ii) Modernized Procurement Process: The NGPA and IRRs expressly incorporate emerging technologies, including e-procurement systems, blockchain, and artificial intelligence, into the procurement process. As a result, bidders can expect a more efficient, transparent, and accountable procurement system.

(iii) New procurement modalities: The NGPA and IRRs introduce new procurement modalities, such as competitive dialogue, direct acquisition, unsolicited offers with bid matching (Swiss challenges), direct sales, and direct procurements for science, technology, and innovation.

Although the IRRs already are in effect, the GPPB still needs to issue separate guidelines for several provisions of the NGPA, such as those governing the negotiated procurement of defense cooperation agreements and defense-related inventory items, and the guidelines for livestreaming of bidding activities. With the introduction of new and transparent procurement procedures, we can expect a more accessible, efficient procurement process, which will encourage more participation from the private sector.

2. Approval of E-Notarization Rules

On 4 February 2025, Philippine Supreme Court approved the E-Notarization Rules and the Guidelines on the Accreditation of Electronic Notarization Providers in A.M. No. 24-10-14-SC, which took effect on 24 March 2025 ("**E-Notarization Rules**").

The old notarial rules stated that notaries public only were permitted to notarize documents within their respective territorial jurisdictions, and required the physical appearance of the signatory and wet-ink signatures in all instances. The new E-Notarization Rules permit electronic notaries public ("**ENP**") to notarize electronic documents nationwide, including when the signatory is outside of the Philippines, provided the signatory is on the premises of any embassy of Philippines, Philippine consular office, or office of the Philippine Honorary Consul abroad. The new E-Notarization Rules also allow three methods of notarizing documents: In-Person Electronic Notarization, Remote Electronic Notarization, or a combination of the two.

To notarize electronic documents, a notary public must be specifically commissioned by an officer designated by the Supreme Court (the Electronic Notary Administrator) as an ENP and may use only electronic notarization facilities ("**ENF**") from accredited ENF providers. As of the date of this article, the Supreme Court has not accredited any ENF providers yet, but is expected to commence the accreditation process soon.

[9] The open data platform can be accessed through this link: https://open.philgeps.gov.ph/

Singapore Authors: Melissa Tan and Su Xian Chin

1. New Workplace Fairness Act 2025

The Workplace Fairness Act 2025 ("**WF Act**") passed on 8 January 2025 applies to employers with at least 25 employees, and has four (4) main objectives: (a) to protect individuals from biased treatment by employers on the basis of protected characteristics, (b) to ensure that hiring and workplace decisions are based on merit, (c) to guarantee that Singaporean citizens and permanent residents are considered fairly for employment, with foreign talent serving a complementary role, and (d) to encourage respectful workplace interactions and equitable opportunities for all.

The WF Act will come into force at a later date, in 2026 or 2027, to be announced by the Government via a notice in the Government Gazette. A second piece of workplace fairness legislation is anticipated to be introduced later in 2025, which will outline the rights and procedures for addressing workplace fairness claims.

The WF Act expressly prohibits discrimination in hiring, promotions, dismissals, and training, among other wrongful acts. For example, it will be considered discriminatory to publish or cause the publication of any job advertisement or description in Singapore that expressly or by implication refers to a protected characteristic as a condition, criterion, requirement, advantage, disadvantage, or disqualification for employment. The 11 protected characteristics listed in the WF Act are age, nationality, sex, marital status, pregnancy, caregiving responsibilities, race, religion, language ability, disability, and mental health condition.

However, the WF Act also contains specific exceptions, among them, the fact that a protected characteristic (or the absence thereof) is considered a genuine requirement for a job if one (1) of the following situations apply:
(i) the nature of the job makes it unreasonable for an individual to perform the role without possessing (or lacking) the protected characteristic (for example, an audio production manager should not be hearing-impaired);
(ii) the role requires a protected characteristic (or the absence thereof) to ensure the health and safety of the individual or others (for example, a heavily pregnant woman cannot perform high-access window cleaning work safely); and
(iii) the role requires a specific characteristic to uphold the privacy standards for others (for example, a spa that caters primarily to female clients may require all massage therapists to be female).

In addition, employers will be required to advertise job vacancies on the MyCareersFuture portal (https://www.mycareersfuture.gov.sg/), and ensure that all local candidates are considered fairly during the hiring process before applying for Employment Passes or S Passes.

Employers also will be required to establish a written grievance-handling process and communicated it to all employees. The process must include: (1) investigating every grievance raised by an employee, (2) reviewing each grievance thoroughly, (3) informing the employee who raised the grievance about the outcome of the review, (4) maintaining written records of all inquiries and reviews related to grievances, and (5) protecting the identity of employees who raise grievances and ensuring the confidentiality of information related to inquiries or reviews, unless disclosure is necessary. Employers also are strictly prohibited from retaliating against employees for relevant actions, including filing a grievance or legal proceedings under the WF Act and/or taking any action or raising concerns under the WF Act.

2. Key Amendments to the Central Provident Fund Act

The Central Provident Fund Act 1953 ("**CPF Act**") was amended by the Central Provident Fund (Amendment) Act 2024 (No. 33 of 2024) and the Central Provident Fund 1953 (Amendment of First Schedule) Notification 2024; the changes include (without limitation): (a) effective 1 January 2025, CPF contribution rates will increase for employees aged 55 to 65, as follows: (i) for employees older than 55 to 60, employer contributions will be 15.5% of wages and employee contributions will be 17% of wages, and (ii) for employees older than 60 to 65, employer contributions will be 12% of wages and employee contributions will be 11.5% of wages; (b) effective 19 January 2025, the special accounts for CPF members aged 55 and above will be closed, and their savings will be transferred to their retirement accounts, up to their full retirement sum (based on when the employee turns 55). These changes were made to ensure that CPF savings for long-term retirement needs earn the higher, long-term interest rate.

Thailand Authors: Jirapong Sriwat, Apinya Sarntikasem

1. Relaxation of Eligibility Criteria for Long-Term Resident Visas ("LTR Visas")

On 4 February 2025, Thailand's Board of Investment ("**BOI**") issued Notification No. Por. 3/2568 on Qualifications, Criteria, and Conditions for Long-Term Resident ("**LTR**") Visas under the Measures to Stimulate Economy and Investment by Attracting High-Potential Foreigners to Thailand ("**Notification**"), which is effective for all requests submitted on and after the date of issuance.

In principle, the effects of the revised criteria for LTR visas are as follows:

(i) Wealthy Global Citizens are not required to present evidence of an average personal income of at least USD 80,000 per year for the two years preceding the application;

(ii) Work-from-Thailand Professionals are exempt from providing evidence of at least five years' relevant work experience within the past ten years. Additionally, the corporate income requirement for their overseas employers has been lowered from USD 150 million to USD 50 million over the past three years;

(iii) Highly Skilled Professionals are exempt from providing evidence of at least five years' work experience in targeted industries within the past ten years, and eligible sectors for employing Highly Skilled Professionals have been expanded to include targeted industries such as transportation and logistics, and International Business Centers (IBC); and

(iv) Eligibility for Dependents (family members) has been extended to include parents and all legal dependents.

2. Thailand Immigration Update: Equal Marriage Law Reflected in New Visa Regulations

On 19 February 2025, Immigration Bureau Order No. 12/2568 regarding Permission for Foreign Nationals to Temporarily Reside in the Kingdom of Thailand ("**Order**") was officially published in the Government Gazette. This Order amends previous immigration guidelines to align with the recent endorsement of the Marriage Equality Bill, effective 23 January 2025.

Key amendments were made, specifically to the table annexed to the immigration guidelines detailing criteria for granting residence to foreign nationals. Notably, the condition restricting spousal visas exclusively to "male-female" couples has been removed. This change expressly accommodates same-sex spouses, in accordance with the Equal Marriage Act. For example, Clause 2.18, which relates to temporary residence for foreign nationals entering Thailand based on family relationships (including parents, spouses, children, adopted children, or stepchildren of Thai nationals), now provides equal recognition for same-sex spouses, thereby reflecting Thailand's progressive shift toward equality and inclusivity in its immigration policies.

3. DBD Moves Permanently to Digital Registration Effective 1 July 2025

On 13 March 2025, the Department of Business Development ("**DBD**"), under the Ministry of Commerce, announced the permanent discontinuation of paper registration submissions, effective 1 July 2025. Thereafter, all registrations must be handled electronically via the DBD Biz Regist digital platform.

To facilitate this transition, the DBD will provide consultation counters to provide assistance with documentation requirements and guidance on completing electronic registration forms (e-Forms).Users of the DBD Biz Regist system may register either as a registration representative (available to the general public) or as a signature certifier[10] (limited to qualified individuals, including members of the Thai Bar Association). When signing an e-document to submit to DBD Biz Regist, electronic signatures may be used in the DBD Biz Regist system without the need to be physically present before the registrar. For signature certifier users, if the authorized signatory is unable to use electronic signature programs, it is possible to sign by wet-ink signature on a certified consent form[11] physically. Then, signature certifier users may scan and submit electronically[12].

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[10] A signature certifier is an individual qualified to certify registration documents submitted through the DBD Biz Regist system, while registration representative may only submit documents but does not have the authority to certify them.

[11] A "certified consent form" refers to the document when the authorized signatory signs by wet ink in cases where the authorized signatory is unable to sign using an e-signature.

[12] It may be possible to submit physically via an authorized representative of the company at any Office of the Central Company and Partnership Registration or Office of Provincial Commercial Affairs nationwide, of which guideline has not been announced.

Vietnam Authors: Vu Le Bang, Nguyen Thi Thanh Huong

1. Resolution No. 171/2024/QH15 on Pilot Scheme for Implementation of Commercial Residential Housing Projects Using Land Acquired Via Agreements or Using Existing Land and Decree 75/2025/ND-CP Providing Detailed Guidance on Resolution No. 171/2024/QH15 (collectively, "Resolution")

The Resolution was recently passed by the National Assembly and will be effective from 1 April 2025 until 01 April 2030; it provides an exception to the current land laws, which state that if a commercial residential housing project is implemented using land acquired via an agreement, only agreements to acquire *residential* land is allowed. In reality, most real estate projects are implemented on land that was not zoned only as residential land. The Resolution introduces much-needed flexibility, by removing the mandatory zoning requirement. Now, real estate developers can implement commercial residential housing projects using multiple-purpose land acquired through agreements, or using existing parcels zoned for various land use purposes, so long as (i) the conditions and criteria in the Resolution are met, (ii) the proposed commercial residential housing projects appear on the list of pilot projects eligible to rely on the Resolution, as approved by the provincial People's Council, and (iii) the developers complete the application procedure set forth in the Resolution and receive approval from the provincial People's Committee to be the developers of the relevant pilot projects.

2. Several New Decrees in the Energy Sector

Recently, the government issued several new Decrees in the energy sector; among these new decrees, Decree No. 56/2025/ND-CP elaborating on the Electricity Law pertaining to electricity development plans, electrical supply grid development plans, electricity project investments and development, and investor selection bidding for electricity projects ("**Decree 56**"), Decree No. 57/2025/ND-CP on direct power purchase mechanisms ("**DPPA**") between renewable energy generators ("**RE GENCOs**") and large electricity customers ("**Decree 57**"), and Decree No. 61/2025/ND-CP elaborating on the Electricity Law pertaining to electricity operation licenses ("**Decree 61**"), all took effect on 3 or 4 March 2025. Some notable points in these decrees include:

(i) *Decree 56:*

- Projects to be included in or excluded from national and provincial power master plans are clearly designated. Notably, self-generated and self-consumed renewable and new energy source projects that either are connected to the national grid at a low voltage level of ≤ 1kV or are not connected will not be included in any power master plans.
- Projects using imported LNG with a commercial operation date ("**COD**") before 1 January 2031, and projects using domestic natural gas with a COD before 1 January 2036, are entitled to certain benefits, including (without limitation): (i) the price of fuel supplied to the power plants will be passed through when calculating electricity prices in power purchase agreements, and (ii) long-term minimum contract power output purchasing.
- Gas-to-power projects, coal-fired power projects, and renewable energy projects (including solar power, wind power, hydropower, and biomass power) which are included in national or provincial power master plans and have at least two interested investors shall be subject to a bidding process.

(ii) *Decree 57:* The scope of eligible RE GENCOs is expanded to include waste-to-energy generators for the Private Wire DPPA model, and biomass power generators for the Grid Connected DPPA model. Also, the definition of eligible large electricity customers is expanded to include those that use electricity to provide electric vehicle charging services.

(iii) *Decree 61:* An exemption to the electricity operation license requirement is introduced for self-generated and self-consumed projects that do not sell electricity to other organizations or individuals in the following cases: (i) projects not connected to the national power system with no upper limit on the generating capacity, and (ii) projects connected to the national power system with installed capacity of less than 30 MW. There also is an exemption to the requirement to obtain an electricity operation license for generation for projects that sell electricity to other organizations or individuals and have an installed capacity of less than 1 MW. In addition, an exemption to the requirement to obtain a retail electricity operation license is introduced for electricity trading in rural, mountainous, border, and island areas that purchase electricity from the distribution grid at a capacity of less than 100 kVA to sell directly to customers in those areas.

Myanmar Author: Saw Nyan Htun

1. Enactment of the Cybersecurity Law

The State Administration Council ("**SAC**") enacted the Cybersecurity Law ("**CL**") on January 1, 2025, via Law No. 1/2025. The CL has not come into force yet and will come into force on the date notified by the president.

According to the CL, its objective includes protecting and safeguarding the sovereignty and stability of the nation from being harmed by cyber threats cyberattacks, or cyber misuse through the application of electronic technologies. The CL prescribes the formation of a central committee, steering committee, working committees, and investigation teams for various cybersecurity-related matters.

The CL classifies certain information infrastructures (such as e-financial or e-communication information infrastructure) as critical information structures ("**CIS**"), and imposes obligations on the officials who are responsible for managing critical information infrastructures, such as (i) storing data related to CIS in accordance with the standards of information; (ii) managing publishing, releasing, sending, accepting, and storing data related to CIS in accordance with the standards; and (iii) submitting a report on CIS to the competent ministry via the relevant government departments and organizations once every calendar year. Violations of this obligation will result in a penalty of imprisonment for one to six months, a fine from MMK 1 million to 10 million, or both.

In addition, the CL requires any person who wishes to establish a VPN or provide VPN services within the national cyberspace of Myanmar to obtain permission from the responsible ministry. Violations of this provision will be subject to a penalty of imprisonment for one to six months, a fine from MMK 1 million to 10 million, or both. Companies will be subject to a fine at least MMK 10 million.

Some provisions of the CL are not entirely clear (such as the meaning of "the establishment of a VPN"). Therefore, future actions by the authorities need to be closely monitored.

2. Enforcement of the Private Security Services Law

SAC enacted the Private Security Services Law on February 18, 2025, via Law No. 4/2025 ("**PSSL**"), which has since come into force. The objectives of the PSSL include ensuring that private security services contribute to the security of the nation, the rule of law, and public peace and tranquillity. The PSSL defines private security services as services to maintain the security of people and property at any location, including offices, homes, warehouses, companies, factories, hotels, banks, schools, markets, hospitals, transportation, etc. The PSSL allows private security service providers to carry arms, ammunition, and related materials under certain conditions.

The PSSL requires that persons who seek to provide private security services obtain a license from the supervisory committee that will be formed in accordance with the PSSL. Applicants must pay a security deposit of MMK 100 million (or an equivalent amount in foreign currency for foreign companies with accounts at the Myanmar Economic Bank). If the license holder is a foreign company, it shall state the name of the country where its head office is located when it submits the application, and at least 75% of the hired private security personnel must be Myanmar citizens.

In addition, the PSSL requires that permission from the supervisory committee be obtained in order for a company to employ more than 10 security staff members for its business/branch (not including the employees of any private security contractors it retains). Violations of these requirements will be subject to imprisonment for one to three years or a fine of up to MMK 10 million. If a violation is committed by a company or organization, that entity will be subject to a fine from MMK 100 million to 300 million.

Taiwan Author: Sheng-Chieh Chang

1. Announcement of Draft Amendments to the Personal Data Protection Act

On March 27, 2025, the draft amendments to the Personal Data Protection Commission Organization Act and the Personal Data Protection Act ("**PDPA**") were approved by the Executive Yuan, and now are being reviewed by the Legislative Yuan. The main points of the draft amendment to the PDPA ("**Amendment**") governing the protection of personal data by non-government agencies are summarized below.

(i) Obligation to keep records and notify data subjects and the competent authority when personal data incidents occur

If a personal data leak or damage occurs at a non-government agency, the Amendment requires the non-government agency to notify the data subject(s) after it becomes aware of the incident. If the personal data accident meets certain reporting thresholds, the competent authority also should be notified. The Amendment also requires a non-governmental agency to take measures to prevent escalation of relevant incidents. In addition, information about the circumstances and impact of the incident, and the measures taken, must be recorded in order to respond to inspections by the competent authority (Amendment, Art. 12). If the obligation to notify the data subject and the competent authority, the obligation to keep records, or any related regulation regarding notification is violated, a fine may be imposed, in an amount between NT $20,000 and NT $200,000 (Amendment, Art. 48).

(ii) Inspections of non-government agencies by competent authority

The competent authority may conduct administrative inspections of non-government agencies when (a) there is a possibility of a violation of the PDPA or (b) when it is deemed necessary to confirm compliance with the PDPA. These inspections may include: (1) notifying the non-government agency or relevant personnel and requesting opinions, (2) requesting necessary documents, information, goods, or cooperation with other inspections, and (3) dispatching personnel to enter the facilities, independently or jointly with the competent central government authority in charge of the relevant industry, and ordering the agency's personnel to provide necessary explanations, cooperate with relevant measures, or submit supplementary information. In evaluating whether an inspection is necessary to confirm compliance with the PDPA, the competent authority may establish the factors to be taken into account, the evaluation method, and the plan for implementation of administrative inspections (Amendment, Art. 22).

2. Enactment and Promulgation of the Public Interest Whistleblower Protection Act

The Ministry of Justice of Taiwan, which operates under the Executive Yuan (equivalent to Japan's Cabinet), has been studying the establishment of a legal framework for whistleblowing since 2012. On January 22, 2025, the "Public Interest Whistleblower Protection Act" ("**PIWPA**") finally was enacted. Article 21 of the PIWPA states that the law will take effect on July 22, 2025.

The PIWPA covers reports concerning criminal acts, illegal conduct, or actions that seriously affect the public interest that are committed by public officials, government agencies, state-owned enterprises, or other government-controlled organizations. However, illegal acts committed by private companies, or by their officers and employees, are not within the scope of the PIWPA and not subject to reporting under, or governed by, the PIWPA, even after its entry into force. Article 4, Paragraph 1 of the PIWPA states that reports must be made to designated contact points, including the public prosecutor's office, police stations, or individuals or departments designated by government agencies or state-owned enterprises. Therefore, the protections in and provisions of the PIWPA do not apply unless the report is made through one of these officially designated channels.

Article 8 of the PIWPA states that an organization may not subject a whistleblower to any disadvantageous treatment—such as demotion or disciplinary action—for making a report or cooperating with an investigation related to that report. It is important to note, however, that the term "whistleblower" in the PIWPA is limited to individuals who make reports in their real names (PIWPA, Art 5).

As Taiwan continues to develop a legal framework applicable to the private sector, the provisions and implementation of the PIWPA are likely to serve as a reference. Therefore, examining the PIWPA is a meaningful step toward preparing for potential future developments.

Hong Kong Author: Ryuichi Sakamoto

1. Protection of Critical Infrastructure (Computer Systems) Bill

Hong Kong's Legislative Council passed the Protection of Critical Infrastructure (Computer Systems) Bill ("**Bill**") on March 19, 2025. Its purpose is to strengthen the security of critical infrastructure computer systems and minimize the chance of essential services being disrupted or compromised due to cyberattacks, thereby enhancing overall computer system security in Hong Kong. The Bill is conducive to promoting the establishment of good preventive management systems by operators of critical infrastructure and securing the operation of their computer systems, enabling the smooth operation of essential services and consolidating Hong Kong's favorable business environment and status as an international financial center. An overview of the Bill is as follows:

Definition of Critical Infrastructure ("**CI**")

The proposed legislation recognizes two categories of critical infrastructure:

(i) infrastructure for delivering essential services in Hong Kong, which covers the following eight sectors: energy, information technology, banking and financial services, land transport, air transport, maritime, healthcare services, and communications and broadcasting; and

(ii) other infrastructure for maintaining important societal and economic activities (such as major sports and performance venues, research and development parks, etc.).

Operators of CI ("**CIO**")

CIOs are organizations designated in the Bill. When designating or revoking a CIO, the regulatory authority may consider factors such as the dependence of the core functions of the relevant CI on computer systems, the sensitivity of the digital data controlled by the organization with respect to relevant infrastructure, and the extent of control the organization has over the operation and management of the infrastructure. Generally speaking, most CIOs will be large organizations, and neither small and medium enterprises nor the general public will be affected.

Obligations of CIO

CIOs are required to comply with the obligations set forth below:

(i) Organizational
- maintain an address and office in Hong Kong;
- report changes to the operatorship of critical infrastructure; and
- set up a computer system security management unit

(ii) Preventive
- inform the regulatory authority of material changes to the relevant critical computer systems;
- formulate and implement a computer system security management plan;
- perform a computer system security risk assessment; and
- perform a computer system security audit

(iii) Incident Reporting and Response
- participate in a computer system security drill;
- formulate an emergency response plan; and
- given notice of the occurrence of computer system security incidents with respect to critical computer systems

Penalties

CIOs will be fined for violations, with maximum fines ranging from HK$500,000 to HK$5 million.

Effective Date

The Bill is set to take effect on January 1, 2026.

China Author: Wenxian Cai

1. China Strengthens Sanctions Framework with New Implementing Regulations

On March 23, 2025, the China State Council adopted the *Regulations on the Implementation the Anti-Foreign Sanctions Law of the People's Republic of China* ("**Regulations**"), which came into effect immediately. The Regulations have 22 articles and provide more detailed guidance on the scope and enforcement of countermeasures under the *Anti-Foreign Sanctions Law* ("**AFSL**")[13].

(i) **Clarification of Countermeasures.** The Regulations clarify some key terms of Article 6 of the AFSL: (a) the "other types of assets" subject to sealing, seizure, or freezing now expressly include cash, negotiable instruments, bank deposits, securities, fund shares, equity interests, intellectual property rights, and accounts receivable, (b) "other necessary measures" include prohibitions and restrictions on import/export activities, investments in China, exports of relevant items, provision of data or personal information to a sanctioned entity, issuance or maintenance of work, stay, or residence permits for individuals, and the imposition of monetary penalties.

(ii) **Enhanced Enforcement Framework and Introduction of Relief Mechanism.** The Regulations state that entities or individuals who fail to implement relevant countermeasures may face corrective orders from the relevant authorities, as well as prohibitions or restrictions on: (a) participating in government procurement, bidding, and tendering activities, (b) engaging in import/export of relevant goods and technologies, or international trade in services, (c) receiving or providing data or personal information from or to foreign countries, and (d) leaving the country, staying and residing in China, and other relevant actions. The Regulations also established a relief mechanism, through which those subject to the countermeasures may apply to the decision-making authority for suspension, modification, or revocation of the measures, provided the entity or individual has rectified the relevant conduct and eliminated the consequences.

To ensure compliance with the AFSL and these Regulations, foreign companies and their Chinese subsidiaries should enhance internal compliance programs, closely monitor China's evolving sanctions framework, and seek legal guidance when necessary.

2. New CAC Measures on Personal Information Compliance Audits, Effective May 2025

The *Administrative Measures for Compliance Audits on Personal Information Protection* ("**Measures**"), promulgated by the Cyberspace Administration of China under the authority of the *Personal Information Protection Law of the People's Republic of China* and the *Regulations on Network Data Security Management* will become effective on May 1, 2025. The Measures clarify the requirements for performing compliance audits related to personal information protection and provide detailed provisions governing audit procedures, selection of audit institutions, audit frequency, and the obligations of the parties involved.

The Measures identify two main types of compliance audits to which personal information processors may be subject:

(i) **Voluntary Audits.** Personal information processors must assess their compliance with applicable laws and regulations regularly, through internal audits or by engaging professional institutions. Notably, personal information processors that handle the personal information of more than 10 million individuals must conduct a compliance audit at least once every two years.

(ii) **Mandatory Audits.** Supervisory authorities may mandate a compliance audit by a professional institution where: (a) the processing activities pose a high risk, such as serious impact on individual rights or a lack of adequate security measures, (b) the processing activities potentially may harm the rights and interests of a large number of individuals, and (c) a personal information security incident occurs that involves a leak, tampering, loss, or destruction of personal information of 1 million or more individuals, or sensitive information of 100,000 or more individuals.

The Measures are accompanied by a detailed annex, titled the *Guidelines for Personal Information Protection Compliance Audits*. The document outlines key legal points and offers practical guidance to support audit standards and best practices.

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[13] The AFSL broadly defines "countermeasure targets" as: (1) individuals or organizations that directly or indirectly participate in formulation of, decisions on, or implementation of discriminatory restrictive measures (i.e., those listed on the "countermeasure list"), and (2) individuals or organizations that have a specific association with the listed individuals or organizations mentioned in item (1).

Korea Author: Won Yoon

1. Legislative Notice of Proposed Amendment to the Civil Act

On 7 February 2025, the Ministry of Justice issued a legislative notice of proposed amendment to the Civil Act ("**Amendment**"). The Amendment is the first comprehensive revision of the Civil Act since its enactment in 1958 and is expected to bring about significant changes to all aspects of contract law. Although some revisions may be made during the legislative process, it is widely expected that the majority of the proposed provisions will be finalized as currently drafted. The legislative notice period ended on 19 March 2025, and the Ministry of Justice plans to finalize the bill based on the opinions received. The Amendment codifies numerous legal principles originally established through case law. The following key points are particularly noteworthy for foreign companies, as they may have a significant impact on the formation and interpretation of contracts going forward.

(i) **Introduction of a Floating Interest Rate System (Amendment, Article 379)**: The current versions of the Civil Act and Commercial Act fix statutory interest rates at 5% per annum (in the Civil Act) and 6% per annum (in the Commercial Act). These fixed rates apply in the absence of a separate agreement. The Amendment proposes the introduction of a "floating interest rate system" to allow for greater flexibility in response to changes in economic conditions. Specifically, the statutory interest rate would be determined by Presidential Decree, taking into account factors such as the base rate set by the Bank of Korea, prevailing market interest rates, rates of inflation, and other relevant economic indicators. After implementation of the Amendment, where the parties to a contract have not reached an alternative agreement, the applicable interest rate will no longer be a fixed statutory rate but rather the variable rate determined by Presidential Decree. The statutory commercial interest rate in the Commercial Act will be revised in the same manner.

(ii) **Reduction of Penalty Clauses (Amendment, Article 398)**: The Supreme Court traditionally has held that a penalty clause is intended to secure the performance of an obligation, and therefore is conceptually distinct from liquidated damages. For that reason, Article 398(2) of the Civil Act, which relates to reduction of liquidated damages, has not been applied to penalty clauses by analogy. The Supreme Court has ruled that if a penalty is excessively burdensome, it may be deemed partly or fully void, as contrary to public policy. The Amendment revises the terminology used in the existing provision on liquidated damages to "*wiyakgeum*", a term that conceptually includes penalty clauses. Under the Amendment, if a penalty is unreasonably excessive, the court is authorized to reduce it to a reasonable amount. As a result, it is anticipated that, going forward, penalty clauses will be subject to the same legal principle of reduction as currently applies to liquidated damages.

(iii) **Right to Request Contract Modification and Termination Based on a Change of Circumstances (Amendment, Article 538-2)**: The Supreme Court traditionally has recognized that, in exceptional cases, a contract may be terminated due to a "change of circumstances" where there has been a significant alteration in the circumstances that formed the basis of the contract, resulting in a substantial imbalance in the parties' interests or rendering the achievement of the contract's purpose impossible. The Amendment codifies the right to terminate contract based on a change of circumstances, as previously recognized by case law. Under the Amendment, in the event of such a change, one party may request that the other party agree to a modification of the contract terms. If the modification is not feasible or cannot reasonably be expected, the party may terminate the contract.

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