NISHIMURA & ASAHI

Asia Legal Update

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Financial Services Agency and Tokyo Stock Exchange Publish Draft Revision of Corporate Governance Code

On April 10, 2026, the Financial Services Agency of Japan and the Tokyo Stock Exchange, Inc. ("**TSE**") published a draft revision of the Corporate Governance Code ("**CG Code**"). The key points of the Draft Revision to the CG Code ("**Draft Revision**") are:

(i) "Streamlining" the CG Code to Promote Substantive Implementation by Companies

In order to help companies achieve sustainable growth and enhance medium- to long-term corporate value, the Draft Revision streamlines the CG Code, while also returning to the goals and spirit of the code by applying "principles-based" and "comply or explain" approaches. Provisions that constitute the core of corporate governance have been elevated to "Principles" to clarify matters on which listed companies should focus, and the "Supplementary Principles" previously mentioned in the CG Code have been reorganized. As a result, the "Principles" subject to a "comply or explain" approach are limited to abstract and conceptual matters. The Draft Revision also establishes the concept of "Interpretive Guidance," which includes the concrete content of, and purpose and background information designed to support the effective implementation of, each Principle. As a result, listed companies will be required to choose whether to comply with each Principle, or to explain the decision not to comply, in light of the purpose and spirit of each Principle; companies also will be required to provide careful explanations of their own initiatives.

(ii) Promoting Growth Investments

The Draft Revision expressly states that initiatives aimed at growth-oriented investment are an important part of the roles and responsibilities of the board of directors, including:

(a) Setting a path for growth toward corporate goals.

(b) Explaining specific measures that will be taken to achieve growth, such as growth investments (capital expenditures, R&D, human capital, and intangible assets, including intellectual property) and reviews of the company's business portfolio.

(c) Reviewing whether the allocation of business resources is appropriate in light of the disclosed business strategy and business plan, on an ongoing basis, with the goal of achieving growth.

(iii) Enhancing Boards of Directors

In order to promote enhancement of boards of directors, the Draft Revision emphasizes the importance of improving the effectiveness of independent directors, including their roles and responsibilities, securing an appropriate balance in both quality and quantity, and ensuring their independence. In addition, the Interpretive Guidance to Principle 4.14 (Active Board Deliberations) describes the importance of promoting the enhancement of the functions of the board secretariat (such as a corporate secretary), as an organization that supports directors, including the chairperson and independent directors.

(iv) Disclosing Annual Securities Reports Before General Shareholders' Meetings

Principle 1.2 (Exercise of Shareholder Rights at Shareholders' Meetings) describes the submission of annual securities reports prior to general shareholders' meetings as an important example of establishing an appropriate environment for the exercise of shareholder rights at shareholders' meetings. The Interpretive Guidance also states that it is best to submit annual securities reports at least three weeks before general shareholders' meetings, and indicates that companies may consider measures such as moving back the currently customary dates of general shareholders' meetings and record dates for exercising voting rights.

(v) Timing of Entry Into Force and Related Matters

The Draft Revision currently is undergoing public comment; May 15, 2026 is the deadline for the submission of comments. The TSE plans to revise its listing rules to reflect the revision of the CG Code by around July 2026. The deadline for listed companies to submit corporate governance reports that comply with the new CG Code is set for the end of July 2027. Although the final content of the revisions has not been finalized, listed companies should begin to consider their responses, in light of the direction indicated in the Draft Revision.

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Korea Author: Won Yoon

1. Entry into Force of the Third Amendment to the Commercial Act

Following the first amendment to the Commercial Act, which was promulgated on July 22, 2025, and the second amendment, which was promulgated on September 9, 2025, the third amendment to the Commercial Act was promulgated and came into effect on March 6, 2026. This amendment governs the treasury stock system; its primary contents are as follows:

(i) **Mandatory cancellation of treasury stock:** In principle, when a company acquires its own shares, it must cancel them within one year of the date of acquisition (or, in the case of treasury stock held prior to the amendment, within one year and six months of the effective date). However, as an exception, if the purpose of the acquisition is to provide compensation to officers and employees, and the company has prepared a plan for the holding and disposal of treasury stock that is approved annually by a general meeting of shareholders, the company may retain or dispose of the treasury stock in accordance with the approved plan.

(ii) **Restrictions on rights attached to treasury stock:** The amendment clarifies that treasury stock carries no voting rights, no pre-emptive subscription rights, and no rights to dividends. In addition, issuing bonds with treasury stock as the subject of exchange or redemption, pledging treasury stock held by the company, and allocating new shares to treasury stock in the event of a merger or company split are prohibited.

(iii) **Application of regulations on new share issuance to the disposal of treasury stock:** When a company disposes of treasury stock, it must provide each shareholder with an equal opportunity to acquire the shares in proportion to their existing shareholdings. However, in cases such as compensation for officers and employees, disposal to non-shareholders is permitted. Furthermore, procedures for issuing new shares apply, mutatis mutandis, to the disposal of treasury stock, to the extent not inconsistent with its nature.

Treasury stock was traditionally used as a key tool to defend management control and strengthen control over a company. Like the earlier amendments, this third amendment is also expected to contribute to enhanced protection of general shareholders and an increase in corporate value.

2. Entry into Force of the Trade Union and Labor Relations Adjustment Act

The amended Trade Union and Labor Relations Adjustment Act (also known as the “Yellow Envelope Act”) entered into force on March 10, 2026. Among other issues, the amendments address the definition of “employer” and limitations on claims for damages:

(i) **Expansion of the scope of employer:** Even a party that is not a contracting party to an employment contract may be deemed an employer, to the extent it is in a position to exercise substantial and concrete control over, and determine the working conditions of, workers. This establishes a legislative basis for subcontracted workers to request collective bargaining with a prime contractor.

(ii) **Limitation on claims for damages:** Employers are prohibited from claiming damages against trade unions or workers for losses incurred as a result of collective bargaining, industrial actions, or other activities of trade unions carried out under the Trade Union and Labor Relations Adjustment Act, thereby limiting the liability of trade unions and workers for damages.

3. Entry into Force of the AI Framework Act

The Framework Act on the Development of Artificial Intelligence and the Creation of a Foundation for Trust (“**AI Framework Act**”) and its Enforcement Decree entered into force on January 22, 2026. The AI Framework Act establishes a government-supported governance framework for the development and promotion of artificial intelligence, as well as for ensuring its ethics and trustworthiness, and imposes specific obligations on AI business operators, including duties to ensure transparency and safety.

Ⓒ Nishimura & Asahi 2026

China Author: Wenxian Cai

1. Rebuilding Trade Secret Protection in the Digital Era

On February 24, 2026, the State Administration for Market Regulation (SAMR) promulgated the *Regulations on the Protection of Trade Secrets* ("**Regulations**"), which become effective on June 1, 2026. The new Regulations will replace the *1995 Provisions on Prohibiting Infringement of Trade Secrets*, which had been in force for more than 30 years. The Regulations systematically modernize China's trade secret protection framework to reflect developments in judicial practice and the rapid evolution of the digital economy. Key highlights of the Regulations include:

(i) **Expanded Scope of Protectable Trade Secrets:** The Regulations expressly recognize data, algorithms, computer programs, and source code as technical information eligible for protection. Notably, the Regulations also extend protection to intermediate results generated during the development process, as well as failed or unsuccessful experimental data, provided the relevant information possesses actual or potential commercial value.

(ii) **Refined Identification of Infringing Acts, with a Focus on the Digital Environment:** The Regulations reinforce regulatory oversight of "electronic intrusion" by expressly listing unauthorized or excessive access to business systems, servers, email accounts, cloud storage, and other digital assets, as well as acquisition of trade secrets through malware or exploitation of technical vulnerabilities, as improper means of acquisition.

(iii) **Enhanced Liability and Enforcement Mechanisms:** The ceiling for administrative fines were raised from RMB 200,000 to RMB 5,000,000, aligning with the *Anti-Unfair Competition Law*. The Regulations also clarify that criminal liability may attach, that information that qualifies as state secrets is protected under the *Law on Guarding State Secrets*, and that regulatory jurisdiction may extend to infringing conduct that occurs outside China, reflecting an express move toward extraterritorial enforcement.

2. China's New Implementing Regulations for the Drug Administration Law

On January 27, 2026, the State Council of the PRC issued the *Implementing Regulations for the Drug Administration Law* ("**2026 Revisions**"), which are scheduled to take effect on May 15, 2026.[1] The 2026 Revisions unify China's drug regulatory framework by consolidating previously fragmented rules issued by the National Medical Products Administration ("**NMPA**") into an integrated regime that covers the full drug life cycle. Notably, the 2026 Revisions enhance alignment with international practices, via reforms relating to the use of overseas clinical trial data, market exclusivity, and supply-chain flexibility.

(i) **Reinforcement of the Marketing Authorization Holder ("MAH") Regime**: The MAH regime was introduced via pilot programs in selected regions starting in 2016, and formally codified in the 2019 *Drug Administration Law*. Subsequent NMPA rules issued in 2024 clarified the obligations of overseas MAHs, including the requirement to appoint a domestic legal entity in China to act as a responsible person and bear joint liability. Building on this framework, the 2026 Revisions introduce a dedicated chapter that comprehensively defines MAH responsibilities throughout the entire drug life cycle, reflecting a shift from entity-based qualification management toward product-focused, life cycle supervision.

(ii) **Acceptance of Overseas Clinical Trial Data:** Under certain conditions, the 2026 Revisions permit the use of overseas clinical trial data in drug registration applications in China. This measure is expected to improve the efficiency of the registration process and promote greater international convergence and use of global clinical data.

(iii) **Introduction of a Market Exclusivity Regime:** To encourage development of pediatric medicines and orphan drugs, the 2026 Revisions introduce a market exclusivity system. Eligible pediatric medicines may receive up to two years of exclusivity, while eligible treatments for rare diseases may receive up to seven years, to help improve patient access.

(iv) **Approval of Segmented & Contract Manufacturing:** The 2026 Revisions permit segmented production (allowing different manufacturing stages to be performed at different sites) of innovative drugs or drugs for which there is urgent clinical need. This represents a significant shift, and enables foreign MAHs to pursue more flexible supply-chain arrangements.

(v) **Strengthened Responsibilities of Platform Operators:** In response to the rapid growth of online drug sales, the 2026 Revisions enhance platform operators' responsibilities for oversight of drug sellers and impose fines of up to RMB 2,000,000 for violations.

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[1] The Implementing Regulations of the Drug Administration Law originally were enacted in 2002 and subsequently underwent partial amendments 2016, 2019, and 2024. The current amendment is the first comprehensive overhaul, and revises more than 90% of the text.

Ⓒ Nishimura & Asahi 2026

Hong Kong Author: Ryuichi Sakamoto

1. Mandatory Reporting Obligations Under the Mandatory Reporting of Child Abuse Ordinance (Cap. 650)

The Mandatory Reporting of Child Abuse Ordinance (Cap. 650) ("**Ordinance**") came into effect on January 20, 2026. The Ordinance establishes 25 categories of specified professionals in the social welfare sector, education sector, and healthcare sector who are mandated to make reports as soon as practicable if, in the course of their work, they become aware of reasonable grounds to suspect a child is suffering serious harm or is at real risk of suffering serious harm.

Schedule 2 of the Ordinance defines "serious harm" to include:

(i) any harm that endangers a child's life, or harm that endangers a child's physical health and requires urgent medical treatment;
(ii) any harm that endangers a child's psychological health or development;
(iii) any harm caused by coercing or enticing a child to take part in rape, incest, buggery, sexual intercourse, or any act of gross indecency;
(iv) any harm caused by the neglect of a child, by a responsible person, which endangers the child's life or health.

Any specified professional who fails to comply with the obligation to make mandatory reports under the Ordinance may be liable for a maximum penalty of three months' imprisonment and a level 5 fine (HKD 50,000).

However, the Ordinance also protects the specified professionals, by prohibiting any person from inhibiting or obstructing the making of reports or disclosing the identity of specified professionals who make reports. In addition, a specified professional who makes a report is protected against civil or criminal liability in connection with the report.

2. New "Continuous Contract" Requirement in Amended Employment Ordinance (Cap. 57)

The Employment Ordinance (Cap. 57) ("**Ordinance**") states that if an employee's employment contract qualifies as a "continuous contract," the employee qualifies for certain additional statutory benefits. A "continuous" employment contract is a statutory concept established in the Ordinance, which is used to determine whether employees qualify for statutory benefits beyond the Ordinance's basic protections.

Before the most recent amendment, if an employee worked for 18 hours or more per week for 4 consecutive weeks, the employee met the requirements for a "continuous contract." However, with the intent of extending statutory protection to more employees, the amendment established a new "continuous contract" requirement (468 Rule), which entered into effect on January 18, 2026, and states that employees qualify as being employed under "continuous contracts" if the following criteria are met:

(i) the employee has been employed continuously by the same employer for four weeks or more; and
(ii) the employee has met one of the working hours requirements:
  (a) the employee has worked for at least 17 hours each week; or
  (b) (if the employee worked less than 17 hours during any week) the employee has worked for 68 hours or more during a four-week period comprised of the relevant week and the three immediately preceding weeks.

The Labour Department provides a helpful calculator (linked below)[2], which can be used to calculate whether the weekly working hours of an employee meet the new working hours threshold to qualify for a "continuous contract."

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2 https://www.labour.gov.hk/eng/labour/Continuous_Contract_EduTool.htm

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Taiwan Authors: Sheng-Chieh Chang and Yen-Lun Huang

1. Promulgation of Rules for Enforcement of the Labor Pension Act

On March 25, 2026, the Ministry of Labor ("**MOL**") announced amendments to the Enforcement Rules for the Labor Pension Act ("**Amended Rules**") which are designed to strengthen employers' compliance obligations and enhance protection of employees' pension rights, as well as the rights of surviving family members.

The Amended Rules reinforce employers' obligations with regard to employees' voluntary pension contributions. Pursuant to Article 21 of the Amended Rules, employers may not refuse to process employees' applications for voluntary pension contributions with the MOL. If an employer fails to collect and remit relevant contributions in accordance with the Labor Pension Act and the Amended Rules, the MOL may impose delayed penalties pursuant to Article 53 of the Labor Pension Act.

To better safeguard employees' pension rights, the Amended Rules introduce a mechanism for switching pension payment methods. Article 33-1 of the Amended Rules states that employees who elect to receive monthly pension payments may apply to change to a lump-sum pension payment, with any difference paid retroactively; the application must be made within 30 days of receipt of the first installment payment.

The Amended Rules also enhance protections for minors and designated beneficiaries of deceased employees. Articles 41-1 and 41-2 of the Amended Rules extend the ten-year statute of limitations for claiming pension benefits for minor survivors, which now commence on the day the minor reaches adulthood, and expressly expand the scope of protection against assignment, set-off, attachment, or provision as security to include survivors and designated beneficiaries.

Except for Article 21, which is scheduled to take effect on August 1, 2026, the Amended Rules became effective on March 27, 2026.

2. Announcement of Draft Regulations for Enforcement of Amended Personal Data Protection Act

In response to the amended Personal Data Protection Act ("**PDPA**"), which was amended and promulgated on November, 11 2025, and Constitutional Court Judgment 2022-Hsien-Pan-Zi-No. 13 on August 13, 2022, the Preparatory Office for Establishment of the Personal Data Protection Commission ("**PDPC Preparatory Office**") released several draft regulations and amendments related to the PDPA, including the draft Regulations Governing Notification, Reporting, and Response to Personal Data Incidents ("**Draft Regulations**"), which were issued Pursuant to Article 12, paragraph 4 of the amended PDPA. The draft sets out detailed requirements, including without limitation:

(i) the timeframe, method, and content of notifications to affected people (Draft Regulations, Article 2);
(ii) the timing, scope, method, and content of reports to the competent authority (Draft Regulations, Article 3), and
(iii) immediate and effective response measures (Draft Regulations, Article 4).

The Draft Regulations also describe how a personal data incident should be investigated and the related record requirements.

The PDPC Preparatory Office also released draft Regulations Governing Security Management of Personal Data Files, pursuant to Article 18, paragraph 2 and Article 20-1, paragraph 2 of the amended PDPA. Key provisions include requirements to establish systems for incident prevention, reporting, and response (Article 6), implement personal data protection training programs (Article 8), and regulations regarding the deletion and post-business termination processing of personal data (Article 15), formulation of security management plans (Article 16), and appointment of personnel responsible for personal data protection (Article 17).

In addition, the office published draft amendments to the Rules for Enforcement of the PDPA. Notable proposed changes include revising the definition of "not identifiable" to reflect the use of currently available technologies (Article 17), adding a definition of "intelligence agencies," in light of the newly introduced supervisory framework for public agencies (Article 29), and amending the definition of "public interest groups" following revisions to Article 52 of the PDPA (Article 31).

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Indonesia Authors: Jeanne Elisabeth Donauw and Hans Adiputra Kurniawan

1. Gratuities: Key Compliance Updates and What Companies Need to Watch Out For

In Indonesia, gift-giving is a widely recognized method of expressing respect and appreciation in personal and professional interactions. Notwithstanding this tradition, giving gratuities to public officials is subject to strict regulations. The Indonesian Anti-Corruption Law broadly defines "gratuities" or "gratification" in a manner that encompasses various forms of benefits, including money, goods, discounts, commissions, and other facilities. Gifts are not automatically deemed to be bribery, provided the gift is not related to the recipient's official position and does not induce an official to act in a manner contrary to his or her official duties.

On January 14, 2026 the Indonesian Corruption Eradication Commission (*Komisi Pemberantasan Korupsi* or "**KPK**") issued Regulation No. 1 of 2026 ("**KPK Reg 1/2026**") which became effective on January 20, 2026 and amended KPK Regulation No. 2 of 2019 on Gratification Reporting ("**KPK Reg 2/2019**"). The table below sets out a comparative overview of key changes introduced in KPK Reg 1/2026, relative to KPK Reg 2/2019.

Occasion	KPK Reg 1/2026 (Current Threshold)	KPK Reg 2/2019 (Previous Threshold)
Engagements, weddings, childbirth, baptisms, circumcisions, tooth-filing ceremonies, and other traditional or religious ceremonies	Maximum IDR 1,500,000 (approx. USD 90)	Maximum IDR 1,000,000 (approx. USD 60)
Non-monetary gifts between public officials (i.e., from a public official to his/her fellow coworkers)	Maximum IDR 500,000 (approx. USD 30), with a total maximum of IDR 1,500,000 (approx. USD 90) in one year from the same grantor	Maximum IDR 300,000 (approx. USD 20) with a total maximum of IDR 1,000,000 (approx. USD 60) in one year from the same grantor

2. Key Points to Note from New Government Regulation on Indonesia's Carbon Pricing

The enactment of Presidential Regulation No. 110 of 2025 on the Implementation of Carbon Economic Value Instruments and National Green House Gas Emissions Control ("**PR 110/2025**") signals the Indonesian government's commitment to strengthening the climate policy framework and stimulating carbon trading. PR 110/2025 revokes Presidential Regulation No. 98 of 2021 ("**PR 98/2021**") and clarifies certain mechanisms previously introduced in PR 98/2021.

Key provisions of PR 110/2025:

(i) PR 110/2025 mandates that the Indonesian government prepare a Nationally Determined Contribution ("**NDC**"). Carbon trading through carbon exchanges (i.e., IDX Carbon) or direct trading now can be carried out prior to achievement of Indonesia's NDC target.

(ii) By contrast to the previous regime, pursuant to which all international carbon trading transactions were required to obtain authorization or approval from the Ministry of Environment Affairs ("**MOEA**"), under PR 110/2025 MOEA approval is not required for carbon trading transactions outside the NDC framework.

(iii) Unlike its predecessor (PR 98/2021), PR 110/2025 expressly acknowledges carbon units issued pursuant to international standards.

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1. The Online Safety Act 2025 enters into force

The Online Safety Act 2025 ("**OSA**") came into force on January 1, 2026. The OSA intends to enhance and promote online safety in Malaysia by regulating harmful content and providing for the duties and obligations of relevant service providers. The key provisions of the OSA include:

(i) **Application of the OSA**: Generally, the OSA applies to the following licensees under the Communications and Multimedia Act 1998: (a) applications service providers ("**ASP**"); (b) content applications service providers ("**CASP**"); and (c) network service providers. The OSA also applies to persons outside Malaysia who provide any applications service, content applications service or network service within Malaysia and are licensed under the Communications and Multimedia Act 1998.

(ii) **Duties of licensed ASP and CASP**: Licensed ASPs and CASPs are subject to various duties and obligations under the OSA, including:

(a) to implement measures as specified in the code issued by the Malaysian Communications and Multimedia Commission ("**MCMC**") to mitigate the risk of users being exposed to harmful content.

"Harmful content" is defined under the OSA to include: ① content on child sexual abuse material as provided for under the Sexual Offences against Children Act 2017; ② content on financial fraud; ③ obscene content including content that may give rise to a feeling of disgust due to lewd portrayal which may offend a person's manner on decency and modesty; and ④ content that may incite violence or terrorism;

(b) to issue guidelines to users which shall include ① a description of measures implemented by the relevant service provider to mitigate the risk of exposure to harmful content; and ② the terms of use as a guide to users when using the service of the relevant service provider;

(c) to make available on the services sufficient tools and settings to enable users to manage their online safety. Such tools and settings shall include the tools for the users to prevent or limit other users from identifying, locating or communicating with them on the services of the relevant service provider;

(d) to make available a mechanism that enables users to report any harmful content to the relevant service provider;

(e) to implement measures as specified in the code issued by the MCMC to ensure safe use of their services by child users; and

(f) to establish a mechanism for making priority harmful content inaccessible to all users. "Priority harmful content" is defined under the OSA to mean ① content on child sexual abuse material as provided for under the Sexual Offences against Children Act 2017; and ② content on financial fraud.

In addition, the MCMC is empowered to, among others, (a) issue directions to any licensed ASP, CASP or network service provider regarding the compliance of any of the provisions of the OSA; (b) direct any person to provide information or documents relevant to the performance of the MCMC's functions and powers under the OSA; and (c) issue a notice of non-compliance to the licensed ASP or CASP if the relevant service provider has failed to comply with any of its duties under the OSA.

2. Consumer Credit Act 2025 - A new era for consumer credit regulation in Malaysia

The Consumer Credit Act 2025 ("**CCA**"), which aims to establish a more comprehensive framework governing consumer credit activities, was gazetted on 31 December 2025 and came into force on March 1, 2026. The key provisions of the CCA that have come into force include the following:

(i) **Application of the CCA**: The CCA generally applies to any person carrying on a credit business (including buy now pay later scheme, leasing and factoring) or credit service business (including debt collection, impaired loan or financing acquisition, and debt counselling and management) involving a credit consumer (e.g., an individual who obtains, has obtained or intends to obtain credit wholly or predominantly for personal, domestic or household purposes).

This is, however, subject to certain exceptions, including where credit is provided by an employer to its director, officer or employee as a benefit accorded to such person for whatever purpose as set out under the scheme of service of such director, officer or employee; and

(ii) **Business conduct requirements**: The CCA also places a duty on credit providers and credit service providers to act in a fair, responsible, and professional manner when dealing with credit consumers. That said, the specific requirements under that duty are expected to be further detailed through regulations, guidelines, and sector-specific standards. These are anticipated to cover matters such as transparency and disclosure requirements, fairness of terms in a credit agreement, and imposition of interest, profit, fees or charges.

The licensing and registration requirements under the CCA for persons carrying on a credit business or credit service business are expected to take effect on June 1, 2026, with a transitional period of 6 months thereafter for industry participants to apply for the requisite licences or registrations.

The regulatory framework is set to evolve further, with related legislation such as the Moneylenders Act 1951 expected to be repealed between 2028 and 2030, with the relevant provisions retained and incorporated into the amended CCA. The CCA represents a significant step towards unifying and strengthening the regulatory framework governing consumer credit businesses in Malaysia.

Ⓒ Nishimura & Asahi 2026

Myanmar Author[3]: Tomoko Nakashima

Enactment of the New Anti-Money Laundering Law 2026

On March 11, 2026, the National Defense and Security Council promulgated the new Anti-Money Laundering Law 2026 (Law No. 16/2026) (“**AML 2026**”) which repealed and replaced the previous Anti-Money Laundering Law 2014 (“**AML 2014**”). The AML 2026 entered into force immediately, and makes a number of revisions, including the following key changes:

(i) Expanded Scope

The AML 2026 applies to offenses committed in Myanmar, on Myanmar-registered vessels or aircraft, extraterritorially by citizens of Myanmar, and by persons holding foreigner registration certificates and residing permanently in Myanmar.

(ii) Expanded Definition and Coverage of Reporting Organizations

The AML 2026 expressly covers reporting organizations, which include banks, financial institutions, and designated non-financial businesses and professions (“**DNFBPs**”), which includes any individual, company, or organization designated by the Central Body.[4] The AML 2026 also adds new definitions, for example, law enforcement agency, police based investigation body, proceeds of crime, legal person, legal arrangement, customer, virtual asset, customer due diligence (“**CDD**”), controlled delivery, and member state, and contains broader and clearer definitions of financial intelligence unit (“**FIU**”), reporting organization, DNFBPs, supervisory authority, beneficial owner, politically exposed persons (“**PEPs**”), money (which includes digital currency), and account.

(iii) Obligations of Reporting Organizations

Reporting organizations are subject to comprehensive preventive and reporting obligations, including a prohibition on opening or maintaining anonymous or fictitious accounts, and a mandatory requirement to perform and document ongoing risk assessments for money laundering, terrorist financing, and proliferation financing. In addition, the AML 2026 expands the CDD framework, ranging from simplified to enhanced CDD, at prescribed trigger points, including account opening, transactions above thresholds, and wire transfers. If suspicions arise, enhanced measures are required for high-risk customers, FATF-listed jurisdictions, PEPs, complex or unusual transactions, and correspondent banking relationships. Mandatory actions include ongoing monitoring, transaction scrutiny, source-of-funds verification (where necessary), and detailed record-keeping (for at least five years). AML 2026 clarifies and expands the reporting obligations originally set forth in AML 2014 by expressly requiring reporting organizations to submit suspicious transaction reports to the FIU whenever there is suspicion, or reasonable grounds to suspect, that a transaction, or related funds or property, constitutes the proceeds of crime or is linked to terrorist financing, regardless of the amount involved and whether or not the transaction was completed or merely attempted. The 2026 Law also introduces express reporting obligations for lawyers, notaries, legal professionals, and accountants, requiring them to report currency transactions in excess of the prescribed threshold when conducted for clients, as well as any suspicious information not obtained directly from the client or otherwise requested by the FIU.

(iv) Expanded Offences and Penalties Changes

The AML 2026 increased the scope of money laundering offences, such as human trafficking, migrant smuggling, arms trafficking, corruption and bribery, cybercrime, gambling, violent crimes (murder, kidnapping, etc.), and fraud, and reduces the penalty for money laundering for individuals from a maximum of up to 10 years imprisonment to 1 to 5 years’ imprisonment with a mandatory fine between MMK 50 million and MM 100 million. Companies will face fines ranging from MMK 200 million up to MMK 500 million, alongside separate administrative penalties. The AML 2026 also changes the penalties for beneficial owners and adds new penalties for attempted money laundering.

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[3] We hereby thank Mr. Saw Nyan Htun from the K&A Legal Alliance, a Myanmar law firm, for his support in preparation of this article.
[4] Central Body means the central anti-money laundering body, formed under the AML.

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Philippines Authors: Michelle Marie F. Villarica and Steffi Sales

1. Clarification of Taxation on Cross-Border Services

On January 10, 2024, the Bureau of Internal Revenue ("**BIR**") issued Revenue Memorandum Circulars ("**RMC**") No. 5-2024 and No. 38-2024, which established a framework for evaluating the tax implications of cross-border services supplied by a non-resident service provider to a Philippine resident, in light of the Supreme Court decision in *Aces Philippines Cellular Satellite Corporation vs. Commissioner of Internal Revenue* (G.R. No. 226680, August 22, 2022) ("**Aces Philippines Case**"). RMC No. 5-2024 listed certain cross-border services that would be taxable, similar to the services rendered in the Aces Philippines Case; controversially, the list included consulting services, IT outsourcing, financial services, telecommunications, engineering and construction, education and training, tourism and hospitality, and other similar services ("**Listed Services**"). Both RMCs stated that these Listed Services would be taxable if activities to be performed in the Philippines were so essential that the entire transaction could not be accomplished without them and, hence, the revenue-generating activities actually occurred within the Philippines. These RMCs created confusion as to whether income tax would apply to certain services, especially because the circulars appeared to contradict the rule that only services performed in the Philippines are taxable.

On March 30, 2026, the BIR issued RMC No. 024-2026 to clarify the situation. RMC No. 024-2026 states that the Listed Services are not automatically subject to Philippine income tax. The general "situs of taxation rule" still applies, and if the BIR invokes the Aces Philippines Case as a basis for the assessment of income tax, it first must establish that the source of income from the relevant cross-border services is located within the Philippines, and, in particular, that (1) the specific activity or service: (a) is integral to the completion or delivery of the non-resident service provider's service, and (b) resulted in actual payment or accrual thereof, constituting economic benefits to the non-resident service provider, (2) the situs of the income-producing activity is within the Philippines, and (3) there are no applicable income tax exemptions under tax treaties or domestic law. The RMC also states that the taxpayer bears the burden of proving that the income was derived from outside the Philippines and is not subject to Philippine income tax (for example, via proof of outward remittance payments or proof of organization of the company offshore).

2. Issuance of New Tax Audit Rules

On November 24, 2025, BIR issued Revenue Memorandum Circular No. 107-2025, suspending all tax audits and other field operations except for specified circumstances that were considered urgent or legally mandated. The suspension was to allow the BIR to review its existing audit processes, identify weaknesses, and strengthen oversight mechanism.

On January 27, 2026, the BIR lifted the suspension and issued Revenue Memorandum Order No. 001-2026 ("**RMO**") adopting new policies, controls, and procedural guidelines for tax audits. Significant developments under the RMO include (i) introduction of a mechanism whereby taxpayers can verify the authenticity of any Letter of Authority ("**LOA**"), (ii) implementation of a system-assisted audit selection process, whereby only taxpayers selected through an automated system based on approved criteria and safeguards may be issued new LOAs, (iii) implementation of a single instance audit framework, covering all tax types, whereby the BIR can issue only one LOA per taxpayer per taxable year, (iv) consolidation of all pending LOAs for the same taxpayer and taxable year into one consolidated LOA, (v) prohibition on BIR officers requesting irrelevant documents, extending examinations beyond authorized tax types/years, and exerting undue pressure on taxpayers, and (vi) implementation of the Revalida System or "Audit the Auditor Program," which assesses the performance of auditors and ensures adherence to audit processes.

Prior to the RMO, BIR officers were given wide discretion to conduct tax audits, which resulted in overlapping audits and duplicate assessments among different BIR offices, arbitrary selection of taxpayers to audit, and concerns about the integrity of, and informal practices in, audit proceedings. The new reforms hope to reduce the risk of fraud, harassment, and corruption by limiting the discretion of BIR officers, especially with regard to determining who can be audited, increasing transparency via monitoring and verification tools, and establishing a more efficient system, which requires fewer audit documents and has stricter parameters, to reduce the chances of misuse by BIR officers and the incidence of officers requiring kickbacks from taxpayers to settle a tax audit. The RMO specifically states that a BIR officer who violates, circumvents, or fails to comply with the provisions of the RMO is subject to administrative, civil, and criminal liabilities. The public also is encouraged to report alleged violations of the RMO, including unauthorized audit activities, failure to observe established safeguards, abuse of authority, or other violations through contact_us-LOA@bir.gov.ph.

Ⓒ Nishimura & Asahi 2026

Singapore Authors: Melissa Tan and Su Xian Chin

1. Changes to Licensing Framework for Cybersecurity Service Providers

On February 16, 2026, the Cyber Security Agency of Singapore ("**CSA**") announced that it will implement proposed changes to the licensing framework for cybersecurity service providers, taking into account the feedback received during the recent public consultation period, which ran from September 22 to October 21, 2025.

The current licensing framework was established in 2022, pursuant to Section 5 of the Cybersecurity Act 2018 of Singapore ("**CA**"). The framework adopts a light-touch regulatory approach, targeting service providers that perform cybersecurity functions with significant access to and potential impact on client systems. The proposed changes seek to raise baseline cybersecurity standards nationally and enhance the clarity of licensing requirements, and include (without limitation):

(i) **Introduction of Cyber and Data Hygiene Requirements:** the CSA is proposing that cybersecurity service provider licensees demonstrate their commitment to good cyber and data hygiene measures by obtaining mandatory hygiene certifications. This is designed: (a) to ensure licensed cybersecurity service providers are committed to protecting their own networks and client data, and (b) to establish consistent, recognized standards of trustworthiness and professional conduct.

(ii) **Mandatory Certification Requirements:** licensees will need to obtain and maintain the following certifications for the duration of their licenses: (a) minimum Cyber Trust Mark ("**CTM**") Promoter (Tier 3) or the equivalent, and (b) Data Protection Trust Mark ("**DPTM**") SS 714:2025 or the equivalent.

(iii) **Changes to license validity, renewal, and notification timeframes:** including (a) an extension of license validity from two years to five years, (b) an extension of the time frame for license renewal, to any time before expiration of the license (instead of the current two-month advance renewal period), (c) simplified notification obligations (from the current 14 calendar days to 30 calendar days for material changes to the licensee's information), and (d) revisions to the information required in license applications, which allow the CSA to reduce the required information to streamline the application process.

The CSA noted several key pieces of feedback on the CTM and DPTM certification requirements, including that (i) ISO/IEC 27001 is still the only recognized equivalent to CTM, but the CSA will review additional certifications on a progressive basis and add them to the list of equivalent certifications, if appropriate, and (ii) the DPTM certification is intended to apply to licensed cybersecurity service providers (which include only managed security operations center monitoring services and penetration testing service providers) and is not intended to apply to cloud service providers. The updated license conditions, which apply to all existing licensees, new license applications, and license renewals, can be viewed at: https://www.csa.gov.sg/legislation/consultations/closing-note-to-the-consultation-on-the-licensing-framework-for-cybersecurity-service-providers/.

2. Changes to Regulatory Regime to Facilitate SGX-Nasdaq Dual Listings

The Securities and Futures (Amendment) Bill 2026, which was read for the first time in the Singapore Parliament on April 7, 2026, proposes a number of amendments, including (without limitation):

(i) A new Part 13A to the Securities and Futures Act 2001 of Singapore, which will empower the Monetary Authority of Singapore (MAS) to establish regulations to facilitate a dual-listing board (DLB) set up by the SGX and an overseas exchange through a streamlined regulatory framework, for example, by modifying offering provisions to facilitate the use of a single set of offering documents, aligning Singapore's offering processes with those of the foreign jurisdiction, and introducing market misconduct provisions to provide for certain safe harbors that are available in the foreign jurisdiction.

(ii) To encourage more engagement with retail investors, issuers will be able to disseminate preliminary prospectuses when marketing to retail investors, as opposed to the current rules, which permit distribution of these prospectuses only to institutional and accredited investors. This will enable issuers to engage retail investors in Singapore before the final prospectus is lodged, subject to certain safeguards.

(iii) To increase transparency, for offers of sponsored depositary receipts, the issuer of the underlying securities, rather than the depositary (financial institution), will be required to register the prospectus, ensuring that investors can get disclosures directly from the issuer.

Ⓒ Nishimura & Asahi 2026

Thailand Authors: Jirapong Sriwat and Apinya Sarntikasem

1. Thailand Updates Sexual Crime Definitions and Introduces Sexual Harassment Offense in Criminal Code

On December 28, 2025, the Thai Royal Gazette published the Criminal Code Amendment Act (No. 30) B.E. 2568 (2025), which entered into effect on the following day. The amendment expands the definition of "rape" in Section 1(18) of the Criminal Code to include penetration using sexual organs, other body parts, or objects, and introduces a new definition of "sexual harassment" in new Sections 284/1–284/4 that covers any qualifying act committed toward another person, whether by physical or verbal means, through sounds, gestures or postures, communications, watching, stalking, or any other means, including acts carried out through computer systems, telecommunications devices, or other electronic devices, where the act has a sexual connotation and is likely to cause the relevant person distress, annoyance, embarrassment, humiliation, fear, or a sense of sexual insecurity. The amendment also revises provisions governing compoundable offenses and updates Section 397 with regard to acts that cause humiliation or annoyance.

The amendment criminalizes sexual harassment, with penalties ranging from fines to imprisonment, and imposes stricter sanctions for repeated acts, public acts, or abuse of authority. Additional measures include court-issued restraining orders, removal of obscene online content, and enhanced protections for minors in cases involving rape and sexual harassment. These changes are designed to address rising numbers of sexual misconduct cases, strengthen personal safety, and promote a respectful social environment.

2. Thailand Issues New Trade Competition Rules for E-Commerce Businesses

On March 24, 2025, the Thai Royal Gazette published the Trade Competition Commission Notification Re: Guidelines on Trade Practices of E-Commerce Businesses ("**The Notification**"), which entered into effect that same day. The Notification was issued under the Trade Competition Act B.E. 2560 (2017), and is designed to clarify the application of Thai competition law to business operations conducted through electronic systems and digital platforms.

The Notification defines key concepts applicable to the entire e-commerce ecosystem, including e-commerce businesses, multi-sided platforms, sellers, carriers, digital media advertisers, payment channels, algorithms, and electronic marketplaces, and applies to both Thai and foreign operators offering goods or services to users in Thailand. It sets out examples of unfair trade practices that may violate the Trade Competition Act, covering both pricing conduct (such as predatory pricing, resale price maintenance, excessive pricing, and discriminatory pricing) and non-pricing conduct (including refusal to deal, tying and bundling, restricting platform access, limiting consumer choice, misuse of data, self-preferencing, and manipulation of ranking or recommendation systems), with particular emphasis on conduct by multi-sided platforms that exploits bargaining power or distorts competition through platform rules, data use, or algorithmic decision-making.

3. Thailand Strengthens Anti-Nominee Measures: New Investment Confirmation Requirements

Thailand's Department of Business Development ("**DBD**") issued Order No. 1/2569 ("**The Order**"), which entered into effect on April 1, 2026, and introduces additional requirements for the registration of amendments to add foreigners as authorized directors of a private limited company, for example. The Order was introduced as a measure to deter foreign nominee arrangements and enhance transparency in business operations. Under the Order, in case of a private limited company, the authorized director of the relevant private limited company shall submit the "Investment Confirmation Letter" in the prescribed form, confirming that all shareholders have actually invested and paid their capital, and that no nominee structure is implemented is required where an amendment for a private limited company resulting in a foreigner becoming an authorized director (whether acting solely or jointly). The DBD may refuse registration without the letter where required and signing the letter with false information may constitute crime(s) of delivering false information to public officer under Sections 137 and 267 of the Criminal Code.

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Vietnam Authors: Vu Le Bang and Nguyen Thi Thanh Huong

1. Law on Construction No. 135/2025/QH15 ("New LOC")

The New LOC was adopted by the National Assembly on December 10, 2025, is set to take effect on July 1, 2026, and makes the following major changes to its predecessor (Law on Construction No. 50/2014/QH13 ("**Current LOC**")):

(i) The New LOC establishes a feasibility study report approval process, which (where applicable) is a single state approval procedure that covers the period from project preparation to construction commencement; by contrast, the Current LOC requires separate state review of both a feasibility study report and designs. The New LOC also establishes broader construction permit exemptions, for example, construction works in projects for which the feasibility study reports are approved by the state authorities.

(ii) The New LOC makes a significant shift toward internationalizing the construction contract regime. For instance, it expressly recognizes that the Civil Code (and other relevant law) governs construction contracts, unless otherwise provided in relevant construction legislation, and thereby clarifies ambiguities in the Current LOC concerning the law that governs construction contracts. Notably, the New LOC permits parties to a construction contract containing foreign elements to agree on a foreign controlling language and recognizes the concept of liquidated damages, which are not permitted under the Current LOC.

(iii) The New LOC adopts a more open and flexible approach to dispute resolution by listing a wider range of permitted dispute resolution mechanisms, including (without limitation) models aligned with international practices, which likely includes FIDIC-style Dispute Adjudication Boards (DABs) and Dispute Avoidance/Adjudication Boards (DAABs), which were missing from the old framework.

2. Decree 96/2026/ND-CP Guiding Implementation of Law on Investment ("Decree 96")

Issued on March 31, 2026 and entered into effect on the same date, Decree 96 is expected to mark a structural recalibration of Vietnam's investment legal framework, with some brief notable points as follows:

(i) New list of conditional business lines applicable to foreign investors has been promulgated with several changed comparing to old framework, such as newly introducing "*construction activities of foreign contractors*"; detailing the scope of e-commerce activities subject to this list as "*the operation and management of intermediary e-commerce platforms, social networks with e-commerce functionalities, and integrated e-commerce platforms*".

(ii) Decree 96 introduces a 12-month deadline for foreign-invested enterprises established prior to obtaining an investment registration certificate ("**IRC**") to complete IRC procedures. The investment project must align with the registered business lines, and new investment business lines may only be added after the IRC is issued. However, the investor may only implement the investment project after completing such IRC procedures.

3. Legislative documents for the operation of the International Financial Center ("IFC")

Recently, the government has issued various laws and decrees to establish a comprehensive legal framework for development and operation of the IFC in Vietnam. Key highlights include:

(i) The governance structure of the IFC is comprised of executive authority, supervisory authority, and dispute resolution authority. The executive authority includes an executive council and executive bodies in Ho Chi Minh and Danang cities. The supervisory authority is a special administrative agency with legal entity status, set up in Ho Chi Minh city, which might have a branch in Danang city. The dispute resolution authority includes a specialized court and international arbitration centre ("**IAC**"). Except for disputes involving public or state interests, the specialized court has jurisdiction over investment and business disputes, recognition and enforcement of foreign court judgments and arbitral awards in Vietnam, requests relating to commercial arbitration, and other matters relating to investment and business activities within the IFC, where at least one party is an IFC member. The IAC is authorized to resolve disputes arising from investment and business activities within the IFC on agreement of the parties, except for disputes relating to administrative decisions, acts of state authorities or officials, employment disputes, disputes involving personal rights, and state management matters already resolved by authorities or courts in Vietnam.

(ii) Organizations and enterprises within the IFC are eligible to benefit from certain relaxed labor regulations, for example, shortened (within 3 working days) and simplified work permit procedures (e.g., no compulsory prior Vietnamese recruitment), an extended validity term for work permits and visas of foreign workers and their family members (up to 10 years instead of 2 years), and a flexible structure for participation in compulsory insurance programs.

Ⓒ Nishimura & Asahi 2026

Cambodia Author: Isamu Imaizumi

1. Cambodia’s Recent Asset Management Framework in the Banking Sector

Given the increase in non-performing loans, which stood at 8.9% at the end of 2025, the National Bank of Cambodia (“**NBC**”) rolled out a new regulatory solution designed to strengthen balance sheet resilience in the banking sector. The Regulation on the Conditions for Asset Management Institutions, issued on February 19, 2026, formally introduces Asset Management Institutions (“**AMIs**”), which are licensed entities permitted to purchase non-performing loans and associated collateral from banks and financial institutions (“**BFIs**”) and to manage those assets under a dedicated supervisory regime.

The AMI framework is deliberately selective with regard to the licensed AMIs, which must meet stringent capital, governance, and fit-and-proper standards, including registered capital of KHR 200 billion (equivalent to USD 50 million), an independent board structure, and prior NBC approval of key appointments. BFIs may participate in AMIs as shareholders, subject to the NBC’s approval. From a practical perspective, the new regime offers BFIs a regulated mechanism through which to offload distressed asset exposure, while providing investors with a controlled entry point for asset management in the banking sector. More broadly, this regulation represents a shift toward a more institutionalized and transparent approach to distressed asset resolution in Cambodia, with clear implications for balance sheet strategy and market participation.

2. Law on Combating Technology-Based Fraud Promulgated in Cambodia

The Law on Combating Technology-Based Fraud was promulgated April 6, 2026, and entered into effect immediately. The law is a significant advancement in Cambodia’s fight against cyber-enabled scams, transnational criminal activities, and large-scale organized schemes conducted through technological means, and aligns with Cambodia’s commitment under the *United Nations Convention against Cybercrime*.

This law is a cornerstone of Cambodia's existing framework for implementation of cyber-fraud regulations, and the government also has been working on the enactment of a broader Cybercrime Law. The law provides statutory definitions for technology-based or cyber fraud and introduces five new criminal offenses: (i) perpetrating technology-based fraud, (ii) operating scam centers, (iii) recruiting or training individuals to engage in fraudulent activities, (iv) maliciously collecting personal data or identification documents, and (v) a separate offense relating to money laundering. In alignment with existing criminal procedures, the law also introduces special measures to address the unique nature of these offenses, including without limitation: (i) pre-charge detention periods, (ii) seizure and freezing of assets, including physical assets, bank accounts, and suspicious transactions, (iii) confiscation of property, and (iv) provisions for international cooperation. When confiscating property and assets, including equipment, materials, funds, vehicles, or instrumentalities related to an offense, the location of the offense or its proceeds may be seized as state property, even where no penal conviction has been issued because the perpetrator is unidentified or deceased.

A legal entity can be held criminally responsible for cyber fraud and related money laundering offenses committed for its benefit by its organs or representatives. This criminal liability does not affect civil liability and does not exclude potential civil liability of directors or other individuals involved. The legal entity may face monetary fines ranging from approximately USD 250,000 to USD 7,500,000, or up to the value of the funds or assets obtained through the offense. Alongside financial penalties, one or more additional sanctions also may be imposed. On the whole, the law introduces a stronger regulatory environment, with the goal of enhancing trust in Cambodia’s digital and financial sectors while reducing fraud-related risks for businesses. Concurrently, it raises compliance expectations, particularly in the areas of due diligence, data management, and transaction monitoring.

Ⓒ Nishimura & Asahi 2026

India Authors: Taeko Suzuki and Avantika Kulshrestha

1. RBI liberalizes framework for external commercial borrowings

On February 16, 2026, the Reserve Bank of India ("**RBI**") notified the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, liberalising the regime on external commercial borrowings ("**ECBs**"). Key changes include:

(i) **Eligible borrowers:** All persons resident in India (other than individuals) incorporated or registered under any Indian law (including limited liability partnerships) are now eligible to raise ECBs, subject to eligibility under applicable statutes.

(ii) **Recognised lenders:** ECBs may be raised from all persons (including individuals who are not foreign equity shareholders) resident outside India, a branch outside India of an entity whose lending business is regulated by the RBI or a financial institution set up in the International Financial Services Centre.

(iii) **Relaxation of end-use restrictions:** ECBs are now permitted to be utilized for acquisition financing that involve acquisition of control in a target company.

(iv) **Greater flexibility on pricing and maturity:** The ceiling on all-in-cost and prepayment charges and penalties have been removed, provided that the cost of borrowing is in line with prevailing market conditions. The minimum average maturity period is now standardized to 3 years, with manufacturing entities allowed to raise ECBs up to USD 150 million for a period between 1 to 3 years

2. FDI Policy on investments from Indian land bordering countries revised

On March 15, 2026, the Department for Promotion of Industry and Internal Trade ("**DPIIT**") issued Press Note 2 (2026) and clarified the guidelines governing investments from countries sharing land border with India ("**LBCs**") (China, Pakistan, Bangladesh, Nepal, Myanmar and Bhutan). Key clarifications include: (i) definition of "beneficial owner" to be determined as per the Prevention of Money Laundering Act, 2002 and the rules thereunder, at the investor entity level; and (ii) non-controlling beneficial ownership of up to 10% by LBCs is permitted under the automatic route, subject to sectoral caps and reporting to the DPIIT.

Ⓒ Nishimura & Asahi 2026

Bangladesh Authors: Taeko Suzuki and Alex Koshy

Legislative Trends After the Election: Review of Ordinances Issued by the Interim Government

On April 2, 2026, a special parliamentary committee that was convened to scrutinize the 133 ordinances promulgated during the interim government's tenure placed its report before Parliament. The committee recommended that:

(i) Ninety-eight (98) ordinances be passed in their current form, including the Bangladesh Bank (Amendment) Ordinance 2024, Special Security Force (Amendment) Ordinance, 2024, and the July Mass Uprising (Protection and Liability Determination) Ordinance 2026

(ii) Fifteen (15) ordinances be introduced as amended bills through relevant ministries, including the Anti-Terrorism (Amendment) Ordinance 2025, Bangladesh Labour (Amendment) Ordinance 2025, and the Bangladesh Telecommunication Regulation (Amendment) Ordinance 2026; and

(iii) Twenty (20) ordinances not be approved, of which (a) four (4) ordinances should be brought to Parliament for repeal, including the Supreme Court Judges Appointment Ordinance 2025 and the Supreme Court Secretariat Ordinance 2025, and (b) sixteen (16) ordinances be allowed to lapse so they can be reviewed and reintroduced later as new bills, if required, including the Referendum Ordinance 2025, Anti-Corruption Commission (Amendment) Ordinance 2025, Enforced Disappearance Prevention and Remedies Ordinance 2025, and the National Human Rights Commission Ordinance 2025.

The government has begun implementing these recommendations, including by passing amendment bills to convert selected ordinances into law, for example, the Representation of the People (Amendment) Bill 2026[5], the Voter List (Amendment) Bill 2026[6], and the Delimitation of Constituencies (Amendment) Bill 2026; and passing repeal bills for ordinances to be repealed, including the Supreme Court Judges Appointment Ordinance 2025, and the Supreme Court Secretariat Ordinance 2025.

5 https://www.dpp.gov.bd/upload_file/gazettes/61138_28274.pdf.

6 https://www.dpp.gov.bd/upload_file/gazettes/61139_75020.pdf.

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Sri Lanka Author[7]: Taeko Suzuki

1. Strategic Development Projects (Amendment) Act No. 26 of 2025

On December 17, 2025, the Strategic Development Projects (Amendment) Act No. 26 of 2025 ("**SDP Amendment Act**") was enacted to amend the Strategic Development Projects Act No. 14 of 2008 ("**SDP Act**") and introduce reforms to the framework that governs Strategic Development Projects ("**SDPs**") in Sri Lanka. Key changes introduced in the SDP Amendment Act are:

(i) A mandatory ex-ante cost-benefit analysis by the Ministry of Finance now is required for a project to be identified as an SDP.
(ii) Eligibility criteria for SDPs have been established via a Government Notification (see: Extraordinary Gazette No. 2474/66 dated February 2, 2026) issued under the SDP Act, as amended. To qualify as SDPs, projects now must meet minimum investment thresholds and local job creation requirements, which may vary depending on the sector. Relevant sectors include infrastructure, services and utilities, tourism and leisure (excluding casinos and any form of betting and gaming), manufacturing, agriculture, education, technology, and information and communication technology.
(iii) Projects that are designated as SDPs may be eligible for income tax holidays, the duration of which varies based on the sector, level of investment, and employment generated. These projects also may qualify for exemptions from customs import duties, value added tax, the Ports and Airports Development Levy, and Cess. Employment income earned by both resident and non-resident employees of SDPs remains subject to income tax.
(iv) The maximum tax exemption period for an SDP has been reduced from 25 years to 10 years.
(v) Tax holidays granted to SDPs cannot be extended under any circumstances, and the tax holiday period will commence on the date the project begins commercial operations.

2. Colombo Port City Economic Commission (Amendment) Act No.1 of 2026

The Colombo Port City Economic Commission Amendment Act No.1 of 2026 ("**CPCEC Amendment Act**") was enacted on January 20, 2026, to amend the Colombo Port City Economic Commission (Amendment) Act No.1 of 2026 ("**CPCEC Act**").

The Colombo Port City operates as a multi-service special economic zone. Any non-resident investor may engage in business within Colombo Port City, either directly or through a company incorporated in Sri Lanka, subject to the licensing and registration requirements of the CPCEC Act. Where a business is designated as a Business of Strategic Importance ("**BSI**") under the CPCEC Act, it may be eligible for specified fiscal incentives and concessions. The CPCEC Amendment Act is particularly significant in light of revisions to the scope and availability of incentives and concessions previously granted.

The CPCEC Amendment Act introduces numerous reforms, which include:

(i) BSIs now are subject to minimum investment and job creation requirements in order to qualify for exemptions and incentives.
(ii) The Colombo Port City Economic Commission ("**Commission**") is required to perform periodic ex post monitoring of Key Performance Indicators ("**KPIs**") for approved projects and to disclose the outcomes and fiscal impact of BSIs to the public.
(iii) If a BSI fails to meet the approved KPIs, the Commission has the authority to restrict, suspend, or revoke previously granted exemptions, incentives, or concessions, and may impose administrative penalties.
(iv) Regulatory requirements applicable to offshore banking have been tightened, with the Central Bank of Sri Lanka responsible for the regulation and supervision of persons licensed to carry on offshore banking business within Colombo Port City.

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

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Nepal Author: Taeko Suzuki[8]

Government of Nepal Expands Automatic Route for Foreign Direct Investment

On February 16, 2026, the Ministry of Industry, Commerce and Supplies issued a Gazette Notification under Section 42 of the Foreign Investment and Technology Transfer Act, 2019, which substantially expands the scope of the automatic route for foreign direct investment ("**FDI**"). The notification repealed and superseded the earlier notification of October 2, 2023, increased the number of industrial activities eligible for automatic approval from 60 to 102, expanding the list of service-oriented and manufacturing-based sectors, and removed the NPR 500 million cap on FDI. In addition, the notification removed the minimum investment threshold of NPR 20 million for specified information technology and digital sectors.

[8] We hereby thank Mr. Pramish Khanal from the Abhinawa Law Chambers, a Nepali law firm, for his support in preparation of this article.

Ⓒ Nishimura & Asahi 2026

United Arab Emirates Authors: Masao Morishita and Ayush Sharma

1. Dubai Issues Law 3 of 2026 on Building Quality and Safety

The Emirate of Dubai issued Law 3 of 2026 (the **"Law"**) on February 27, 2026, to establish a framework for ensuring quality, safety and sustainability of buildings in the Emirate of Dubai by maintaining structural integrity, ensuring regular maintenance and supporting the safe operation of all systems. The Law will come into effect on May 11, 2026, being 60 days from the date of its publication in the Official Gazette on March 12, 2026. A summary of the key provisions of the Law is as follows:

(i) The Law applies to all buildings in the Emirate of Dubai (whether commercial or residential), including buildings located in special development zones and free zones, including the Dubai International Financial Centre, irrespective of their date of construction, subject to any exemptions that may be granted by decision of the Chairman of the Executive Council.

(ii) Each building owner is required to obtain a quality and safety certificate ("**Certificate**") after 20 years from the issuance of the building's completion certificate (or such other date determined by the competent authority where no completion certificate exists). The Certificate is issued after an inspection and comprehensive analysis and assessment of the building's structural condition (and any existing technical defects) by a licensed engineering office. The Certificate is issued upon payment of a fee and is valid for 10 years for buildings under 40 years old and for 5 years for older buildings, renewable for similar periods.

(iii) Each building owner is required to undertake periodic maintenance, rectify structural defects, and permit inspections by competent authorities.

(iv) Violation of the provisions of the Law may result in fines ranging from AED 100 to AED 1 million. The fines are doubled in case of a repeat violation within 2 years from the date of the previous violation, subject to a limit of AED 2 million. Additional administrative penalties may also be imposed such as, suspension of issuance or renewal of building permits related to the concerned building, suspension or refusal to process transactions relating to the building, including attestation of lease contracts, in coordination with the Dubai Land Department.

2. UAE Introduces New Capital Markets Laws

The United Arab Emirates issued Federal Law 32 of 2025 on the Capital Markets Authority ("**CMA Law**") and Federal Law 33 of 2025 on the Regulation of Capital Markets ("**CM Law**") on October 1, 2025, both of which came into effect on January 1, 2026. Pursuant to the CMA Law, the Capital Markets Authority ("**CMA**") replaced the erstwhile Securities and Commodities Authority ("**SCA**"). A summary of the key provisions of the CM Law is as follows:

(i) Any issuance of securities by a UAE entity, whether for public or private subscription, and any listing on a UAE market requires prior approval of the CMA, subject to limited statutory exceptions.

(ii) Activities such as promotion, arranging, underwriting, portfolio management, investment funds, credit rating, etc., whether conducted from within or outside the UAE, which target clients in the UAE may not be conducted without a CMA license or approval. Under the prior SCA regime, such activities when conducted from outside the UAE were addressed primarily through regulatory practice rather than express statutory language.

(iii) The CMA law contemplates regulation of trading in virtual assets, related financial activities and services, and associated functions. While regulatory oversight of virtual assets existed under the former regime through guidance and enforcement practice, this has now expressly been brought within the capital markets framework at the level of primary legislation.

(iv) For violation of the provisions of the CMA Law, CMA may fines up to AED 200 million, or up to ten times the profit achieved or loss avoided, suspension of the violator from trading through their own account or for others for up to three years, suspension of board members, executive management, or employees for up to one year, and license revocation or prohibition from employment, with additional fines up to AED 5,000,000 for delayed compliance. The penalties are significantly higher than the penalties under the erstwhile decisions issued by the SCA.

(v) Criminal sanctions (which were fairly limited under the prior SCA regime) may also be imposed, including imprisonment of not less than one year and fines ranging from AED 50,000 to AED 250 million for offences such as unlicensed financial activity, submission of false or misleading offering information, dissemination of false market-related information, insider trading, and providing false information to the CMA, with additional penalties including disqualification from board membership for up to five years, permanent licence revocation, and confiscation of proceeds.

Ⓒ Nishimura & Asahi 2026

Sultanate of Oman Authors: Masao Morishita and Takanobu Yamamoto

1. Establishment of the Oman International Financial Centre

On January 12, 2026, Sultanate of Oman ("**Oman**") brought into force the Establishment of Oman International Financial Centre Law ("**OIFC Law**"). OIFC Law reflects objectives such as economic diversification and the attraction of foreign investment under Oman Vision 2040, and, similar to the Dubai International Financial Centre and the Abu Dhabi Global Market in the United Arab Emirates, and the Qatar Financial Centre in the State of Qatar, the centre will be a first financial free zone which has its own legal and judicial system based on common law and enjoys administrative, financial, and judicial independence from mainland Oman.

Where an entity carries out certain economic activities within the centre, exemptions from income tax and value added tax may be available for a period of up to 50 years from the effective date (Article 55). The detailed scope of these exemptions is expected to be prescribed in regulations to be issued. In addition, the law expressly provides that, other than pursuant to judicial proceedings before the Centre Courts or by way of tax enforcement, establishments in the centre and their funds, as well as the assets of employees subject to OIFC Law, are not to be subject to nationalisation, confiscation or seizure (Article 56), thereby safeguarding political and financial security for foreign investors in a manner comparable to other financial free zones.

OIFC Law provides for the establishment of independent authorities, including the Centre Authority, the Centre Regulatory Authority and the Dispute Resolution Authority. Judicially, a two-tier independent "Centre Courts" system is established, with judges appointed by Sultani Order to adjudicate disputes connected with the centre (Article 33 et seq.). OIFC Law also contains provisions to facilitate coordination for the enforcement of judgments and other decisions both inside and outside the centre, suggesting an institutional design broadly similar to other international financial centres.

OIFC Law sets out the fundamental framework for the newly established Oman International Financial Centre. The detailed regulatory content and practical operation of the regime will depend on further regulations and related instruments to be issued going forward.

2. Expiry of the transitional period under the Implementing Regulation of PDPL

On February 5, 2026, in Oman, the transitional period under the implementing regulation ("**Implementing Regulation**") of the Personal Data Protection Law ("**PDPL**"), which took effect on February13, 2023, expired. The Implementing Regulation became effective on February 5 of the following year, and the transitional period thereunder had been extended to two years by Oman Ministry of Transport, Communications and Information Technology Ministerial Decision No. 6/2025. As a result, from February 5, 2026 onwards, ensuring compliance with the Implementing Regulation has, in practice, become more important for businesses in light of supervisory and enforcement expectations by the authorities.

The Implementing Regulation comprises 45 articles. In particular, it adopts an internationally aligned approach to cross-border transfers of personal data, including (among other things), as a general rule, it requires the data subject's explicit consent and, provided that a level of protection equivalent to (or higher than) that required under PDPL and the Implementing Regulation is ensured in the recipient jurisdiction, a requirement to conduct an assessment of transfer risks and the level of protection. The Implementing Regulation also clarifies the framework for administrative sanctions in case of violations and for external audits to confirm compliance, thereby crystallizing compliance-related risks for businesses.

In addition, it has been reported that, in March 2026, Oman's State Council commenced deliberations on draft amendments to PDPL, which are intended to align the PDPL framework with technological innovation and developments in international data processing, including by clarifying (inter alia) that PDPL applies to the processing of personal data relating to individuals in Oman, regardless of whether such processing takes place within or outside Oman.

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Saudi Arabia Authors: Masao Morishita and Zahra Aziz

1. New Copyright Law

On February 13, 2026, the Kingdom of Saudi Arabia ("**KSA**") published a new copyright law ("**New Copyright Law**") which will become effective in August 2026 and replace the previous copyright law issued in 2003 ("**Old Copyright Law**"). Implementing regulations with respect to the New Copyright Law are also expected to be issued. Key features of the New Copyright Law are:

(i) **Applicability**: The New Copyright Law extends the scope of protection to works published outside KSA and subsequently published in KSA within 30 days from the date of the first publication (irrespective of the nationality of the author). In addition, the New Copyright Law also applies to works protected under international conventions and treaties to which KSA is a party.

(ii) **Rights of authors**: Rights are recognized as perpetual, non-transferable and non-waivable, and expressly recognize the right to (a) publish the work for the first time; (b) object to publication under another person's name; and (c) object to modifications which mutilate or distort the work or harm the author's reputation. Such rights were not explicitly set out under the Old Copyright Law. The New Copyright Law has also permitted authors to request a court to prevent the distribution of their work if there are serious grounds to do so.

(iii) **Works created during employment**: The New Copyright Law as introduced a new provision which clarifies that if an employee creates a work during their employment relating to the employer's activities or business, then the rights will vest in the employer. However, where a work is created outside the scope of the employer's activities or business, or for the account of another person, the economic rights may vest in the employee unless otherwise agreed.

(iv) **Exceptions for artificial intelligence**: The New Copyright Law has expanded the permitted uses of copyrighted works to include reproduction of original works without the author's permission and compensation for developing artificial intelligence products and algorithms. This is subject to certain conditions including (a) the original work has been lawfully published; (b) ownership of the original work has been lawfully acquired; and (c) use of the work is limited to fulfillment of the purpose.

(v) **Penalties**: The New Copyright Law provides for stricter penalties as the maximum period for imprisonment has been increased from six months to one year and the maximum fine has been increased from SAR 250,000 to SAR 1,000,000 (approximately USD 266,360). The rights holder who has suffered direct damage due to infringement of its rights may initiate proceedings before a court requesting various reliefs including seizure of the work and compensation.

2. Unified Employment Contract

In October 2025, KSA introduced a new initiative to protect rights of employers and employees and enhance legal enforceability of the wage clauses contained in employment contracts. To benefit from this initiative, a unified employment contract must be documented on the 'Qiwa' portal("**Qiwa**") operated by KSA's Ministry of Human Resources and Social Development. The initiative is being rolled out in three phases:

(i) **Phase 1**: applies to new employment contracts, and is in effect from October 6, 2025;

(ii) **Phase 2**: covers workers on fixed-term contracts, which upon expiration and renewal or extension will be transferred to the Qiwa under this initiative, and is effective from March 6, 2026; and

(iii) **Phase 3**: will include all workers on indefinite or open-ended contracts, and will be effective from August 6, 2026.

Key features of this new mechanism governing unified employment contracts are:

(i) **Documenting an employment contract**: The documentation process is carried out through the Qiwa platform. The establishment sends a request to document a new employment contract or update an existing contract, which is approved, modified or rejected by the employee.

(ii) **Enforcement mechanism of wage clause**: Once both parties approve the contract, the wage clause can be directly enforced through an automated technical integration with KSA's Ministry of Justice's 'Najiz' platform. This allows employees to avoid traditional labour dispute channels and file claims directly.

(iii) **Timelines**: In case of non-payment of the full wage, an employee has 30 days to file an enforcement request from the due date of the wage. In case of partial payment of the wage, the time period available to the employee increases to 90 days. Once an employer is notified of an enforcement request, the employer is granted five days to either file an objection or to settle the payment.

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Turkey Authors[9]: Taro Hirosawa and Nanami Fujioka

Public M&A Landscape in Turkey

(i) **Market Context and Overview**

The landscape of Turkish public companies has experienced remarkable growth in recent years. Borsa Istanbul ("**BIST**") has seen a substantial increase in initial public offerings, with the number of listed companies growing by nearly 200 since 2020. This expansion has elevated the total number of public companies to around 700 as of April 2026. This development has broadened the pool, creating a more dynamic environment for public company mergers and acquisitions.

The concentrated ownership structure of Turkish public companies favors negotiated approaches over hostile takeovers, making early engagement with controlling shareholders essential for transaction success. Clients should expect that Turkish public M&A transactions require careful navigation of complex regulatory requirements in very early stages, particularly around mandatory tender offer ("**MTO**") triggers, sell-out and squeeze-out rights as well as delisting and disclosure obligations. Understanding these is crucial for successfully navigating acquisitions of public companies. Among these, one of the most important ones is the MTO requirement mentioned (iii) below, which will trigger by acquiring the controlling shares, which therefore will require comprehensive assessment and acquisition financing considerations, unless an exception or exemption is available.

(ii) **Introduction to the Regulatory Framework**

Public M&A transactions in Turkey are governed by a sophisticated set of regulations primarily overseen by the Capital Markets Board ("**CMB**"). The fundamental legal pillars are the Capital Markets Law (No. 6362) and the Takeover Communiqué (II-26.1). Additionally, the Turkish Commercial Code (TCC) and the Listing Directive of BIST play critical roles.

(iii) **Mandatory Tender Offers (MTO)**

Acquisition of ordinary or privileged shares as a result of which management control is acquired would subsequently trigger **MTO** to be made to the entire remaining shareholders who held shares on the date the acquisition/closing was publicly disclosed. "Management control" is defined as:

- Holding 50% or more of the voting rights.
- Holding privileged shares allowing the election of the majority of the Board.

The acquirer must apply to the CMB for an MTO or a waiver within six business days of closing. Failure to comply results in the automatic suspension of voting rights and potential administrative fines equivalent to the total purchase price.

The price must reflect the higher of the average market price (last 6 months) or the highest price paid by the acquirer during the same period.

Certain exemptions and waivers apply, such as intra-group transfers or financial distress scenarios.

(iv) **Squeeze-Out and Sell-Out Rights**

The transition to a private entity through delisting is typically achieved via the squeeze-out mechanism, triggered at a 98% voting rights threshold. The process follows a mandatory sequence:

- **Sell-out Period**: Minority shareholders have a two-month window to exit voluntarily.
- **Squeeze-out Phase**: Only after the sell-out period can the majority shareholder force the cancellation of remaining shares. Pricing is determined by comparing the market average and an independent valuation report, ensuring minority shareholders receive the fair value.

When squeeze-out rights are exercised in a listed company, a delisting application to BIST must be submitted at the same time as the application to the CMB for approval of the new share issuance. After certain procedures are completed, BIST reviews the application, issues a delisting decision.

[9] This newsletter is prepared based on the publications of Paksoy, a major Turkish law firm, dated 14 November, 2025 (*Public M&A Transactions in Türkiye*).

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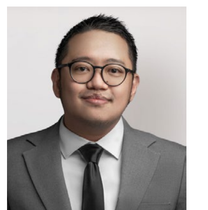

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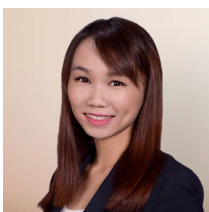

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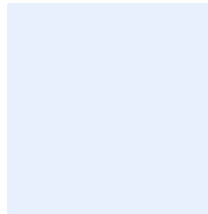

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