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NEWSLETTER

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Highlights

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FIDINAM HONG KONG APPOINTS MANAGING DIRECTOR

We are pleased to announce that, effective 1st of July 2025, Sara Silenzi has been appointed as Managing Director of Fidinam (Hong Kong) Limited.

Sara joined Fidinam in 2016 and has steadily taken on greater responsibilities within the firm. She currently serves as Head of the Italian Desk, a position she will continue, and became an Equity Partner in 2023, reflecting her strong dedication and consistent contributions over the years.

As Managing Director, Sara will be responsible for leading our Hong Kong team and overseeing the overall operations of the Company. Her expertise in international corporate and tax law, along with her commitment to delivering high-quality service, positions her well to guide our continued growth in the region.

Sara holds a law degree from the University of Parma and a Second Level Master in Business and Company Law from LUISS Guido Carli University in Rome. She passed the Italian Bar Exam in 2015.

Please join us in congratulating Sara on this well-deserved promotion and wishing her continued success in this exciting new chapter.

HIGHLIGHTS FROM FIDINAM ROADSHOW THROUGH CHINA

Recently, Fidinam's Asia Pacific and Middle East teams, in collaboration with Yingke Law Firm (Guangzhou), Wang Jing & GH Law Firm, Dentons Chengdu Office, and Zhong Lun Law Firm, successfully concluded the *Vietnam–Singapore–UAE "Golden Triangle" Investment Roadshow,* covering the cities of Guangzhou, Chengdu and Beijing in China.

This series of events focused on the strategic significance of key hubs in emerging markets. It drew strong participation from legal professionals and senior executives across manufacturing, technology, consumer goods, and finance sectors. Discussions revolved around the growth outlook of Southeast Asian and Middle Eastern markets, evolving tax regimes, and compliance frameworks.

At each session, Fidinam's senior representatives from Vietnam, Singapore and the UAE – Phuong Thao Bui, Desiree M. Tan, and Loi Xiao – provided hands-on guidance and case-based insights on local policy changes, investment hotspots, and practical tax structuring. Their contributions addressed core concerns of Chinese businesses expanding into these regions through plant set-ups, regional headquarters, or market entry into the Middle East.

Three Cities, One Narrative: Decoding Investment into Emerging Markets

Guangzhou:
A Strategic Foothold for Manufacturing Relocation
As a key hub of manufacturing and trade in Southern China, the Guangzhou session centred on the cost advantages and policy incentives of "Made in Vietnam". Discussions explored how Singapore can support tax optimization and how the UAE can serve as a strategic channel to access Middle Eastern markets. The sessions hosted by Yingke Law Firm (Guangzhou) and Wang Jing & GH Law Firm were marked by high engagement and vibrant exchanges.

Chengdu:
The Supply Chain Heartland Bridging East and West
In Chengdu, participants expressed strong interest in cultural exports, regional R&D, and integrated supply chains. Dentons Chengdu Office invited Mr. Ma Zhanjun, President of the Asia-Pacific International Arbitration Centre, to share perspectives on mitigating legal risks in overseas commercial disputes. His insights on cross-border arbitration sparked dynamic discussion among attending lawyers and entrepreneurs.

Beijing:
From Global Compliance to Capital Strategy
The final session in Zhong Lun Law Firm's Beijing office spotlighted themes such as tax planning, cross-border M&A, outbound investment reviews, and family wealth structuring. Zhong Lun Partners Ji Hengka, Yu Zhiguo, Hou Zhanghui, and regional partner Yin Xing offered multi-dimensional analysis on challenges and strategic responses in global expansion, equipping enterprises with tools for a robust internationalization roadmap.

Building Global Pathways with Professional Expertise

While the three-city roadshow has concluded, Fidinam's commitment to supporting Chinese businesses in their global journey continues to deepen. Leveraging a robust international network and strong local market experience, Fidinam remains dedicated to providing end-to-end solutions, from site selection and corporate structuring to compliance management.

For expert advice and strategic guidance, contact Fidinam at info@fidinamgw.com.

By William Jin
Head of Desk
Fidinam Shanghai

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STRATEGIC ADVANTAGES OF THE JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE (SEZ)

On 7 January 2025, Singapore and Malaysia formalized an agreement on the Johor-Singapore Special Economic Zone (JS-SEZ) during the 11th Malaysia-Singapore Leaders' Retreat.

This milestone follows nearly a year after the initial memorandum of understanding was signed, and comes after two delays in the signing process. The agreement was inked by Singapore's Deputy Prime Minister Gan Kim Yong and Malaysia's Minister of Economy Rafizi Ramli.

The JS-SEZ spans 3,571 square kilometers across Johor's east and west coasts—an area roughly four times the size of Singapore. It encompasses nine flagship zones, each tailored to different economic sectors: Johor Bahru City Centre, Iskandar Puteri, Forest City, Pengerang Integrated Petroleum Complex, Tanjung Pelepas–Tanjung Bin, Pasir Gudang, Senai–Skudai, Sedenak, and Desaru.

Figure 1: Straits Times, 4th February 2025, 'Malaysia unveils tax incentives for companies and workers in Johor-Singapore SEZ'

The JS-SEZ Agreement aims to enhance the region's competitiveness for global investment by:

1. **Improving cross-border goods connectivity between Singapore and Malaysia**
2. **Facilitating freer movement of people**
3. **Strengthening the regional business ecosystem**

Key Features of the Johor-Singapore SEZ

The Johor-Singapore Special Economic Zone (JS-SEZ) is designed to unlock cross-border economic potential through a range of strategic features:

- **High-Value Investment Opportunities:** The SEZ targets key sectors such as advanced manufacturing, logistics, tourism, clean energy, and the digital economy. These industries will benefit from competitive tax incentives and streamlined regulatory frameworks, making the zone attractive to both regional and global investors.
- **Economic Integration:** By harnessing Malaysia's land and labour resources alongside Singapore's financial and investment expertise, the JS-SEZ aims to create a synergistic ecosystem that drives sustainable growth and innovation.
- **Facilitated Movement of Goods and People:** A core focus of the SEZ is to enhance cross-border mobility. This includes improving customs procedures, strengthening transport infrastructure, and exploring initiatives such as passport-free clearance systems to ease congestion and boost efficiency at border checkpoints.
- **Designated Flagship Zones:** The SEZ will comprise nine flagship zones, each with distinct sectoral focuses and development priorities. These include established hubs like Iskandar Malaysia and the Pengerang Integrated Petroleum Complex, as well as emerging developments (see map on previous page for details).
- **Job Creation and Talent Development:** Over the next decade, the JS-SEZ is projected to generate 20,000 high-skilled jobs through the implementation of 100 high-impact projects, contributing to regional talent development and economic resilience.

Singapore's Edge in the Johor-Singapore SEZ

Singapore-based companies stand to gain significantly from the enhanced cross-border connectivity enabled by the Johor-Singapore Special Economic Zone (JS-SEZ). This initiative facilitates the seamless movement of goods and people, allowing businesses to expand operations across borders and leverage the complementary strengths of both Singapore and Johor. By twinning operations—such as situating high-value functions in Singapore and cost-efficient activities in Johor—companies can optimise productivity and competitiveness.

The project has garnered strong momentum on both sides of the Causeway, underscoring its potential to deliver mutual benefits through strategic collaboration. Reflecting this growing interest, the joint JS-SEZ project office—established by Singapore's Ministry of Trade and Industry (MTI), the Economic Development Board (EDB), and Enterprise Singapore—has received over 140 enquiries from both domestic and international companies. In addition, more than 150 Singaporean companies and representatives participated in a business mission to Johor in February, organised by the Singapore Business Federation (SBF) and the Singapore Manufacturing Federation (SMF).

Malaysia's Strategic Positioning

On Malaysia's side, the Invest Malaysia Facilitation Centre Johor (IMFC-J) has received over 300 investor enquiries, with approximately 100 specifically focused on the Forest City Special Financial Zone. Forest City is one of nine designated one-stop centres designed to streamline the

investor journey within the SEZ, supported by both state and federal government agencies.
Once envisioned as a $100 billion futuristic eco-city and marketed as a "dream paradise for mankind," Forest City faced significant challenges—including low occupancy, financial instability, and environmental concerns—that led to its reputation as a "ghost town." However, its repositioning within the framework of the SEZ has sparked renewed interest and optimism, suggesting the potential for a meaningful revival driven by strategic incentives and improved governance.

Incentives and Benefits for Entrepreneurs Across Borders

While interest in the Johor-Singapore SEZ has surged, businesses are awaiting further announcements to determine their eligibility for special privileges within the zone. Malaysia has taken the lead in outlining its incentive framework. **The Malaysian Investment Development Authority (MIDA)** has published a tax incentive package requiring a minimum capital investment of RM500 million for projects in selected sectors to qualify. This threshold, while attractive to large corporations, presents a challenge for many small and medium-sized enterprises (SMEs).

To attract high-value investments, Malaysia's Ministry of Finance and the Johor State Government announced a **preferential corporate tax rate of 5**% for companies engaged in qualifying manufacturing and service activities. These include sectors such as artificial intelligence, quantum computing, medical devices, and aerospace manufacturing. This incentive is valid for up to 15 years.

In addition, eligible knowledge workers employed within the JS-SEZ will enjoy a **reduced personal income tax rate of 15% for 10 years**. Johor has also committed to offering higher starting salaries for diploma and degree holders—ranging from RM3,500 to RM4,000—nearly double the national average. To further boost tourism and leisure investments, entertainment duties will be reduced, although specific details are still forthcoming.

On Singapore's end, while tax incentives specific to the SEZ have yet to be announced, several supportive measures are already in place. Singaporean companies can tap into existing enterprise support schemes such as the **Market Readiness Assistance (MRA)** Grant, which subsidises up to 70% of eligible costs for overseas expansion, and the **Enterprise Financing Scheme (EFS)**, which provides access to working capital and project loans. Additionally, a **dedicated JS-SEZ project office**—jointly established by MTI, Enterprise Singapore, and EDB—serves as a resource hub to guide businesses in exploring opportunities and navigating available support.

Singapore has also implemented facilitative measures to improve cross-border operations, including streamlined customs procedures for land-based cargo transfers and passport-free QR code clearance at land checkpoints, significantly enhancing the movement of goods and people.

Positioning the JS-SEZ in the ASEAN and Global Economy

Beyond bilateral cooperation, the Johor-Singapore SEZ is strategically positioned to serve as a gateway to broader ASEAN and global markets. With Singapore already acting as a hub for regional headquarters and Johor offering scalable industrial capacity, the SEZ is poised to strengthen regional supply chains and attract third-country investors. This cross-border zone complements wider regional trade frameworks such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), enhancing its appeal to multinational corporations seeking a foothold in Southeast Asia.

By integrating infrastructure, talent, and policy support across borders, the JS-SEZ is set to become a launchpad for companies aiming to scale across ASEAN—offering a unique blend of operational efficiency, market access, and strategic location.

Looking Ahead: What to Expect from the JS-SEZ in the Coming Months

As the Johor-Singapore Special Economic Zone (JS-SEZ) continues to take shape, businesses and investors can expect greater clarity and momentum in the months ahead. The bilateral agreement signed in January 2025 is set to be formalised by the **third quarter of 2025**.

As Singapore and Malaysia continue to actively engage with industry stakeholders to refine the zone's implementation, with ongoing forums, trade missions, and public-private collaborations, businesses are advised to stay tuned for updates from the **JS-SEZ joint project office**, as well as announcements from agencies such as **Enterprise Singapore**, **EDB**, and **MIDA**, which are expected to release further guidance on eligibility, incentives, and operational support.

While some regulatory and administrative details are still being ironed out, the groundwork laid so far signals a promising future for cross-border collaboration. For companies looking to expand, the JS-SEZ offers a unique opportunity to be part of a transformative regional initiative—one that is poised to redefine ASEAN's economic landscape.

At Fidinam, we're closely monitoring developments around the Johor-Singapore Special Economic Zone (JS-SEZ) and the evolving opportunities it presents. Whether you're considering expansion, exploring incentive eligibility, or planning cross-border operations, our team is here to help you, contact us via info@fidinamgw.com.

By Sofea Kamusuri
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Fidinam Singapore

OFFSHORE HONG KONG LIMITED COMPANY: HOW TO MANAGE AN IRD INQUIRY LETTER

As a business owner operating an offshore Hong Kong limited company, receiving an inquiry letter from the Inland Revenue Department (IRD) can be a source of concern.

However, understanding how to effectively manage such inquiries can help ensure compliance and maintain the integrity of your business. This article outlines the essential steps to handle an IRD inquiry letter.

Understanding the Inquiry Letter

An inquiry letter from the IRD typically requests additional information or clarification regarding your company's tax returns or financial statements. Common reasons for receiving such letters include:

- **Discrepancies in reported income or expenses**
- **Missing documentation**
- **Verifications of offshore claim**
- **Verifications of deduction claim of expenditure / expenses**

Recognizing the purpose of the inquiry is key for addressing it appropriately.

Hong Kong applies a territorial source principle for profits tax, meaning, in general, only income earned or sourced within Hong Kong is subject to tax. If your company claims offshore status, the IRD may request proof that relevant profit-generating activities truly take place outside Hong Kong.

Steps to Manage the IRD Inquiry

1. Read the Letter Carefully

It's crucial to identify the specific information or documentation the IRD is requesting, as well as take note of any deadlines mentioned, as timely responses are critical.

The IRD typically provides around one month to respond, though the exact timeframe may vary depending on the complexity of the case. If you need more time, you should submit an extension request as soon as possible.

2. Gather Necessary Documentation

It will be necessary to collect all relevant documents that support your case. This may include:

- Financial statements
- Invoices and receipts
- Bank statements
- Contracts and agreements

Ensure that all documents are organized and easily accessible will facilitate a smooth response.

3. Consult with Professionals

In case of uncertainty about how to respond or the implications of the inquiry, it is recommended to consider consulting with a tax advisor or accountant experienced in Hong Kong tax regulations, such as Fidinam Hong Kong. They can provide valuable insights and help you prepare a comprehensive response.

4. Prepare a Detailed Response

The drafted response must directly address the IRD's inquiries including the following:

- A clear explanation of the situation
- Relevant documentation attached or referenced
- Any corrections or clarifications needed

The Company should ensure the response is concise, professional, and free of jargon to avoid misunderstandings.

To demonstrate offshore status effectively, companies should present evidence that key business activities in generating the offshore revenue are carried out outside of Hong Kong, such as board meetings held overseas, business contracts negotiated and executed outside Hong Kong, can support your claim of offshore status.

The IRD will not be satisfied with a mere presentation that the core business activities occur outside Hong Kong. Rather, presenting thorough evidence that these profit-generating operations take place outside Hong Kong is crucial.

5. Submit Your Response Timely

The prepared response must be submitted to the IRD before the deadline specified in the inquiry letter. Keep a copy of all correspondence for your records.
If any delay is anticipated, the Company must apply for extension as soon as possible.

Failure to meet the IRD's deadlines or provide complete information may lead to additional tax, penalties, or further scrutiny.

6. Follow Up

After submitting the response, the Company should keep track of any further communications from the IRD. If no confirmation of receipt or any subsequent inquiries, it may be prudent to follow up to ensure your response has been processed.

7. Maintain Good Records

To prevent future inquiries, maintain meticulous records of your company's financial activities. Regularly updating your accounting practices and ensuring compliance with Hong Kong tax laws will help minimize the risk of further scrutiny.

If the IRD disputes your claims or adjustments are proposed, you have the right to file an objection or appeal according to the IRD's established procedures. It is advisable to seek professional advice promptly if you disagree with any assessment.

Conclusion

Receiving an inquiry letter from the IRD may seem daunting, but with the right approach, it can be managed effectively. By understanding the inquiry, gathering the necessary documentation, consulting with professionals, and providing a detailed response, you can address the IRD's concerns confidently. It's key maintaining good records and staying informed about tax regulations.

Fidinam is here to assist offshore Hong Kong companies with IRD inquiries. Our team of tax and accounting experts can help compile the necessary documentation, prepare clear and compliant responses, and offer guidance on maintaining offshore status in line with Hong Kong's territorial tax principles.
Contact us at info@fidinamgw.com

By Irène Tchedre
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VIETNAM'S REVISED CORPORATE INCOME TAX LAW 2025

The National Assembly of Vietnam has passed the new Corporate Income Tax (CIT) Law, set to take effect on 1 October 2025 and applicable from the 2025 tax period onwards.

This landmark reform is one of the most significant updates to Vietnam's tax framework in years, reflecting the government's dual commitment to **supporting small and medium enterprises (SMEs)**—the backbone of the national economy—and **attracting strategic investment** into priority sectors.

In addition to lowering the tax burden for SMEs, the new law expands preferential regimes for high-value projects, extends incentive durations for major investments, and reinforces fairness through targeted anti-avoidance measures.

Reduced CIT Rates for SMEs

For many smaller businesses, taxation is one of the most significant operating costs. Recognising this, the revised CIT Law retains the **standard CIT rate** at **20%**, but introduces **two new preferential rates** designed to encourage growth, reinvestment, and long-term stability for SMEs:

- **15%**: For businesses with annual revenue **not exceeding VND 3 billion** (≈ USD 120,000)
- **17%**: For businesses with annual revenue **above VND 3 billion but not exceeding VND 50 billion** (≈ USD 2 million)

These revenue thresholds are assessed based on the **previous fiscal year's results**, providing a clear and predictable basis for determining eligibility. For newly established enterprises, the Government will release **specific guidance** to ensure consistent application.

Importantly, the new scheme is designed to prevent abuse. **Anti-avoidance rules** mean that these rates **are not available** to subsidiaries or related-party companies if the parent entity does not qualify as an SME. This ensures that incentives remain targeted to independent small and medium-sized businesses rather than large corporations using artificial structures to reduce tax liabilities.

Preferential Rates for Targeted Sectors

The CIT reform is not solely about supporting smaller enterprises—it also maintains and refines Vietnam's long-standing approach of directing incentives toward industries with strong development potential and socio-economic impact.

The law continues to offer preferential rates for a wide range of sectors, including:

- **10% (full duration)**: Forestry, agriculture, aquaculture, social housing, publishing
- **10% (15 years)**: High-tech, software production, supporting industries, renewable energy, projects in high-tech zones or disadvantaged areas
- **15% (full duration)**: Agricultural production outside disadvantaged areas
- **17% (full duration)**: People's credit funds, microfinance institutions
- **17% (10 years)**: Automobile assembly, SME-support infrastructure, advanced steel production

At the other end of the spectrum, certain high-profit or resource-based industries remain subject to **higher tax rates**, reflecting their substantial earnings and the need for sustainable resource management:

- **Oil & gas exploration and extraction**: Tax rates range 25%–50%, depending on project specifics (as decided by the Prime Minister)
- **Mining of rare and precious resources**: 50% (reduced to 40% for projects where 70%+ of the mine is in specially difficult socio-economic zones)

These sector-based measures strike a balance between **stimulating growth** in priority areas and ensuring **equitable fiscal contributions** from resource-intensive industries.

Extended Incentive Periods for Strategic Investments

Large-scale investments often require significant lead time before generating returns. To address this, the 2025 CIT Law offers **extended preferential periods** for qualifying strategic projects.

Preferential tax periods can now be extended up to 15 years for projects that meet one of the following conditions:

- High-tech, software, supporting industries, or renewable energy projects with **capital ≥ VND 6,000 billion** (≈ USD 240 million) delivering strong economic or social benefits
- Projects with **capital ≥ VND 12,000 billion** (≈ USD 480 million) implemented within five years and using advanced technology
- Projects achieving **annual revenue ≥ VND 20,000** billion within five years, employing **6,000+ workers**, or investing in **essential infrastructure** such as water plants, power stations, or wastewater systems

In addition, the **Prime Minister** may extend tax exemption or reduction periods by up to **1.5 times** the standard duration for specially incentivised projects under the **Investment Law**.

This offers greater certainty for long-term investors and makes Vietnam more competitive in attracting large-scale, high-impact developments.

Tax Holidays and Labour-Linked Incentives

The CIT Law also refines the **tax holiday** structure to further encourage investment:

- **4-year exemption + 50% reduction for 9 years**: For companies enjoying a 10% rate over 15 years
- **2-year exemption + 50% reduction for 4 years**: For companies enjoying a 17% rate over 10 years

In a progressive move, labour-linked incentives will also be offered. These include:

- **Tax reduction equal to the additional cost of employing and supporting a large number of female workers**
- **Tax reduction for employing a high proportion of ethnic minority workers** (with detailed guidance to be issued)

By linking tax benefits to inclusive employment practices, the law aligns fiscal policy with broader social development goals.

Impact and Next Steps for Businesses

The revised CIT framework is a **modernised**, **transparent**, and **targeted tax regime**. SMEs benefit from reduced tax burdens, strategic projects gain longer incentive periods, and safeguards ensure incentives are applied fairly and effectively.
For businesses, the priority now is to **assess eligibility** under the new provisions, determine whether to transition from existing incentives, and align investment or expansion plans with the updated criteria. Strategic planning will be essential for making taxes as efficient as possible under the 2025 rules.

At Fidinam, we offer tailored tax advisory services to help businesses navigate the new CIT regime effectively. Contact us at info@fidinamgw.com to learn how we can assist your company.

By Phuong Thao Bui
Managing Director - Lawyer
Fidinam Vietnam

DOING BUSINESS IN AUSTRALIA – FROM MARKET POTENTIAL TO MARKET ENTRY

In June, Fidinam, in partnership with Austrade and Airwallex, hosted an exclusive breakfast talk at the Mandala Club in Singapore to guide entrepreneurs and investors through the opportunities and practicalities of establishing a presence in Australia.

The event brought together senior representatives from Austrade, Fidinam, Airwallex, and BDJ to provide a comprehensive view of Australia's business environment, legal frameworks, and operational considerations.

Australia's Market Landscape and Investment Potential

The session opened with an overview from **Carol Lum**, Senior Investment Director at the Australian Trade and Investment Commission (Austrade). She emphasized Australia's reputation as a **stable**, **well-regulated**, and **business-friendly economy**, underpinned by strong governance, a resilient economic track record, and robust legal protections for investors.

Australia offers a range of competitive advantages:

- **Proximity to Asia Pacific markets** and deep integration into global supply chains.
- A **skilled**, **multicultural workforce** supported by a thriving R&D ecosystem.
- Government-backed incentives, such as R&D tax rebates and commercialization grants.

The audience also gained a macro view of **Foreign Direct Investment (FDI)** trends. As of 2024, Australia's total FDI stock reached A$5 trillion, with Singapore ranking as the **largest ASEAN investor** and seventh globally. Singaporean investment spans traditional sectors such as real estate, tourism, and logistics, as well as emerging industries like e-commerce, fintech, healthtech, renewable energy, and agritech.

Ms. Lum also highlighted the strength of the bilateral relationship through trade agreements, including the **Singapore–Australia Free Trade Agreement**, the **Digital Economy Agreement**, and the **Green Economy Agreement**, each designed to remove barriers and encourage two-way trade and investment.

Choosing the Right Business Structure

Following the market overview, **Katrina Luo**, Manager of Accounting & Corporate Services at Fidinam Sydney, outlined the main **corporate structures** available to foreign investors:

1. **Proprietary Limited Company (Pty Ltd) –** the most common structure for foreign businesses, similar to a limited liability company. It requires at least one resident director, a registered Australian address, and compliance with local reporting requirements.

2. **Branch Office –** an extension of a foreign parent company that allows direct operations in Australia without forming a separate legal entity.

3. **Representative Office –** limited to non-commercial activities, useful for market research or initial presence without full operational costs.

Ms. Luo detailed incorporation timelines (as little as two business days for a Pty Ltd) and key compliance obligations, including **GST registration thresholds** and **annual financial reporting** for larger entities.

Immigration and Employment Considerations

Employment law and immigration are crucial for companies relocating staff or hiring locally. Ms. Luo outlined visa categories, from **temporary skill shortage visas** to **permanent residence pathway**s. She also explained the importance of understanding award rates, workplace safety rules, and the compliance burden associated with employee benefits.

Banking and Payments Solutions

Ziyan Chong, Associate Director of Channel Partnerships at Airwallex, demonstrated how digital banking platforms can simplify **cross-border transactions** and manage multi-currency operations. He explained how fintech solutions are particularly relevant for companies entering Australia, where cross-border payments and foreign exchange efficiency can directly impact profitability. Airwallex's services, for example, enable businesses to open global accounts, collect and hold funds in multiple currencies, and make international payments with competitive rates.

Understanding the Australian Tax Framework

The tax session, led by **Andrew Fraser**, Partner at BDJ, provided a detailed look at Australia's **corporate and indirect tax system**.

Key points included:

- **Corporate Income Tax** – generally 30%, or 25% for "base rate entities" with turnover under A$50 million and limited passive income.
- **Goods and Services Tax (GST)** – a 10% broad-based consumption tax, with registration required for businesses exceeding A$75,000 in turnover.
- **Capital Gains Tax (CGT)** – applies to profits from the sale of assets; foreign residents face specific withholding obligations when disposing of Australian property.
- **Withholding Taxes** – applicable to certain payments to non-residents, with treaty relief available.
- **Stamp Duty** – levied at the state level, particularly on property transfers.

Mr. Fraser also addressed **audit requirements**, noting that large proprietary companies and certain foreign-controlled entities must file audited financial statements with the Australian Securities and Investments Commission (ASIC). He further explained the **employer obligations** in Australia, including Pay-As-You-Go (PAYG) withholding, superannuation contributions (11.5% in 2025), payroll tax thresholds, and workers' compensation insurance.

Key Takeaways for Investors and Entrepreneurs

The speakers collectively underlined several critical factors for success when entering the Australian market:

- **Do your homework** – Understand regulatory requirements, industry conditions, and the competitive landscape before committing.
- **Choose the right structure early** – Your choice will impact taxation, compliance, and operational flexibility.
- **Leverage local networks** – Partnerships with local advisors and institutions can accelerate market entry.
- **Plan for compliance** – Australian regulations are transparent but require disciplined adherence to tax, employment, and corporate governance rules.
- **Take advantage of government support** – From R&D incentives to trade facilitation programs, Australia offers resources to help new entrants succeed.

Conclusion

The “Doing Business in Australia” breakfast talk successfully combined strategic context with practical steps, giving attendees a 360-degree view of market entry. By covering the **why**, **how**, and **what next** of expanding into Australia, the event equipped participants with the tools to make informed, confident decisions about their expansion strategy.

Fidinam’s on-the-ground expertise in Australia and across Asia Pacific means we can support investors and entrepreneurs at every stage of their market entry journey—from structuring the right entity and ensuring tax compliance to navigating employment law and cross-border operations.

For businesses seeking to diversify their footprint and access one of the region’s most stable and opportunity-rich markets, Australia offers a compelling destination—and Fidinam is ready to support you. Contact us at info@fidinamgw.com for more information.

By Katrina Luo
Manager - Accounting & Corporate Services
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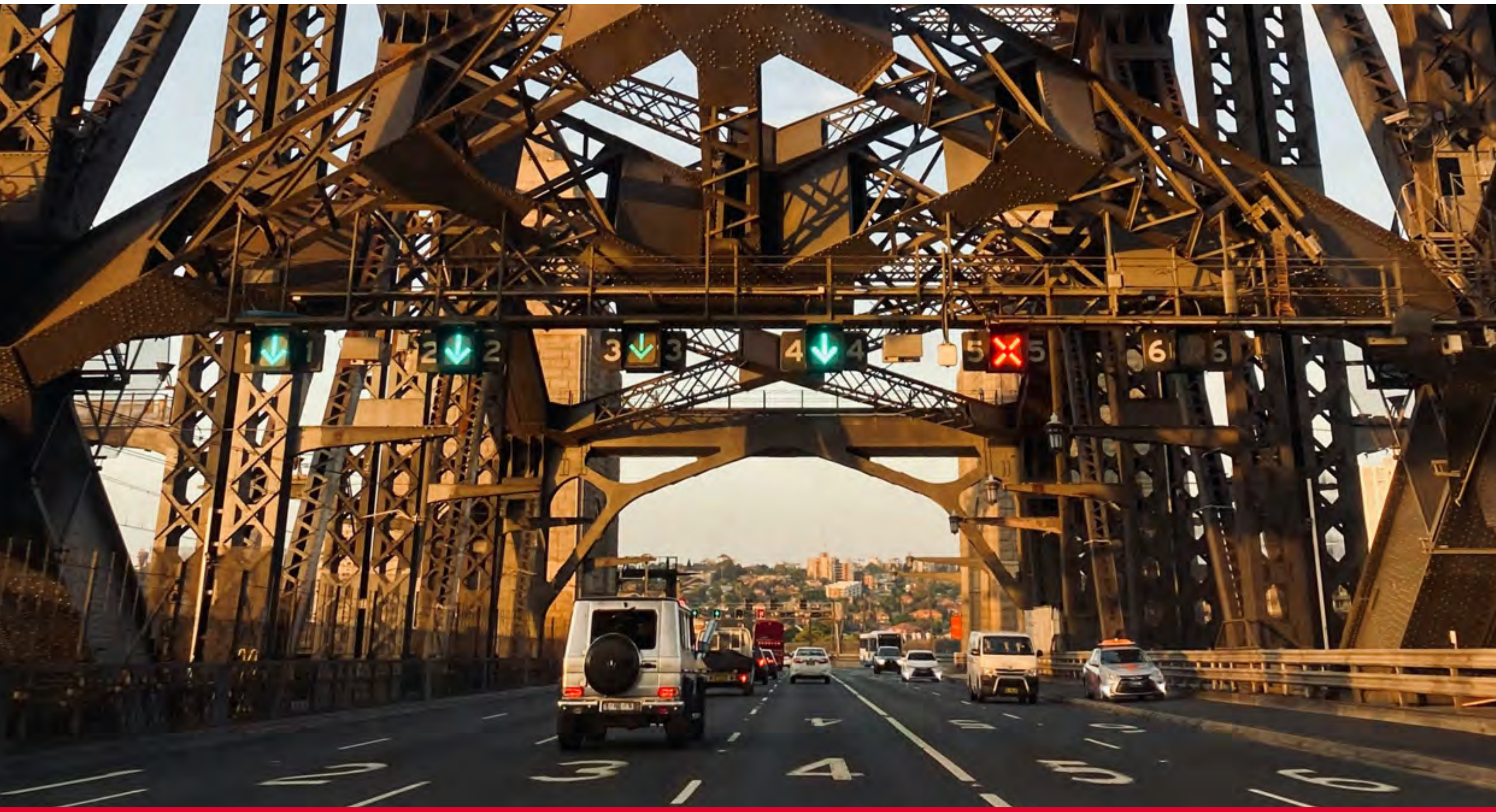

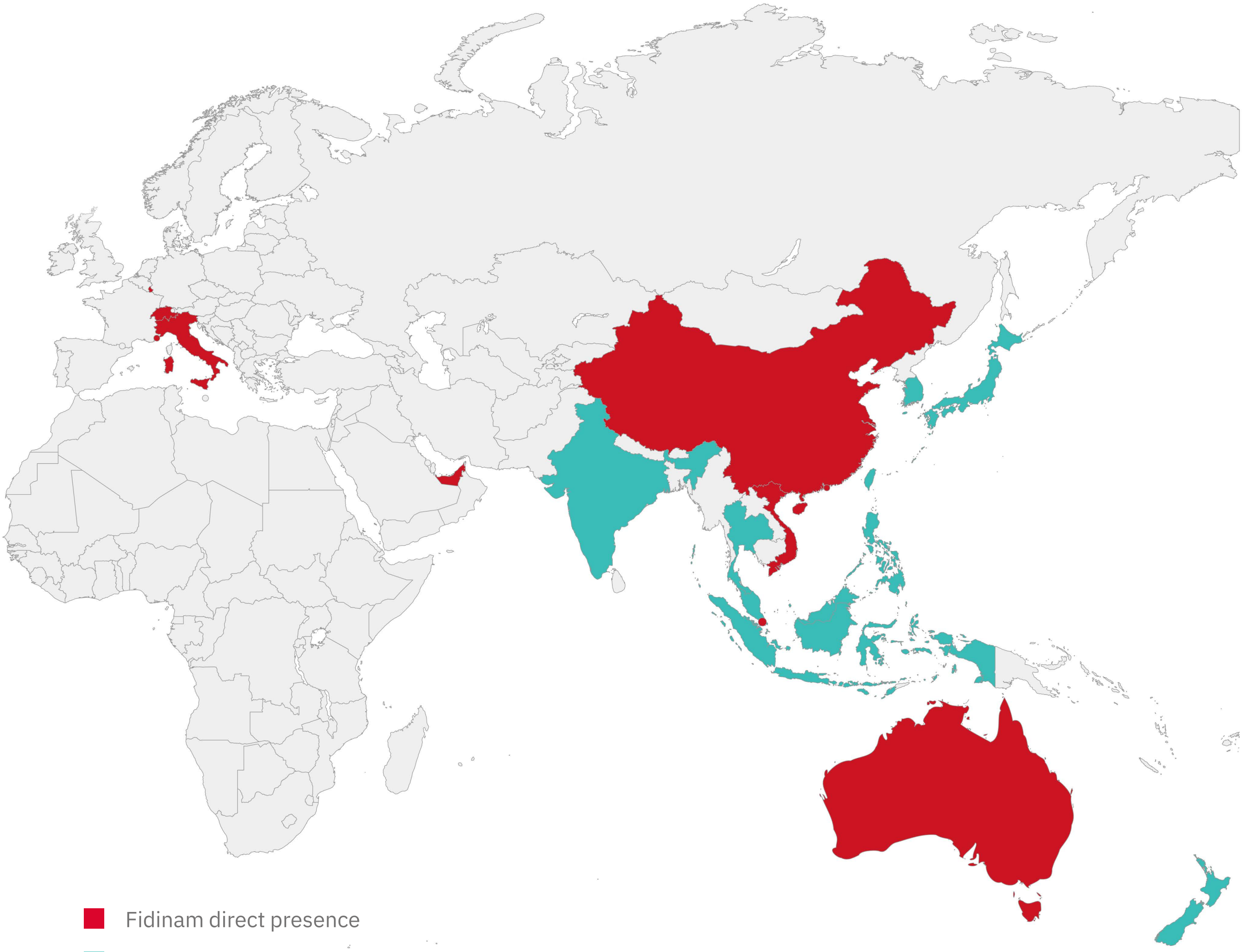

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