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NEW REGULATIONS FOR ENTERPRISES AND INVESTMENTS IN VIETNAM

On 17 June 2020, the National Assembly ratified the new Law on Enterprises (LOE 2020) and the new Law on Investment (LOI 2020), which took effect on 1 January 2021.

What follows is a summary of the significant changes due to the implementation of the aforementioned laws.

Law on Enterprises 2020

Capital Contribution

The time limit for capital contributions remains 90 days from the ERC date but the new law excludes the time for transportation, import and implementation of administrative procedures to transfer the ownership of assets to the company if the capital contribution is in-kind.

Legal Representatives

The new regulation specifies responsibilities of legal representatives of the enterprise. Specifically, rights and obligations of each Legal Rep. must be specified in the Company's Charter, otherwise the Legal Rep. will have **full authority before any third party**, and **all of the legal representatives will have joint responsibility for any damage** caused to the company.

Company Seal

The Company Seal is no longer required to enterprises to notify their seal to the licensing authorities before using it. Additionally, the LOE 2020 also recognizes two types of seal being (i) **the physical seal** and (ii) the **digital signature** in accordance with the regulations on electronic transactions.

Law on Investment 2020

Negative List

The new law emphasizes that there will be no discrimination between local investors and foreign investors if the foreign investor is investing in industries which do not fall

in the list of restricted sectors for foreign investors and list of business lines with conditional market access.

Changes in Requirements for M&A Approvals

The new regulation provides one new case that requires the M&A approval, which applies to foreign investor conducting the acquisition of a company that has a land use right certificate on an island, a coastal or border commune, ward or town or in another area which affects national defense and security

Notably, the new law removes the registration requirement if the M&A transaction does not result in an increase of the foreign ownership percentage of the target company.

Investment Incentives

The new law regulates new forms of investment incentives, which are the accelerated depreciation and increase in the amount of deductible expenses when calculating taxable income. Furthermore, the government strongly supports start-ups and SMEs in Vietnam as well as enterprises in the environmental protection industry for a solid and sustainable development in the near future.

Finally, the fundamental changes due to the adoption of the LOI 2020 and the LOE 2020 are meant to free enterprises from administrative procedures, eliminate recurrences of investment-related regulations, as well as facilitate opportunities for investors into Vietnam markets with new investment incentives.

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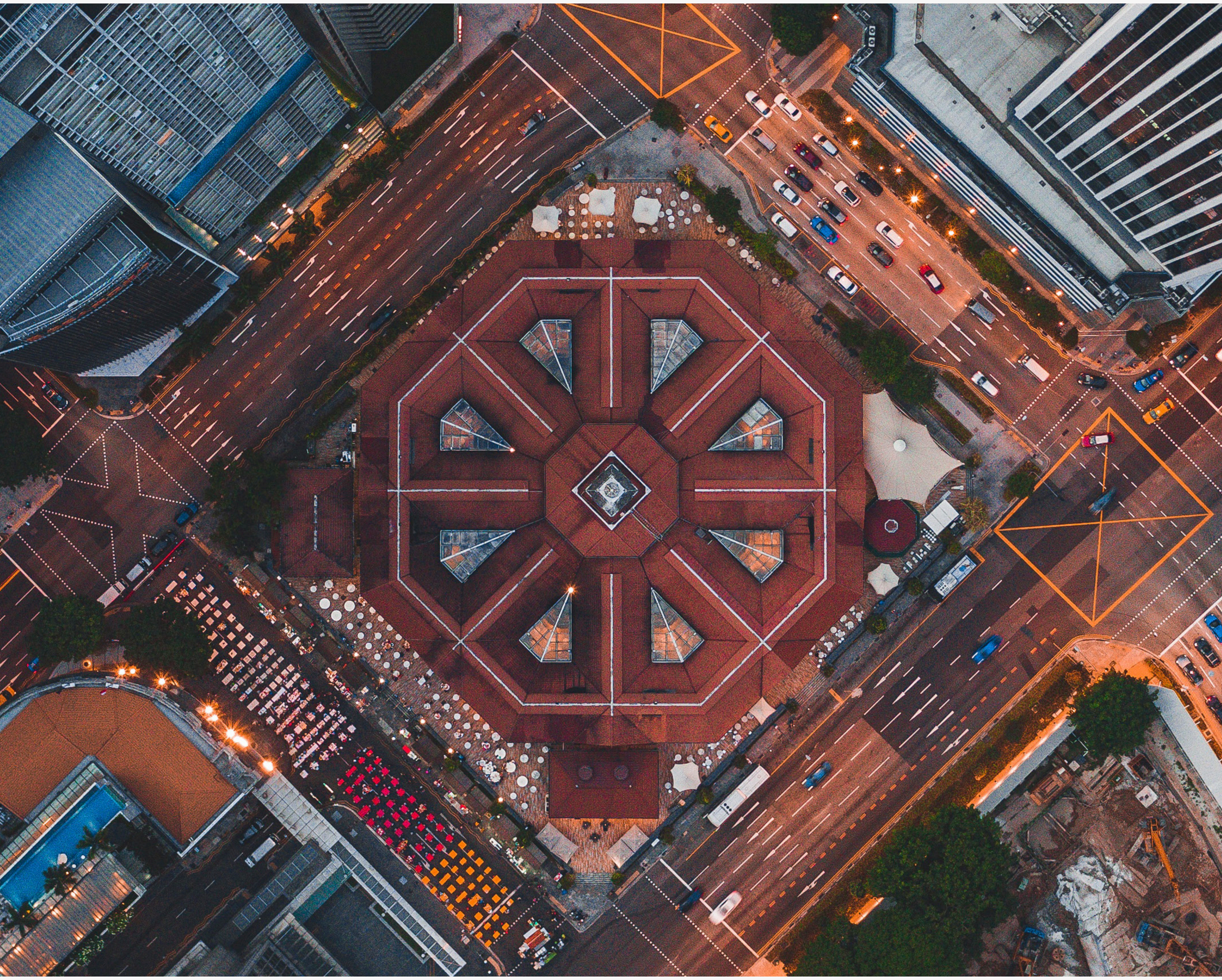

ENHANCED JOBS SUPPORT SCHEME TO SUPPORT SINGAPORE BUSINESSES

During the COVID-19 pandemic, Singapore experienced an overall decline of 60% in consumer spending. Most of the businesses had to suspend many, if not all, of their operations because of the tightened "safe-distancing-measures" and the business travels towards the country underwent major restrictions. All the above could have led to a significant spike in unemployment.

To prevent this, the Singapore government has come up with a wide range of support schemes, grants, reliefs and subsidies to help businesses navigate these uncertain times. Singapore has been praised to have provided one of the world's most successful responses to the COVID-19 pandemic.

The supporting measures reinforced in 2021 include, among others, rental relief to support retail businesses operating in commercial malls. In May 2021, the Ministry of Finance announced that an additional Rental Relief will be offered to small and medium-sized enterprises as well as non-profit organizations with an annual revenue of not more than $100 million that are tenants of qualifying commercial properties.

Jobs Support Scheme

The Jobs Support Scheme (JSS) was first introduced in the Unity Budget in February 2020. Under JSS, the government co-funds a proportion of the first SGD 4,600 of gross monthly wages paid to each local employee up to September 2021. Jobs Support Scheme pay-outs are intended to offset local employees' wages and protect jobs.

In 2020, the Jobs Support Scheme pay-outs amounted to a cost of **SGD 1.3 billion** for the government.

In the first period of JSS, **the government co-funded 25% to 75% of the first SGD 4,600 of gross monthly wages,** depending on the sector in which the employer operates. In the following pay-outs, the amount of support has decreased, always depending on the sector.

Month of pay-out	*Percentage of subsidy*	*Pay-out based on wages paid in*
April 2020	75%	Oct to Dec 2019
July 2020	75%	Feb to April 2020
Oct 2020	75%	May to Aug 2020
March 2021	50%	Sept to Dec 2020
June 2020	50%	Jan to March 2021
Sept 2021	30%	Apr to Jun 2021
Dec 2021	10%	July to Sept 2021

TIER 1: Aviation and Aerospace; Tourism, hospitality, conventions and exhibitions.

Month of pay-out	*Percentage of subsidy*	*Pay-out based on wages paid in*
April 2020	50%	Oct to Dec 2019
July 2020	50%	Feb to April 2020
Oct 2020	50%	May to Aug 2020
March 2021	30%	Sept to Dec 2020
June 2020	30%	Jan to March 2021
Sept 2021	10%	Apr to Jun 2021
Dec 2021	0%	July to Sept 2021

TIER 2: Built environment; Food services; Retail; Arts and entertainment; Land transport, Marine and offshore.

Enhancements to JSS

With some sectors facing additional weeks of closure up till the end of June 2021, the current enhancements to the Jobs Support Scheme (JSS) have been extended for affected businesses such as food establishments, education centers and sport facilities.

Over 140,000 employers have benefitted from wage support totaling SGD 4 billion that have been disbursed from 28 May, as part of the enhanced Jobs Support Scheme (JSS).

From May 16th to June 20th 2021, the government provides enhanced Jobs Support Scheme support for various sectors:

- **50%** for sectors where the tightened measures require them to suspends operations, such as Food and Beverage, Sports, Performing Arts & Arts Education.
- **30%** for sectors that are not required to suspend operations

Month of pay-out	*Percentage of subsidy*	*Pay-out based on wages paid in*
April 2020	25%	Oct to Dec 2019
July 2020	25%	Feb to April 2020
Oct 2020	25%	May to Aug 2020
March 2021	10%	Sept to Dec 2020
June 2020	0%	Jan to March 2021
Sept 2021	0%	Apr to Jun 2021
Dec 2021	0%	July to Sept 2021

TIER 3: Biomedical sciences; Precision engineering; Electronics; Financial services; Information and communications technology and media; Retail.

but are adversely affected by the decline in footfall, such as businesses in the Retail sector, museums, art galleries, family entertainment centers.

From 21-30 June 2021, the support is 10% for all the sectors with enhanced Jobs Support Schemes during the period from May 16th to June 20th 2021.
The enhanced pay-out, based on wages paid in April to June 2021, will be disbursed in September 2021. Employers who put local employees on mandatory no-pay leave will not be entitled to the enhanced Jobs Support Scheme pay-outs for those employees.

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AUSTRALIA FEDERAL BUDGET 2021: AN OVERVIEW

On 11th of May 2021 the Australian Government released the Federal Budget 2021-22, forecasting net debt to grow to $980.6 billion by 2024–25 which is modest when compared to the announcements made 12 months ago. A significant component of new spending is transport and other physical infrastructure, more than $15 billion over 10 years, distributed across all states and territories.

The Australian economy has exited from the COVID-19 induced economic downturn faster and stronger than all expected. Whilst reducing Commonwealth Government deficit forecasts for FY2020–21, the next three financial years are higher compared to last year's budget and Mid-Year Economic Overview.

- **Removal of Emergency Packages**: with the economy having outperformed all other major advanced economies in 2020, surpassing expectations growing at the fastest rate on record. The removal of supporting Jobkeeper payments at $89 billion, is the largest economic support program in Australia's history, supporting over 3.8 million individuals.

- **Economic Commentary**: (GDP, Unemployment and Budget Deficit) Australia's recovery appears to be well placed with more people in work than ever before and unemployment on course to settle below 5% for just the second time in almost 50 years. GDP growth is forecasted at 4.25% in 2021–22, above the previous four years annual growth rate of 2.5%. Unemployment is expected to fall to 4.75% in mid-2023 below the long-term average of 6.83%.
- **Foreign Investment**: Australia's economic recovery is aided by support of $1.2 billion for the aviation and tourism sector. With $198.2 million for enhancing trade and strategic capability enabling support and trade diversification.
- **Superannuation**: the Government has not announced any measures in relation to the Superannuation Guarantee (SG) rate. This means that, subject to any subsequent change of heart from the Government, the minimum SG rate will increase from 9.5% to 12% over the next five years. From 1 July 2021, the minimum SG rate will increase to 10%.

Individual Tax:
Individual tax residency rules will be modernized, whereby primary tests deem Australian tax residents if they are physically present in Australia for at least 183 days during the tax year. Where the primary test is not met, secondary tests will apply based on a combination of physical presence and measurable, objective criteria.

The Low - and Middle-Income Tax Offset of up to $1,080, originally scheduled to cease in 2020-21, will be retained for the 2021-2022 income year. The commencement date for the 'Stage Three' personal income tax cuts (which predominantly impacts middle-to-high income earners) has not been changed in this Budget and remains as 1 July 2024.

Taxable income	*Tax on this income*
0 - $18,200	Nil
$18,201 - $45,000	19 cents for each $1 over $18,200
$45,001 - $120,000	$5,092 plus 32.5 cents for each $1 over $45,000
$120,001 - $180,000	$29,467 plus 37 cents for each $1 over $120,000
$180,001 and over	$51,667 plus 45 cents for each $1 over $180,000

The above rates **do not include the Medicare levy of 2%*

Company Tax:
Base rate entity company tax rate: from the 2017–18 to 2019–20 income years, companies that are base rate entities must apply the lower 27.5% company tax rate.

The rate reduced to 26% in the 2020–21 income year and then 25% in the 2021–22 income year and future years. The Government has extended the ability for eligible companies to carry back tax losses and benefit from full expensing of eligible asset purchases by 12 months following on from the announcements in the 2020-21 Budget.
The company loss carry-back measures will be extended to 30 June 2023 and will enable corporate tax entities with an aggregated turnover of less than $5 billion to deduct the full cost of eligible depreciating assets of any value acquired from on 6 October 2020 provided the assets are first used or installed ready for use by 30 June 2023.

Progressive changes to the company tax rate:

Income Year	*Aggregated turnover threshold*	*Tax rate for base rate entities under the threshold*	*Tax rate for all other companies*
2017-18	$25m	27.5%	30.0%
2018-19 to 2019-20	$50m	27.5%	30.0%
2020-21	$50m	26.0%	30.0%
2021-22 and future years	$50m	25.0%	30.0%

Migration:
The Budget further announced that program numbers for the 2021-22 Migration Program planning levels will be maintained at the current level of 160,000.

Family and skilled stream places will be maintained with a continued focus on onshore visa applications.

With respect to skilled visas, priority will be given to highly skilled migrants in the employer sponsored, business innovation and investor program and global talent program.

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The information contained in this note is for general information purpose only and is not intended to be relied as a substitute for tax, corporate and accounting professional consultation. Please refer to Fidinam staff for specific advice.

THE UKSFTA'S ENTRY INTO FORCE

Singapore has an attractive tax regime, characterized by low corporate and personal tax rates, absence of capital gains tax, tax relief measures and extensive double tax treaties.

In addition to favorable fiscal conditions, Singapore is characterized by an open economy and ease of doing business in the country. Free Trade Agreements (FTAs) are treaties which make trade and investment between two or more economies easier. Singapore has an open economy which is driven by trade in goods and services. Over the years, it has forged an extensive network of 26 implemented agreements. With FTAs, Singapore-based exporters and investors stand to enjoy a myriad of benefits like tariff concessions, preferential access to certain sectors, faster entry into markets and Intellectual Property protection.

COMMERCIAL TRADE BETWEEN SINGAPORE AND UK

The UK is currently one of Singapore's largest trading partner for goods and services: Singapore is the UK's 21st largest trading partner, accounting for 1.2% of total UK trade. Total trade in goods and services between the UK and Singapore was £17.6 billion in 2019.[1] In 2019, UK exports to Singapore were £10.7 billion, making it the UK's 16th

[1] UK Department of International Trade "Continuing the United Kingdom's Trade Relationship with The Republic of Singapore" report 2019.

largest export market (accounting for around 1.6% of all UK exports). UK imports from Singapore were £6.9 billion, making it the UK's 23rd largest import source (accounting for around 1.0% of all UK imports).[1]

UNITED KINGDOM-SINGAPORE FREE TRADE AGREEMENT (UKSFTA)

The UK-Singapore free trade agreement was signed in December 2020 and entered into force from 11 February 2021.

Through the FTA, UK businesses can better utilize Singapore's capacity as a financial and trading hub to expand to the rest of ASEAN and a fast-growing region. Furthermore, the UKSFTA serves as a bridge for the UK to join the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP), where Singapore is a member.

The UKSFTA ensures trade continuity and provides companies with certainty in trading arrangements between the UK and Singapore. Under the UKSFTA, Singapore and UK companies enjoy the same benefits they received under the European Union-Singapore Free Trade Agreement.

This agreement will eliminate tariffs for 84% of all tariff lines for Singapore exports to the UK, and by November 2024 all remaining tariffs on products will be eliminated for selected goods.

The UKSFTA will continue to provide for liberal and flexible rules of origin (ROO) for the UK and Singapore's key exports to each other's markets, including automobiles, chemicals, clothing and textiles and electronics. At the same time, the UKSFTA will remove unnecessary technical barriers to trade (TBT) for Singapore and UK exporters. This will create a level playing field for UK and Singapore companies and will facilitate trade between the UK and Singapore.

The two countries also plan to launch the negotiations of a UK-Singapore digital economy agreement (DEA) in 2021. The Digital Economy Agreement will facilitate digital business and trade, promoting digital connectivity within the two countries.

Beyond the UKSFTA, the UK and Singapore have committed to commence and endeavor to conclude negotiations for a high standard investment protection agreement within two and four years respectively of the UKSFTA's entry into force. This will ensure that the bilateral investments will be covered by robust and up-to-date treaty protections and provide our businesses and investors with the certainty of investment protection.

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A LOOK AT THE SHOPIFY E-COMMERCE PLATFORM

Shopify is one of the most popular providers for online store solutions. With its user-friendly interface, professional design and ease of use, Shopify has recorded more than 1 million users in 2020.

Shopify is a complete, all-in-one e-commerce solution. Once you sign up for an account with Shopify, it allows you to:

- Build your online store all by yourself.
- Pick a design that suits your needs.
- Pick a unique name and domain for your store.
- Add your products and their details (price, description, etc.).
- Process orders from your customers.
- Handle online payments through solutions like PayPal and others.
- Run special promotions, discounts and sales.

What are the pros and cons of Shopify?

There are multiple reasons why Shopify became one of the most popular e-commerce platforms is that it brings many advantages to shop owners.

Ease of use

Ease of use is the main reason to choose Shopify. Customers do not need to be developers to create and launch a store.
With Shopify, you can design a user-friendly sales website, post products, create sales and promotions. If you need to edit your store, you can easily do it yourself.

Award-winning customer support

The Shopify team offers support to clients 24/7, any time of the day, any day of a week. Self-help options are also available with a massive library of self-support documentation.

All-in-one e-commerce solution

Shopify is a well-known e-commerce platform with an all-in-one package.

Hosting, themes, cart functionality and sales channel are all handled by Shopify. This can help saving a significant amount of time, money, and resources while building an online store.

Excellent site performance

The slow loading speed of a website can frustrate your customers and cause the number of sales to decrease significantly. Clients are more likely to leave a website if they need to wait for more than three seconds to load. Shopify has an excellent site performance.

Sell products on multi-channels

Shopify allows shop owners to sell on different channels. Here are some supported channels by Shopify from where you can easily integrate products.

Facebook - Sell your Shopify items on a Facebook page

Amazon - Connect your store to Amazon Professional Seller

Pinterest - Sell your products directly through pins

Mobile Apps - Sell on the apps that you build

Connect your Shopify Store with XERO

Shopify can be connected with the accounting software Xero allowing the clients to have an immediate check on the monthly profits and loss of the company.

Besides having many advantages, Shopify also has few **disadvantages** that store owners need to consider before starting to use it.

Difficult to customize

Although having all the essential features needed by new businesses to build an online store makes the platform easy to use, it can be disadvantageous for some stores, as every company has specific requirements.

Useful apps but pricey

Shopify does not usually have the features to meet each store's particular needs. This is why there are add-ons. Many traders end up needing to buy some add-ons to optimize their online businesses.

Fidinam Hong Kong has helped many retail companies to expand in Asia and has years of experience in e-commerce set up.

We are able to guide the clients step by step on how to set up a webshop with Shopify. Fidinam can support the client with the analysis on the performance, products, sales and customer.

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