

Cash and Liquidity Management Guide for Corporates

Foreword

The increased need for visibility, control and liquidity optimisation across entities and geographies remains a top priority for corporate treasurers.

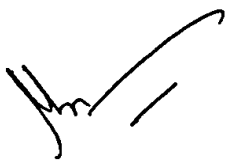
It continues to be a challenge to keep up with changing interest rates, regulatory, and tax policies in different jurisdictions, on top of an uncertain geopolitical and business climate.

Treasury teams need liquidity to move faster than ever to meet demanding corporate needs. Staying abreast of relevant market information is crucial in validating the effectiveness of domestic and cross-border liquidity management structures as you deliver your corporate treasury objectives and optimise cash management operations for your organisation.

Standard Chartered, an award-winning liquidity management provider and a leading global cash management bank, worked with PricewaterhouseCoopers Singapore to produce this updated Cash and Liquidity Management Guide for Corporates.

This 2024 Guide provides you with a handy overview of the considerations for each market covered. Spanning the globe, we have added Egypt, Kuwait, Saudi Arabia, and the United States as new markets to our 2019 Guide, to provide an up-to-date view of factors impacting your liquidity management considerations.

We look forward to discussing how we can help you achieve more for your corporate treasury.



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User notes

This guide was developed for Standard Chartered's corporate clients seeking general information on considerations applicable to cash and liquidity management in selected markets. Financial institutions generally have different considerations from corporates and are therefore not covered in this guide.

This guide aims to provide a compilation of publicly available information which is not bank-specific and therefore does not reflect Standard Chartered's presence or offerings in each market. For further information on Standard Chartered's offering in each market, please reach out to your relationship manager.

For brevity, abbreviations are used in certain profiles within this publication. A table of all abbreviations used in this guide can be found in the Appendix. As regulatory and tax definitions as well as banking product offerings vary between markets, the following provides further information on the terms/ definitions used in this guide.

Under general information

Under general information, Gross Domestic Product (GDP) and population statistics have been obtained from the World Bank except for Taiwan's GDP statistics, which were obtained from the Statistical Bureau, National Statistics, Republic of China (Taiwan).

The data sources (ex-Taiwan) are the latest available statistics from the World Bank, reflecting figures published for the year of 2022.

Under account conditions

Current and Savings accounts refer to demand deposit accounts offered by banks for resident and non-resident corporate clients, which will be referred to collectively as corporates in this guide unless specified. Current accounts may also be known as checking or cheque accounts. Certain markets may offer other similar account types, such as Call deposits. Interest Optimisation refers to the enhancement of interest based on notionally aggregated balances held across multiple accounts (possibly in different currencies or countries where local regulations permit). Non-residents in this section generally refers to an overseas entity without a permanent establishment in that country.

Under sweeping/ intercompany lending

The automation of intercompany lending transactions, typically provided as a service by banks, is known as sweeping or cash concentration. In some markets, automation may not be possible due to regulations or because of market practice. Such markets may nonetheless allow for (non-automated) intercompany loans. Where no distinction is made, the information provided in this section is relevant for both sweeping and intercompany lending.

Under notional pooling

Notional pooling refers to the offsetting of deficit and surplus balances across different accounts without a physical transfer of funds. These may be allowed in some markets for multiple accounts held by different entities and/ or in different currencies. Notional pooling will typically result in interest benefits or cost savings arising from the offset as well as efficient access to intra-group funds in a similar manner to sweeping. In general, notional pooling is subject to the enforceability of rights of set-off for single entity pools and cross guarantees and set-off for multi-entity pools.

Under domestic remittance

The domestic remittance section covers the different payment systems available in each country, including information on their respective earliest value dates and any applicable restrictions. This information is obtained from the respective Central Banks and other government websites of each market.

Payments-on-behalf-of (POBO)/ Receipts-on-behalf-of (ROBO) refers to the practice of an in-house bank (IHB) or group treasury function executing payments or receiving collections on behalf of an affiliate entity.

Key benefits of establishing a POBO/ ROBO structure include account rationalisation and the consolidation of bank relationships. As payments and receivables are processed centrally, the IHB will benefit from enhanced liquidity control, such as more accurate cash forecasting, working capital allocation, improved process efficiency, and reduced fraud risk. Additionally, the consolidation of transactions will realise cost savings from reduced volumes of cross-border transactions.

Key considerations for POBO/ ROBO structures include regulatory and tax considerations:

Regulatory considerations

- Intercompany lending – Some markets have restrictions on intercompany loans, especially cross-border loans. Restrictions may be in the form of approvals, reporting, documentation, tenor, and interest rate levels.
- Non-resident accounts – Some markets have restrictions on the opening and operations of non-resident accounts. Such restrictions may limit accounts to specific purposes and activities, affecting the feasibility of certain POBO/ ROBO models.
- In such cases, an account held by a resident may need to be used to process transactions.
- Currency controls – The use of currencies offshore is restricted in many markets, limiting the feasibility of POBO/ ROBO.

Tax considerations

- Thin capitalisation – Many markets impose a cap on the level of borrowing or gearing for companies, which may restrict the amount of interest on related party loans that is deductible for tax purposes.
- Withholding taxes (WHT) – Some markets levy WHT on intercompany loan interest received by an offshore entity. Hence, these structures require careful vetting by tax advisors and extensive modelling of cash flows to determine the financial impact.
- Transfer pricing – High rates of interest charged on cross-border intercompany loans may be viewed as profit shifting.

When considering a POBO/ ROBO model, the IHB must consider the regulatory landscape of both its resident market and the market where the model is being executed. For example, in POBO model 2 in this guide, the offshore IHB must consider if their resident market (Country A) permits the opening of offshore accounts.

In addition, the IHB will also have to take note of any regulations regarding the opening and operation of non-resident accounts in the target operating market. The same considerations apply for regulations governing cross-border remittances, currency controls, and intercompany lending in both markets.

This guide outlines the feasibility of the three possible POBO/ ROBO models in each market by classifying them into one of three designations: Possible, Possible with restrictions, or No. The models' classification will be accompanied by an explanation justifying its designation. Each model's feasibility is dependent on the current regulatory restrictions and requirements governing intercompany lending and cross-border remittances in the market.

Under tax considerations

Corporate Tax may also be known as Corporate Income Tax in some markets. Treasury-related tax incentives refer to tax incentives for setting up centralised treasury structures such as regional treasury centres or in-house banks. Regulations generally differ across markets as to what constitutes qualifying treasury activity for providing incentives. In general, tax incentives for other business activities or for the promotion of certain economic sectors have not been included in this guide.

Some markets have different WHT rates for interests, dividends, and royalties paid. For all markets listed, withholding tax rates may be reduced by Double Taxation Agreements (DTAs) signed and ratified by both countries. Tax credits may be available pursuant to tax treaties for relief from double taxation.

As-of date

Unless otherwise stated, the information contained in this guide is up to date as of 31 October 2023.

Contents

Asia

Australia	6
Bangladesh	12
Brunei	20
China	25
Hong Kong	31
India	37
Indonesia	44
Macau	51
Malaysia	56
Labuan	64
Philippines	71
Singapore	78
South Korea	85
Sri Lanka	92
Taiwan	98
Thailand	104
Vietnam	112

Africa

Botswana	118
Ghana	124
Ivory Coast	132
Kenya	138

Mauritius	144
Nigeria	150
South Africa	156
Tanzania	162
Uganda	169
Zambia	175

Middle East

Bahrain	181
Egypt	187
Iraq	192
Oman	203
Pakistan	209
Qatar	216
Saudi Arabia	222
United Arab Emirates	227
Dubai International Finance Centre	233

Europe & Americas

Germany	238
United Kingdom	244
United States of America	250

Australia



GDP
USD1.69 trillion



GDP growth
4.3 per cent



Population
26.00 million



Central bank
Reserve Bank of Australia



Local currency
Australian Dollar (AUD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	-
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₂: Interest – Y, Overdraft – N

Y_R: Restrictions apply

Y₃: Interest – N, Overdraft – Y

Y₄: Interest – N, Overdraft – N

N: Not available

N_M: Not offered in the market



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions Y_R: Restrictions may apply N: Not allowed N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements



Currency convertibility

Local currency: LCY is convertible onshore and offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T	-
New Payments Platform (NPP)	T (almost immediate)	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

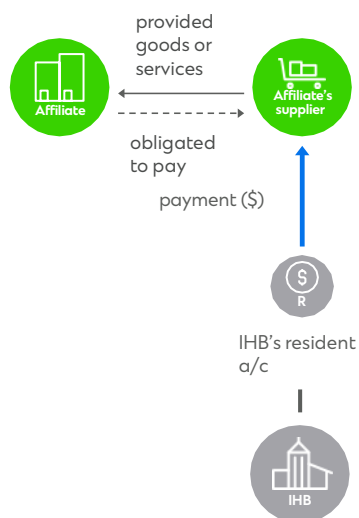
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

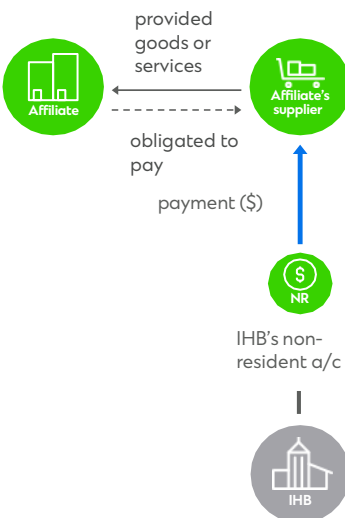
Model 1 > Possible

In-House Bank (IHB)¹ entity using its resident account in Country A to execute POBO an affiliate entity in Australia



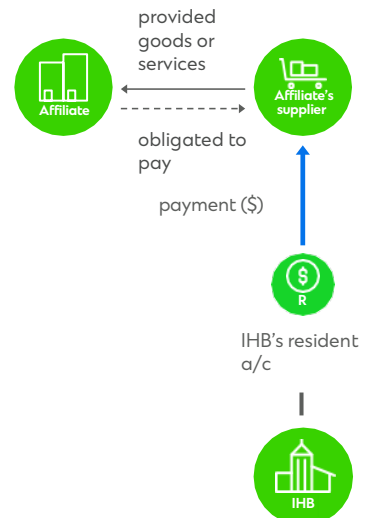
Model 2 > Possible

IHB entity using its non-resident account in Australia to execute POBO an affiliate entity in Australia



Model 3 > Possible

Local IHB entity in Australia using its resident account to execute POBO an affiliate entity in Australia



Legend ● Australia ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.

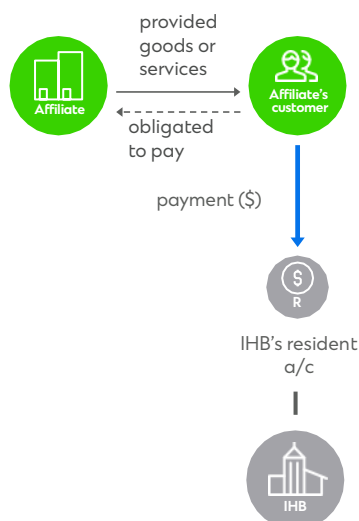
¹Although In-House Bank is a common treasury concept, corporates and non-bank institutions are not encouraged to use the word "Bank" as penalties may be imposed by Australian Prudential Regulation Authority for using the word to describe a business other than that of a licensed bank.



Receipts-on-behalf-of (ROBO)

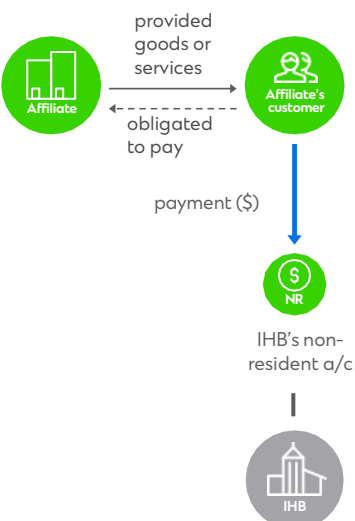
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Australia



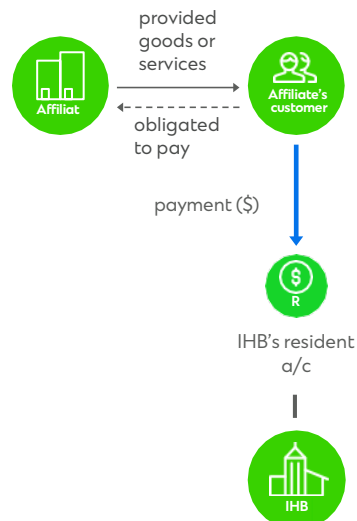
Model 2 > Possible

IHB entity using its non-resident account in Australia to receive and process ROBO an affiliate entity in Australia



Model 3 > Possible

Local IHB entity in Australia using its resident account to receive and process ROBO an affiliate entity in Australia



Legend

● Australia ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies



Tax considerations

Residency: A company is resident in Australia if it is incorporated in Australia, or if not incorporated in Australia, it carries on business in Australia and either exercises its central management and control in Australia or has its voting power controlled by shareholders that are residents of Australia.

Permanent Establishment (PE): Broadly, under domestic law, a PE is a place at or through which a person carries on any business.

Corporate tax

The corporate tax rate generally is 30 per cent. However, there is a reduced tax rate of 25 per cent. This reduced tax rate applies to companies with an aggregate annual turnover of less than AUD50 million and companies whose passive income derived is no more than 80 per cent of their assessable income in that income year.

30 per cent/
25 per cent

Treasury-related tax incentives

No

<p>Thin capitalisation</p> <p>Interest deductions claimed against Australian assessable income by both foreign controlled Australian investments (inward investors) and Australian entities investing overseas (outward investors) are restricted where an entity's debt exceeds a certain prescribed level. Depending on the type of entity, the method interest limitation rules differ.</p> <p>Moreover, these rules apply to total debt, rather than just related-party foreign debt, and cover Australian multinational companies, as well as foreign multinational investors.</p> <p>Taxpayers, together with their associates, that have interest deductions of less than AUD 2 million per annum or outward investing entities (e.g., Australian entities investing overseas) with 90% or more of their total average value of assets consisting of Australian assets are exempt from the rules.</p>	Yes
<p>Transfer pricing</p> <p>The transfer pricing rules may apply to any international transactions, or dealings between related parties (e.g., separate legal entities, as other PEs), where a "transfer pricing benefit" has been derived. The Australian tax authorities can disregard actual conditions and apply the arm's length conditions instead.</p>	Yes
<p>Controlled foreign corporation rule</p> <p>Under the CFC regime, non-active income of foreign companies controlled by Australian residents (as defined) may be included in the assessable income of the Australian shareholder.</p>	Yes
Withholding tax¹	
<p>Interest on bank deposits</p> <p>Interest on bank deposits paid by banks to a non-resident is subject to a WHT of 10 per cent.</p>	10 per cent
<p>Interest on intercompany loans</p> <p>Australia does not impose WHT on interest paid by a resident to another resident.</p> <p>A WHT of 10 per cent applies on interest paid to non-residents.</p>	No 10 per cent
<p>Dividends</p> <p>Australia does not impose WHT on dividends paid by a resident to another resident.</p> <p>Franked dividends paid to non-residents will not be subject to WHT. Unfranked distributions will be subject to 30 per cent WHT.</p>	No No/ 30 per cent

¹ This section does not consider Double Tax Agreements entered into by Australia and another country which may have provided lower rates of withholding taxes for each category below.

Royalties

Australia does not impose WHT on royalties paid by a resident to another resident.

No

A WHT of 30 per cent applies on royalties paid to non-residents.

30 per cent

Bangladesh



GDP
USD460.2 billion



GDP growth
7.1 per cent



Population
171.19 million



Central bank
Bangladesh Bank



Local currency
Bangladeshi Taka (BDT)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_3	$Y_{4,R}$	In general, current accounts are non-interest bearing.
	FCY	$Y_{4,R}$	$Y_{4,R}$	A resident that is an exporter of goods is allowed to open a FCY account. A resident may also open a special purpose FCY account, subject to prior permission from Central Bank.
Savings account opening	LCY	Y_2	$Y_{4,R}$	Opening of non-resident LCY accounts requires prior permission from the Central Bank and is only allowed for prescribed uses.
	FCY	Y_R	Y_R	Non-resident cannot open any interest-bearing LCY accounts.

Residents may open accounts offshore, subject to approval from the Central Bank.

Interest optimisation	No	-
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	N	LCY sweeping between same resident entities is allowed. LCY sweeping between non-resident entities (including EPZ/ EZ entities), is not allowed.
Same entity (NR)	N	Y _R	For Type A and Type B entities, FCY loans from Type A subsidiaries/associates operating in EPZs of Bangladesh are allowed. In general, FCY transactions, including borrowing, are subject to prior approval from Central Bank.
R ↔ R	Y _R	N	Intercompany LCY lending by residents to residents/ non-residents are subject to documentation and Central Bank approval.
R ↔ NR	Y _R	N	Intercompany FCY lending by residents to residents/ non-residents is not allowed.
NR ↔ NR	N	Y _R	Intercompany LCY lending from resident to non-resident is not allowed.
			Note: For foreign exchange regulatory purpose, the units located in the EZs shall be categorised as following units: (a) Type A: 100 per cent foreign owned including those owned by Bangladeshi nationals ordinarily resident abroad; (b) Type B: Joint venture projects between foreign and Bangladeshi entrepreneurs resident in Bangladesh. (c) Type C: 100 per cent Bangladeshi entrepreneurs resident in Bangladesh

X-border	LCY	FCY	Additional information
R ↔ offshore	N	N	LCY is not a preferred international settlement currency. FCY account transactions must be operated within the parameters of Guidelines for Foreign Exchange Transactions (GFET 2018), which restricts the remittance of FCY for non-trade purposes.
NR ↔ offshore	N	N	For non-residents, short term FCY loans from parent companies/ shareholders abroad are allowed, subject to prevailing regulations and reporting conditions. However, non-resident to offshore cross border lending is not allowed.

Y: Yes, without restrictions Y_R: Restrictions may apply N: Not allowed N_M: Not offered in the market



Notional pooling

Notional pooling is not offered in Bangladesh.



Currency convertibility

Local currency: LCY is convertible to FCY for permissible transactions for resident entities. In some cases, such conversion is subject to prior approval from the Central Bank. LCY is not a preferred international settlement currency.

Foreign currency: FCY (for a list of permissible currencies) is convertible to LCY for both residents and non-residents.



Domestic remittance

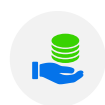
Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	LCY: Transactions must be BDT100,000 and above FCY: No minimum limit for transaction amount Approved currency for FCY RTGS: USD, GBP, EUR, CAD, JPY
Direct Debit (Clearing House)	T+1	-
National Payment Switch Inter Bank Fund Transfer (NPS IBFT) or Faster (Instant) Payments	T (Almost immediate)	<ul style="list-style-type: none">• Institutional initiators and individuals can transfer up to LCY 500,000 and LCY 300,000 respectively in a single transaction• No limit for number of transactions per day for institutional initiators and individuals• Total daily transfer allowance of LCY 2.5 million for institutional initiators and LCY 1.0 million for individuals



Cross-border remittance

Inward: Inward remittances above USD20,000 or equivalent must be declared with purpose of payment and reported to the Central Bank (via Authorised Dealers). FCY brought in from abroad can be maintained in relevant FCY accounts by eligible organisations for permissible reasons. Otherwise, such proceeds need to be converted into LCY. In special cases, there are documentary requirements and prior permission from the Central Bank may apply.

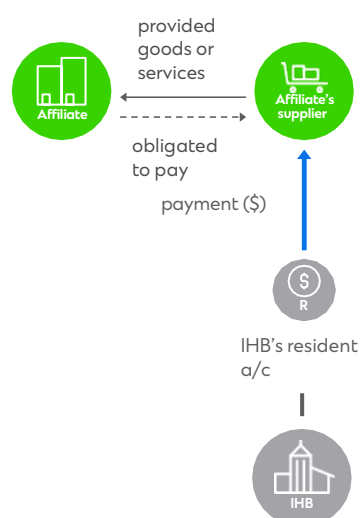
Outward: LCY generally cannot be freely remitted. FCY may be remitted overseas subject to compliance of foreign exchange guidelines for both trade and non-trade related transactions.



Payments-on-behalf-of (POBO)

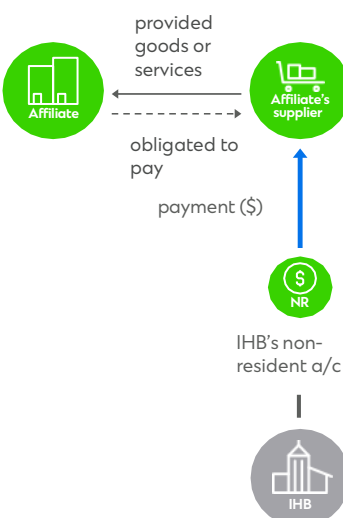
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Bangladesh



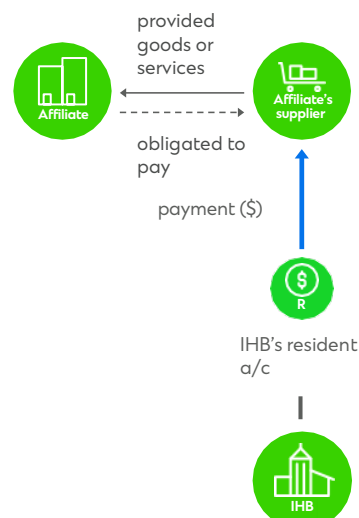
Model 2 > No

IHB entity using its non-resident account in Bangladesh to execute POBO an affiliate entity in Bangladesh



Model 3 > No

Local IHB entity in Bangladesh using its resident account to execute POBO an affiliate entity in Bangladesh



Legend ● Bangladesh ● Country A

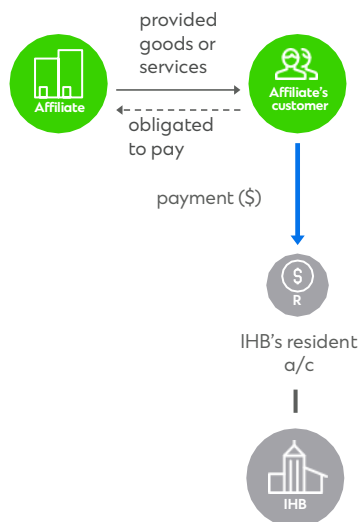
- Residents and non-residents can open bank accounts in LCY and approved foreign currencies.
- Model 1 is feasible in approved FCY, subject to appropriate transaction due diligence and approval for foreign lending from the Central Bank. LCY is not a preferred international settlement currency.
- Models 2 and 3 are not feasible in Bangladesh as IHB is not a regulatory approved payment model and local FIU requires maintenance of Unique Customer Identification Code to avoid duplication of customer identification (for customers operating multiple accounts) and to facilitate transaction verification, with complete and accurate information of both originator and beneficiary of domestic and cross-border wire transfers.



Receipts-on-behalf-of (ROBO)

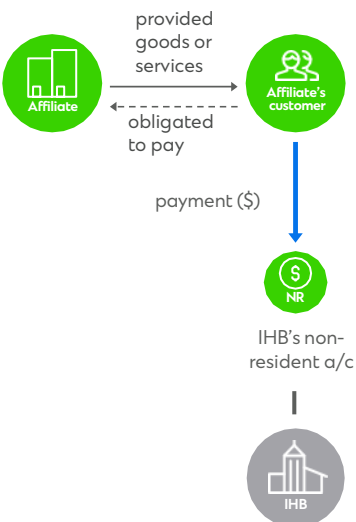
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Bangladesh.



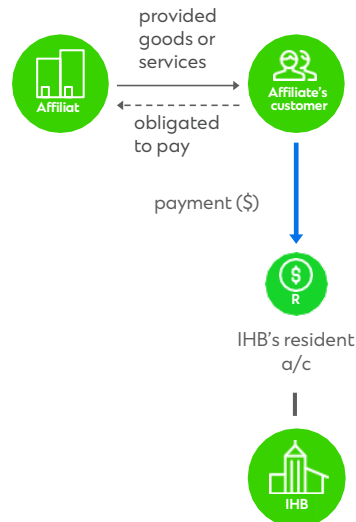
Model 2 > No

IHB entity using its non-resident account in Bangladesh to receive and process ROBO an affiliate entity in Bangladesh.



Model 3 > No

Local IHB entity in Bangladesh using its resident account to receive and process ROBO an affiliate entity in Bangladesh.



Legend ● Bangladesh ● Country A

- Residents and non-residents can open bank accounts in LCY and approved foreign currencies.
- Model 1 is feasible in approved FCY, subject to appropriate transaction due diligence and approval for foreign lending from the Central Bank. LCY is not a preferred international settlement currency.
- Models 2 and 3 are not feasible in Bangladesh as IHB is not a regulatory approved payment model and local FIU requires maintenance of Unique Customer Identification Code to avoid duplication of customer identification (for customers operating multiple accounts) and to facilitate transaction verification, with complete and accurate information of both originator and beneficiary of domestic and cross-border wire transfers.



Tax considerations

Residency: An entity is resident if it is registered in Bangladesh, or its management and control is in Bangladesh.

Permanent Establishment (PE): The term PE defined under Bangladesh tax law means a fixed place of business through which the business of an enterprise is wholly or partly carried on, and shall include (a) a place of management, (b) a branch, (c) an agency, (d) an office, (e) a warehouse, (f) a factory, (g) a workshop, (h) a mine, oil or gas well, quarry, or any other place for exploration, exploitation or extraction of natural resources, (i) a firm or plantation, (j) any construction site, any construction, installation or addition project or any supervisory activity related thereto, (k) provision of any services, including consultancy services, by any person or by any manpower engaged for the purpose by such person, if such activity is carried on in Bangladesh (in the same work or in any other work connected with the said work); and (l) a subsidiary of a non-resident person or any person commercially dependent on such non-resident person who carries on any activity connected with any sale made by the non-resident person in Bangladesh.

Corporate tax The standard corporate tax rate is 20, 22.5, or 25 per cent for companies whose shares are publicly traded and 27.5 or 30 per cent for those whose shares are not publicly traded. Insurance companies and financial institution whose shares are publicly traded are taxed at 37.5 per cent and those who are not publicly traded are taxed at 40 per cent. Mobile operators and cigarette companies are taxed at 45 per cent. For mobile operator companies, the rate is reduced to 40 per cent if it becomes publicly traded by floating at least 10 per cent of its shares in the local market.	20, 22.5, or 25 per cent/ 27.5 or 30 per cent 37.5 per cent/ 40 per cent 45 per cent/ 40 per cent
Treasury-related tax incentives	No
Thin capitalisation Bangladesh does not have any thin capitalisation rules. However, there are restrictions on deductibility of interest expenses on intercompany loans.	No
Transfer pricing The arm's length price method is to be used. Transfer pricing is broadly based on the OECD Guidelines.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits For interest paid to residents, if the proof of submission of return (PSR) is provided, the WHT would be 5, 10, or 20 per cent. Otherwise, 7.5, 15, or 30 per cent WHT will apply.	5 per cent/ 10 per cent/ 15 per cent or 7.5 per cent/ 15 per cent/ 30 per cent
For interest paid to non-residents, the WHT would be 20 per cent.	20 per cent
Interest on intercompany loans For interest on intercompany loan paid by a resident company to another resident company, if the proof of submission of return (PSR) is provided, the WHT would be 10 per cent. Otherwise, 15 per cent WHT will apply. For intercompany loan interest paid to non-residents, the WHT would be 20 per cent.	10 per cent/ 15 per cent 20 per cent
Dividends Dividends paid to residents are subject to WHT at 10 to 20 per cent. Dividends paid to non-residents are subject to WHT at 20 to 30 per cent.	10 to 20 per cent 20 to 30 per cent

Royalties

Royalty payments to residents are subject to WHT as stated in the law which is 10 per cent if the payment is up to LCY 2.5 million and 12 per cent for amounts above LCY 2.5 million. Furthermore, if the proof of submission of return (PSR) is not provided, the rate would be 50 per cent higher.

**10 per cent/
12 per cent**

Royalties paid to non-residents are subject to WHT at 20 per cent.

20 per cent

Brunei



GDP
USD16.68 billion



GDP growth
-1.6 per cent



Population
0.45 million



Central bank
Brunei Darussalam Central Bank



Local currency
Brunei Dollar (BND)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, current accounts are non-interest bearing.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	Overdrafts are usually only offered for resident current and savings accounts.
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₂: Interest – Y, Overdraft – N

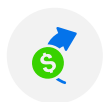
Y_R: Restrictions apply

Y₃: Interest – N, Overdraft – Y

Y₄: Interest – N, Overdraft – N

N: Not available

N_M: Not offered in the market



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	A lending licence will be required in accordance with the Moneylenders Act (Cap. 62) if interest is charged on the intercompany loan.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	A lending licence will be required in accordance with the Moneylenders Act (Cap. 62) if interest is charged on the intercompany loan.
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions Y_R: Restrictions may apply N: Not available N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Brunei.



Currency convertibility

Local currency: LCY is convertible onshore and offshore. The LCY is currently pegged to SGD at par and interchangeable.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCY 100,000 per transaction
Real Time Gross Settlement (RTGS)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

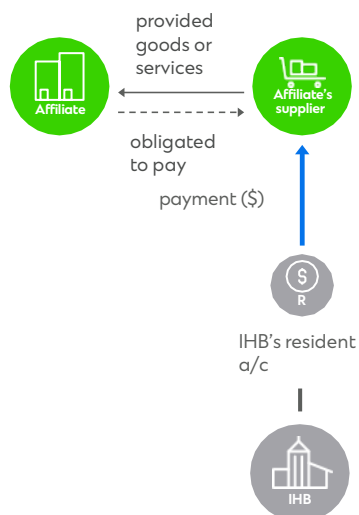
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

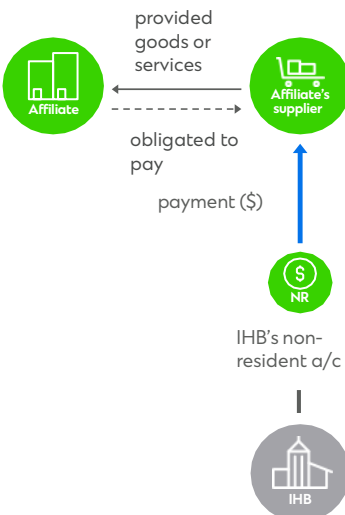
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Brunei



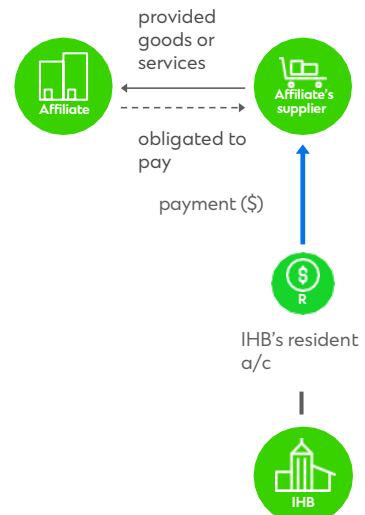
Model 2 > Possible

IHB entity using its non-resident account in Brunei to execute POBO an affiliate entity in Brunei



Model 3 > Possible

Local IHB entity in Brunei using its resident account to execute POBO an affiliate entity in Brunei



Legend ● Brunei ● Country A

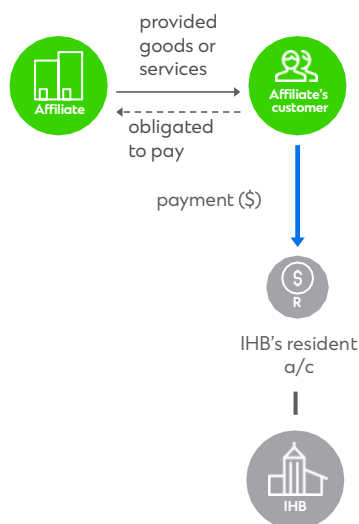
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Receipts-on-behalf-of (ROBO)

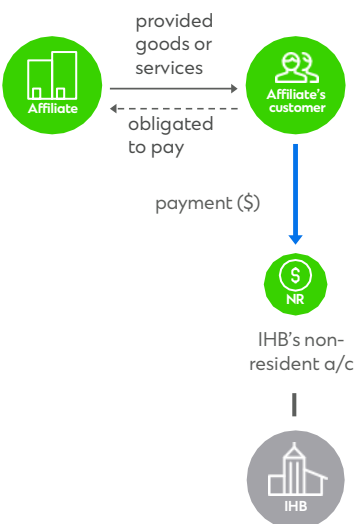
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Brunei



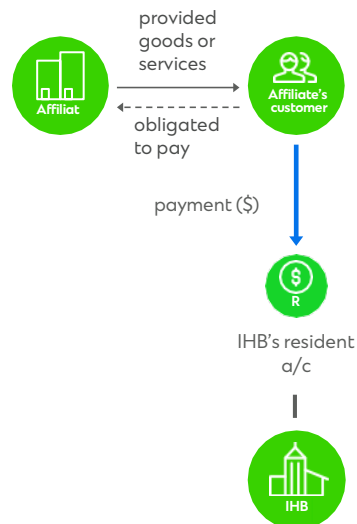
Model 2 > Possible

IHB entity using its non-resident account in Brunei to receive and process ROBO an affiliate entity in Brunei



Model 3 > Possible

Local IHB entity in Brunei using its resident account to receive and process ROBO an affiliate entity in Brunei



Legend ● Brunei ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies



Tax considerations

Residency: A company is a tax resident company if it is registered in Brunei and its control management is exercised in Brunei.

Permanent Establishment (PE): Broadly, a PE is a business establishment through which a foreign company conducts its income-generating business activities in Brunei.

Corporate tax

The base corporate tax rate is 18.5 per cent with partial tax exemption on:

- first BND100,000 of chargeable income: only 25 per cent shall be charged with tax, and
- next BND150,000 of chargeable income: only 50 per cent shall be charged with tax

Newly incorporated companies will be granted tax exemption on the first BND100,000 of chargeable income during the first 3 consecutive years of assessment.

18.5 per cent

Treasury-related tax incentives A company that provides financial services (including a corporate treasury centre) can apply to be a pioneer service company. The tax exemption period of a pioneer service company is 6 years with extension not exceeding 11 years in total.	Yes
Thin capitalisation	No
Transfer pricing There are no specific transfer pricing legislations. However, transactions between residents and non-residents should be conducted on an arm's length basis.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits Generally, there is no WHT if interest is paid to residents. Interest paid by a local bank to a non-resident is subject to a WHT of 2.5 per cent.	No 2.5 per cent
Interest on intercompany loans Brunei does not impose WHT on interest paid by a resident to another resident. A WHT rate of 2.5 per cent may apply for interest paid to non-residents in connection with any loan or indebtedness.	No 2.5 per cent
Dividends	No
Royalties Royalties or other lump sum payments for the use of movable property to a non-resident in and outside Brunei Darussalam are subject to withholding tax of 10 per cent.	Yes 10 per cent

China



GDP
USD17.96 trillion



GDP growth
3.0 per cent



Population
1.41 billion



Central bank
The People's Bank of China



Local currency
Yuan Renminbi (CNY)



Account conditions

	R		NR	Additional information
Current account opening	LCY	$Y_{1,R}$	$Y_{1,R}$	A resident entity can open only one basic RMB account and multiple general RMB accounts. There is no distinction between current and savings accounts.
	FCY	$Y_{1,R}$	$Y_{1,R}$	Both RMB and FCY interest rates are liberalised, However, there is RMB interest rate cap prescribed by PBOC.
Savings account opening	LCY	N_M	N_M	Non-resident accounts are allowed for specific purposes such as carrying out cross-border businesses and permitted investments.
	FCY	N_M	N_M	Free Trade Accounts (FTA) can be opened by residents and non-residents in LCY or FCY with banks under Free Trade Units (FTU) subject to uniform FTU rules.

Residents may open accounts offshore, subject to SAFE approval.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	Intercompany lending between resident entities is done via entrustment loans.
Same entity (NR)	Y	Y	SAFE approval is required for FCY sweeping between different entities except where the sweeping occurs between two non-resident accounts in China for specified purposes or operating in specified incentivised zones.
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y	Transactions between residents and non-residents are regarded as cross-border transactions. Please refer to cross-border table below.
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	Cross-border LCY sweeping is allowed on a case-by-case basis, subject to fulfilling the conditions laid out under the relevant PBOC regulation and subject to PBOC filing.
NR ↔ offshore	Y _R	Y _R	Cross-border FCY sweeping is allowed on a case-by-case basis. Where a non-resident is sweeping funds offshore, it is subject to fulfilling qualifying criteria and SAFE application/ filing under the relevant regulation.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling is not offered in China.



Currency convertibility

Local currency: LCY has restricted convertibility onshore (i.e., restrictions in the time, place, manner or amount of exchange of LCY). It is convertible offshore in selected RMB settlement locations.

Foreign currency: In general, FCY is convertible to LCY for trade and related transactions subject to relevant documentation. Certain types of FCY loans can be directly converted to LCY.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit	T	-
Instant Payment (IBPS)	T (almost immediate)	Up to LCY 50,000 per transaction



Cross-border remittance

Inward: For service trade remittances (FCY above USD50,000 or equivalent) the corporate will be required to provide relevant documentation to the receiving bank (e.g., contract, debit note etc.) in order for the funds to be credited. FCY loans and investments into China require reporting/ registration.

All LCY trade related remittances are allowed subject to relevant documentation. Purpose of payment is mandatory for inward RMB cross-border remittance.

Outward: For service trade remittances (FCY above USD50,000 or equivalent), corporates will be required to provide relevant documentation to the remitting bank (e.g., contract, invoice etc.) including tax registration slip for remittances.

For large corporates that have significant volume of cross-border transactions and have demonstrated good compliance standing, an application is required to be made to SAFE for cross-border sweeps and remittance based on more relaxed compliance/ administrative requirements, subject to fulfilling certain conditions.

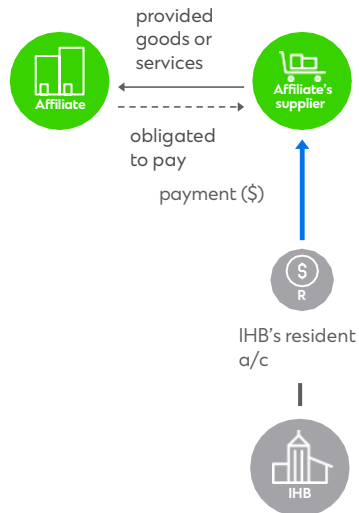
For corporates who meet the qualifying conditions under the relevant PBOC regulations, cross-border one-way lending is allowed, subject to SAFE registration.



Payments-on-behalf-of (POBO)

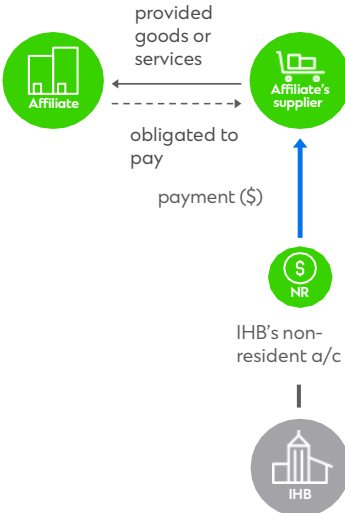
Model 1 > No

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in China



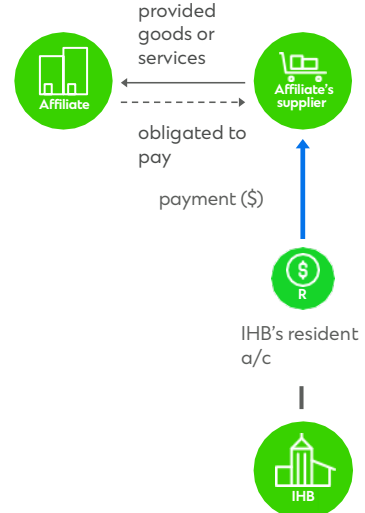
Model 2 > No

IHB entity using its non-resident account in China to execute POBO an affiliate entity in China



Model 3 > Possible with restrictions

Local IHB entity in China using its resident account to execute POBO an affiliate entity in China



Legend ● China ● Country A

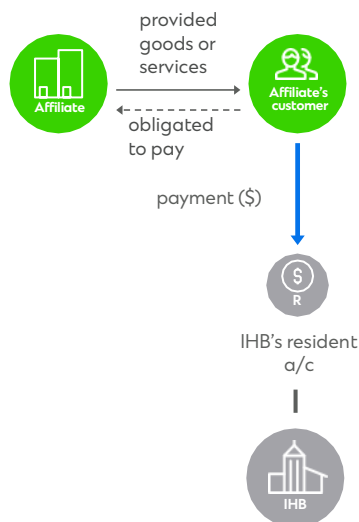
- Generally, in China, the agent-on-behalf-of or “pre-funded” model (IHB entity in China serving as a service provider between the beneficiaries and the subsidiaries within the corporate group) for cross-border transactions is permitted if there is no non-resident account involvement. All entities must be resident related parties and the arrangement can be done in LCY. For FCY, SAFE approval on a case-by-case basis is required.
- Payments shall be goods and services trade in nature. Supporting documents for cross-border payments must be submitted to the bank post transaction, as per local regulations. For special scenarios that are defined by SAFE (e.g., cross city FCY payment etc.), supporting documents need to be provided in advance of the payment. A Custom Declaration List is required for FCY goods trade payments over USD100,000 or equivalent as per the local SAFE requirement. Tax registration form is required along with goods and services trade payments of over USD50,000 or equivalent.
- Transit trade is prohibited under the FCY scheme.



Receipts-on-behalf-of (ROBO)

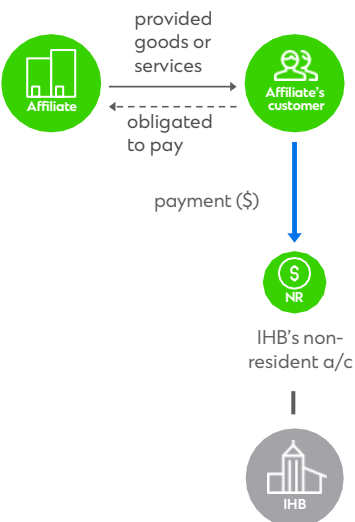
Model 1 > No

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in China



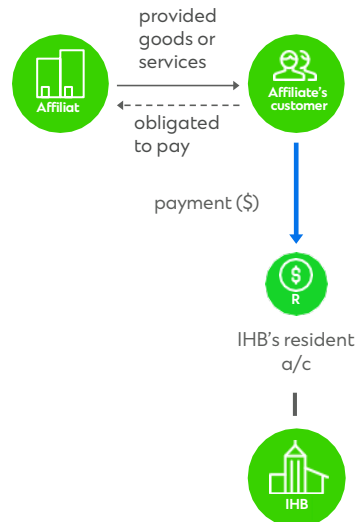
Model 2 > No

IHB entity using its non-resident account in China to receive and process ROBO an affiliate entity in China



Model 3 > Possible with restrictions

Local IHB entity in China using its resident account to receive and process ROBO an affiliate entity in China



Legend

● China ● Country A

- Generally, in China, the agent-on-behalf-of or “pre-funded” model (IHB entity serving as a service provider between the beneficiaries and the subsidiaries within the corporate group) for cross-border transactions is permitted if there is no non-resident account involvement. All entities must be resident related entities and the arrangement can be done in LCY. For FCY, SAFE approval on a case-by-case basis is required.
- Payments shall be goods and services trade in nature. Supporting documents for cross-border payments must be submitted to the bank post transaction, as per local regulations. For special scenarios that are defined by SAFE (e.g., cross city FCY payment etc.), supporting documents need to be provided in advance of the payment.
- Transit trade is prohibited under the FCY scheme.



Tax considerations

Residency: A company is deemed to be a China tax resident entity if it is established in China or if its effective management is in China.

Permanent Establishment (PE): A company is deemed to have a PE in China if it engages in business activity in China.

Corporate tax The standard corporate tax rate is 25 per cent.	25 per cent
Treasury-related tax incentives	No
Thin capitalisation The prescribed debt-equity ratios are set at 2:1 for enterprises in non-financial industries and 5:1 for enterprises in the financial industry	Yes
Transfer pricing China has formal transfer pricing regulation. In general, this follows the OECD transfer pricing guidelines, subject to certain exceptions.	Yes
Controlled foreign corporation rule Applicable where foreign enterprise is established in a country where effective tax burden is substantially lower than the Chinese corporate tax rate.	Yes

Withholding tax

Interest on bank deposits China does not impose WHT on bank interest paid to a resident company. A WHT of 10 per cent applies on bank interest paid to non-residents.	No 10 per cent
Interest on intercompany loans China does not impose WHT on interest paid by a resident to another resident. A WHT of 10 per cent applies on intercompany interest paid to non-residents.	No 10 per cent
Dividends China does not impose WHT on dividends paid between qualified resident companies (where one tax resident directly invests in the other). A WHT of 10 per cent applies on dividends paid to non-residents.	No 10 per cent
Royalties China does not impose WHT on royalties paid to residents. A WHT of 10 per cent applies on royalties paid to non-residents.	No 10 per cent

Hong Kong



GDP
USD359.84 billion



GDP growth
-3.5 per cent



Population
7.35 million



Central bank
Hong Kong Monetary Authority



Local currency
Hong Kong Dollar (HKD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	-
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

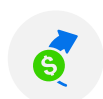
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore. The LCY is currently pegged to USD within a band.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	Also available in USD, EUR, and CNY
Direct Debit (Clearing House)	T	-
Faster Payment System (FPS)	T (almost immediate)	Also available in CNY



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

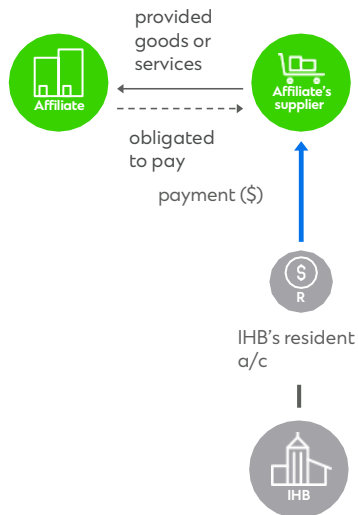
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

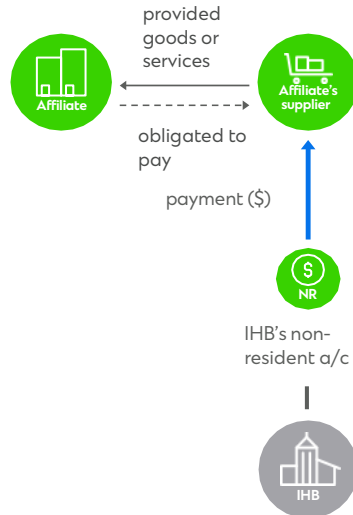
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Hong Kong



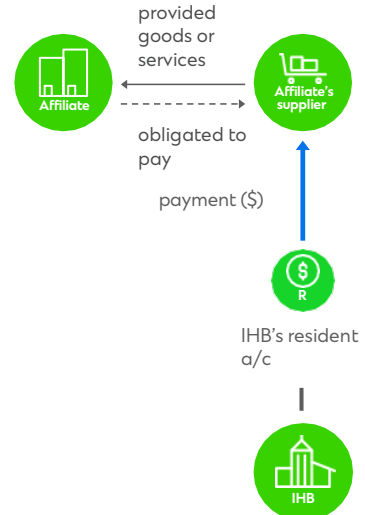
Model 2 > Possible

IHB entity using its non-resident account in Hong Kong to execute POBO an affiliate entity in Hong Kong



Model 3 > Possible

Local IHB entity in Hong Kong using its resident account to execute POBO an affiliate entity in Hong Kong



Legend ● Hong Kong ● Country A

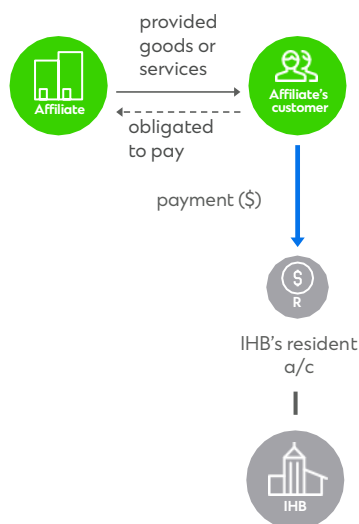
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Receipts-on-behalf-of (ROBO)

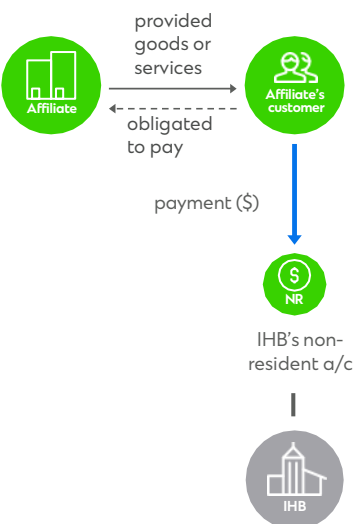
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Hong Kong



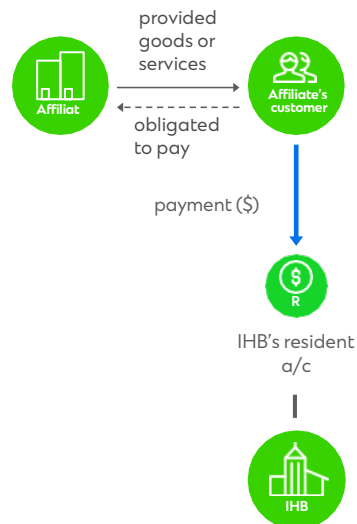
Model 2 > Possible

IHB entity using its non-resident account in Hong Kong to receive and process ROBO an affiliate entity in Hong Kong



Model 3 > Possible

Local IHB entity in Hong Kong using its resident account to receive and process ROBO an affiliate entity in Hong Kong



Legend ● Hong Kong ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Tax considerations

Residency: Companies incorporated in Hong Kong and companies that are normally managed or controlled/ centrally managed in Hong Kong are generally considered as Hong Kong tax residents.

Permanent Establishment (PE): For Hong Kong profits tax purposes, whether a foreign corporation is carrying on a trade, profession, or business in Hong Kong and the source of profits, rather than whether there is a PE in Hong Kong, are the decisive factors in determining taxability. A non-resident person, including a foreign corporation, having a PE in Hong Kong will be deemed as carrying on a trade, profession, or business in Hong Kong and the profits attributable to the PE will be subject to Hong Kong profits tax.

Corporate tax <p>The standard corporate tax rate is 16.5 per cent for corporations and 15 per cent for unincorporated businesses.</p> <p>Under a two-tiered profits tax rate, the first HKD2 million of assessable profits will be taxed at 8.25 per cent for corporations and 7.5 per cent for unincorporated businesses. A group of entities can only nominate one entity within the group to enjoy the reduced tax rate for a given year of assessment.</p>	16.5 per cent/ 15 per cent 8.25 per cent/ 7.5 per cent
Treasury-related tax incentives <p>Qualifying corporate treasury centres enjoy (1) a concessionary profits tax rate of 8.25 per cent for certain profits derived from carrying on qualifying treasury-related activities and (2) enhanced interest expense deduction rules for an intra-group financing business carried on by a corporation in Hong Kong, subject to conditions.</p>	8.25 per cent
Thin capitalisation <p>Hong Kong does not have any thin capitalisation rules. However, there are restrictions on deductibility of interest expenses.</p>	No
Transfer pricing <p>The Base Erosion & Profit Shifting (BEPS) and Transfer Pricing (TP) legislation was enacted in 2018 which formally (1) introduced a TP regulatory regime and mandatory TP documentation requirement in Hong Kong, and (2) implemented various standards under the OECD's BEPS Action Plan, including a three-tiered approach to transfer pricing documentation, i.e., a master file, local file and country by country reporting.</p>	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits.	No
Interest on intercompany loans	No
Dividends	No
Royalties <p>Hong Kong does not impose WHT on royalties paid by a resident to another resident.</p> <p>There is no WHT on royalties paid to a non-resident. However, the 4.95 per cent/ 16.5 per cent (for corporations) or 4.5 per cent/ 15 per cent (for unincorporated businesses) tax on royalties received by non-residents is akin to a WHT. The reduced tax rates apply if the Inland Revenue Department is satisfied that "no person carrying on a trade, profession or business in Hong Kong has at any time wholly or partly-owned the relevant intellectual property".</p>	No

India



GDP

USD3.42 trillion



GDP growth

7.2 per cent



Population

1.42 billion



Central bank

Reserve Bank of India



Local currency

Indian Rupee (INR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₃	Y _{4,R}	As per market practice, residents are generally not allowed to open FCY current accounts in India under regulations set by the Central Bank.
	FCY	Y _{3,R}	Y _{4,R}	Exceptions are available for export or trading entities who may open Exchange Earners' Foreign Currency (EEFC) accounts (subject to terms and conditions of the EEFC guidelines), or for units established in a Special Economic Zone (SEZ).
Savings account opening	LCY	N	N	For non-residents to open accounts, exceptions for certain industries/ entities may be available as prescribed in the regulations.
	FCY	N	N	Savings accounts cannot be opened for business purposes.

Residents may open accounts offshore, subject to approval from the Central Bank unless expressly allowed under the Foreign Exchange Management Act (FEMA) guidelines.

Interest optimisation	N _M	The concept is not specifically recognised under the Indian banking regulation. It is not market practice to offer interest optimisation.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

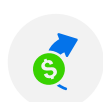
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	N	Under the Indian Companies Act, for a resident (other than specified entities) to borrow, it is required to fulfil certain procedural requirements.
Same entity (NR)	Y	N	
R ↔ R	Y _R	N	
R ↔ NR	N	N	
NR ↔ NR	N	N	
X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y _R	Remittance of LCY is not permitted under foreign exchange control regulations. Generally, FCY cross-border borrowing, and lending is restricted. However, residents are permitted to lend in FCY to its joint ventures or wholly owned subsidiaries outside India, subject to certain terms and conditions.
NR ↔ offshore	N	N	It is possible for a resident to borrow from non-residents subject to the fulfilment of prescribed conditions of the External Commercial Borrowing (ECB) policy, as applicable.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling is not specifically recognised under Indian banking regulation. Hence, it is not market practice to offer notional pooling. Furthermore, current accounts are non-interest bearing and there are restrictions on guarantees.



Currency convertibility

Local currency: LCY is convertible to FCY for permissible current account and capital account transactions. LCY is not convertible offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH) – NEFT	T	-
Real Time Gross Settlement (RTGS)	T	Each transaction must be above LCY 200,000
Direct Debit (Clearing House) – National ACH Debit	T	Up to LCY 10 million per transaction
Faster (Instant) payments – Immediate Payment Service (IMPS) and Unified Payments Interface (UPI)	T (almost immediate)	Up to LCY 200,000 per transaction for IMPS Up to LCY 100,000 per transaction for UPI



Cross-border remittance

Inward: Inward remittances in FCY are typically allowed for current account transactions, subject to any expressed restrictions or prohibitions as per the FEMA regulations. FCY capital account transactions require specific approval, unless the same has been expressly permitted under existing law. Purpose of payment is mandatory to ascertain permissibility under the FEMA regulation. Documentary requirements are subject to purpose of payment.

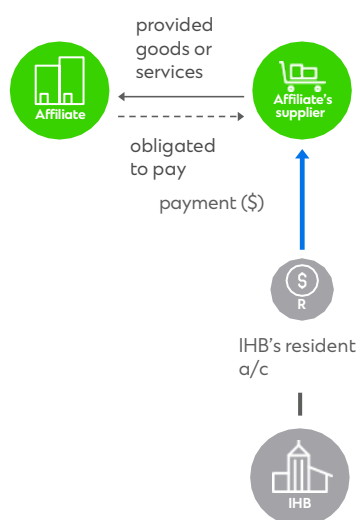
Outward: Outward remittance of LCY is prohibited due to foreign exchange controls. FCY remittances are typically allowed for current account transactions, subject to any expressed restrictions or prohibitions as per the FEMA regulations. FCY capital account transactions require specific approval, unless the same has been expressly permitted under existing law. Purpose of payment is mandatory to ascertain permissibility under the FEMA regulations. Documentary requirements are subject to purpose of payment.



Payments-on-behalf-of (POBO)

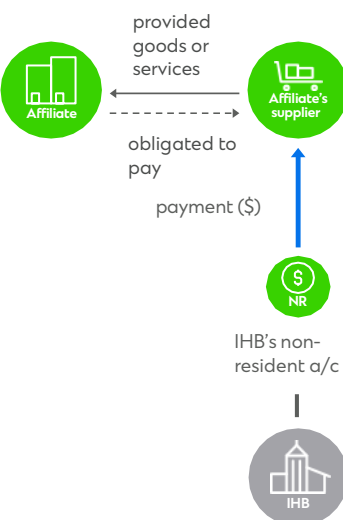
Model 1 > No

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in India



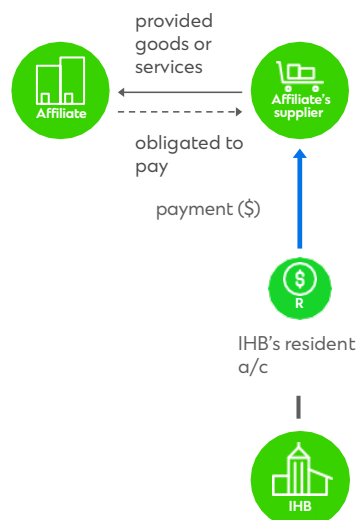
Model 2 > No

IHB entity using its non-resident account in India to execute POBO an affiliate entity in India



Model 3 > No

Local IHB entity in India using its resident account to execute POBO an affiliate entity in India



Legend ● India ● Country A

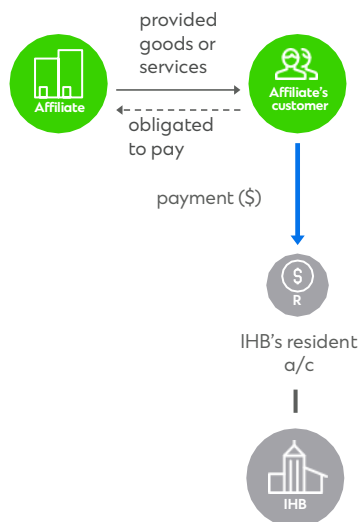
- Residents can open bank accounts in LCY and FCY only in instances as specifically provided under the FEMA and EEFC guidelines. Certain non-residents can open bank accounts depending on the nature of their establishment under the FEMA regulations.
- Under the Indian Companies Act, for a resident (other than specified entities) to borrow from another entity, it is required to fulfil certain procedural requirements and obtain shareholders' approval if the total value of loan exceeds prescribed limits. This may create an impediment for Models 1, 2 and 3 due to the intercompany loan positions created because of POBO.



Receipts-on-behalf-of (ROBO)

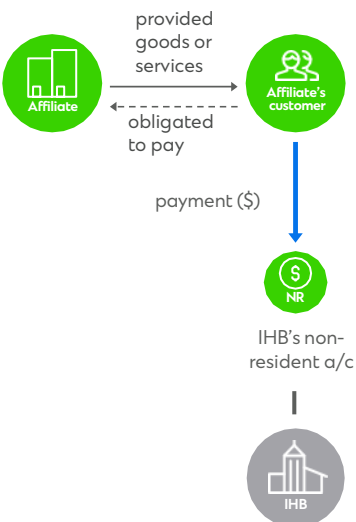
Model 1 > No

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in India



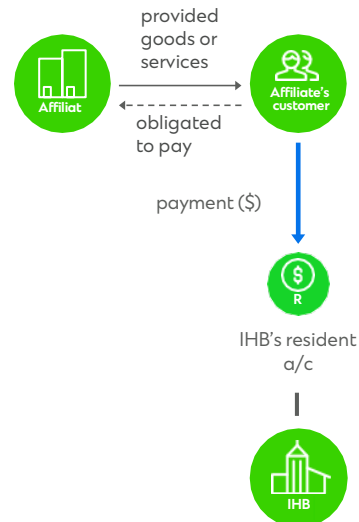
Model 2 > No

IHB entity using its non-resident account in India to receive and process ROBO an affiliate entity in India



Model 3 > No

Local IHB entity in India using its resident account to receive and process ROBO an affiliate entity in India



Legend

● India ● Country A

- Residents can open bank accounts in LCY and FCY only in instances as specifically provided under the FEMA and EEFC guidelines. Certain non-residents can open bank accounts depending on the nature of their establishment under the FEMA regulations.
- Residents can only lend in FCY to its joint ventures or wholly owned subsidiaries outside India, subject to terms and conditions. Hence, Model 1 is not feasible.
- Non-residents (with PEs) such as an Indian branch of a foreign company will be treated as a resident for exchange control purposes and intercompany loans in LCY is possible subject to provisions contained in the Companies Act. However, under the Indian Companies Act, for a resident (other than specified entities) to borrow from another entity, it is required to fulfil certain procedural requirements and obtain shareholders' approval for borrowing money, if the total value of loan exceeds prescribed limits. This may create an impediment for Models 2 and 3 due to the intercompany loan positions created as a result of ROBO.



Tax considerations

Residency: A company would be considered a resident of India if the company is an Indian company or its place of effective management (POEM), at any time in that year is in India. The POEM would be the place where the key management and commercial decisions that are necessary for the conduct of the business of the entity as a whole are, in substance made.

Permanent Establishment (PE): A PE may be said to exist in the following three forms:

- a) A fixed place PE may arise if a non-resident has any office premises at its disposal for carrying out its business activities.
- b) An agency PE could be constituted if a non-resident conducts business in India through a dependent agent, having authority to negotiate or conclude contracts on its behalf.
- c) A service PE could be created if services are furnished by a non-resident through its employees or other personnel in India, provided the presence of these individuals continues in India for a specified period of time.

Corporate tax <p>The basic corporate tax rate (excluding surcharge and educational cess) is 25/ 30 per cent and 40 per cent for Indian and foreign companies respectively.</p> <p>Effective 1 April 2019, domestic company in India has been given an option to pay income tax at the rate of 22 per cent (plus surcharge and education cess – effective rate of 25.17 per cent), subject to conditions that exemption or incentives cannot be availed by such domestic company.</p> <p>Further, any new domestic company of India incorporated on or after 1 October 2019 making fresh investments in manufacturing has been given the option to pay income tax at the rate of 15 per cent (plus surcharge and education cess – effective rate of 17.16 per cent).</p>	<p>25 per cent/ 30 per cent/ 40 per cent</p> <p>~25.17 per cent</p> <p>~17.16 per cent</p>
Treasury-related tax incentives	No
Thin capitalisation <p>Interest expenditure claimed by an Indian entity paid to its associated enterprises is allowed only up to 30 per cent EBITDA or interest paid/payable to associated enterprise, whichever is less. Provisions of thin capitalisation are not applicable to Indian Bank or PE of a Foreign Bank or where the lender is PE of a Foreign Bank in India.</p>	Yes
Transfer pricing <p>Related party transactions, wherein at least one party is a non-resident, should adhere to the arm's length principle. In addition, domestic transfer pricing provisions apply to related parties to determine the reasonableness (i.e., arm's length price) of any expenditure incurred.</p>	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits <p>A WHT of 10 per cent applies on interest paid by a local bank or branch of a foreign bank to a resident.</p> <p>A WHT of 20 to 40 per cent applies on interest paid by a local bank or branch of a foreign bank to a non-resident, depending on the nature of borrowing, status of the recipient and amount of income paid.</p>	<p>10 per cent</p> <p>20 to 40 per cent</p>
--	---

Interest on intercompany loans A WHT of 10 per cent applies to interest payments to residents In other cases, interest paid to non-residents is subject to WHT	10 per cent 20 to 40 per cent
Dividends Dividends in excess of LCY 5,000 paid to residents are subject to 10 per cent withholding tax. A WHT of 20 per cent applies on dividend payments to non-residents.	10 per cent 20 per cent
Royalties A WHT of 10 per cent applies on royalties paid to residents. A WHT of 20 per cent applies on royalties paid to non-residents.	10 per cent 20 per cent

Indonesia



GDP
USD1.32 trillion



GDP growth
5.3 per cent



Population
275.50 million



Central bank
Bank Indonesia



Local currency
Indonesian Rupiah (IDR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_1	$Y_{1,R}$	As per market practice, savings accounts are generally not offered to corporates.
	FCY	Y_1	$Y_{1,R}$	
Savings account opening	LCY	N_M	N_M	
	FCY	N_M	N_M	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	All domestic transactions must be quoted and settled in LCY. However, domestic sweeps are permissible between accounts denominated in same currency.
Same entity (NR)	Y	Y _R	
R ↔ R	Y	Y _R	Residents borrowing from non-residents must submit an offshore loan report to the Central Bank. Hedging, liquidity ratio and credit rating requirements by the Central Bank will apply. Residents lending to non-residents must report offshore financial assets and liabilities if such sweeping creates offshore financial assets and/or liabilities.
R ↔ NR	Y _R	Y _R	Non-residents are restricted from borrowing from residents if the source of funds is from banking facility. Transfers of LCY to non-resident accounts will require supporting documentation of economic activity in Indonesia above USD1 million or equivalent per transaction.
NR ↔ NR	Y _R	Y _R	

X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y _R	<p>Cross-border remittances of LCY are not allowed due to Exchange Controls. FCY remittances in excess of USD100,000 or equivalent require reporting and underlying documentation to the Central Bank.</p> <p>Cross-border fund transfers may be subject to regulatory reporting. If the arrangement involves the transfers of funds between an LCY denominated bank account and FCY denominated bank account exceeding an aggregate of USD100,000 or equivalent for a customer per calendar month, certain documentation must be provided to the bank for the underlying transactions before any foreign exchange conversion can be effected.</p>
NR ↔ offshore	N	Y _R	<p>Certain documentations are required as per regulation are: (1) Declaration Letter on FCY transaction above threshold, (2) Loan agreement or other related document that shows schedule and/or amount, and (3) evidence of drawdown.</p> <p>Residents borrowing from non-residents must submit an offshore loan report to the Central Bank. Hedging, liquidity ratio and credit rating requirements by the Central Bank will apply. Residents lending to non-residents must report offshore financial assets and liabilities if such sweeping creates offshore financial assets and/or liabilities.</p>

Y: Yes, without restrictions Y_R: Restrictions may apply N: Not allowed N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: Onshore conversion of LCY to FCY is restricted. A statement letter for the purchase of FCY is required to be provided to the bank. Additional supporting documents will be required to be provided if the purchase of FCY exceeds USD100,000 or equivalent. In-country transactions are required to be denominated in LCY. Generally, LCY is not convertible offshore.

Foreign currency: FCY is convertible to LCY onshore. However, supporting documentation is required for conversions over a certain amount.



Domestic remittance

Transaction type	Earliest value date	Market variants
BI-Fast (Instant Payment via Clearing House)	T	Up to LCY 250 million
Automated Clearing House (ACH)	T	Up to LCY 1 billion
Real Time Gross Settlement (RTGS)	T	Each transaction must be LCY 100 million and above
Direct Debit (via Clearing House)	T	Up to LCY 500 million
ATM transfer (via ATM switching)	T (almost immediate)	Up to LCY 50 million per transaction



Cross-border remittance

Inward: Generally, inward remittances are in FCY due to the Exchange Controls on LCY. Purpose of payment is not mandatory. There are no documentary requirements.

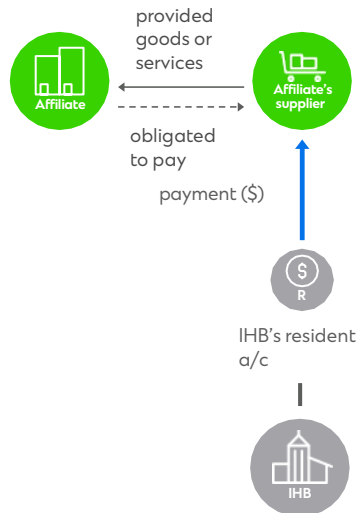
Outward: Cross-border remittance of LCY is not permitted due to Exchange Controls. For residents remitting FCY offshore, transfers exceeding USD100,000 or equivalent require underlying documentation and reporting to the Central Bank. A statement letter for the purchase of FCY is required to be submitted to the bank and additional supporting documents will be required by the Central Bank if the purchase of FCY exceeds USD100,000 or equivalent. Purpose of payment is mandatory for all outward remittances above USD10,000 or equivalent.



Payments-on-behalf-of (POBO)

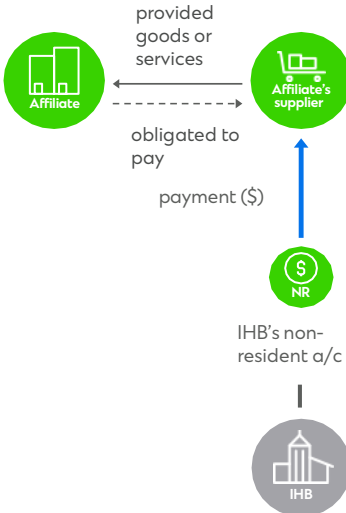
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Indonesia



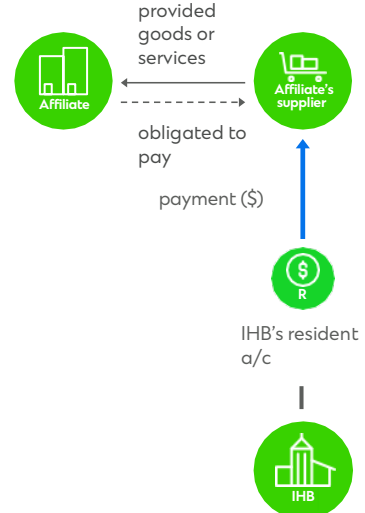
Model 2 > Possible with restrictions

IHB entity using its non- resident account in Indonesia to execute POBO an affiliate entity in Indonesia



Model 3 > Possible with restrictions

Local IHB entity in Indonesia using its resident account to execute POBO an affiliate entity in Indonesia



Legend ● Indonesia ● Country A

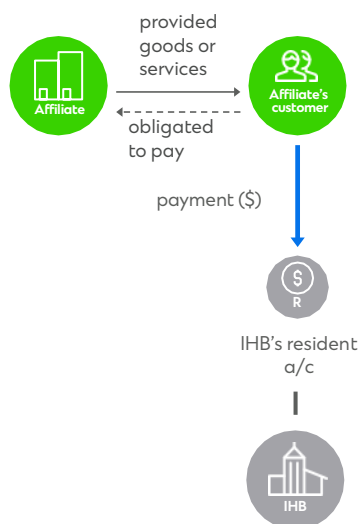
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Models 1 and 2 are feasible in FCY only as cross-border remittance of LCY is not permitted due to Exchange Controls and limitations to offshore entities' ability to hold an account in LCY.
- If the goods or services transaction done in Indonesia, requirement on use of LCY as transaction currency will be applied
- Model 3 is feasible in LCY as all domestic transactions must be quoted and settled in LCY. Payments in FCY involving currency conversion can be made if supported by an exemption letter or agreement from/ with the Central Bank.



Receipts-on-behalf-of (ROBO)

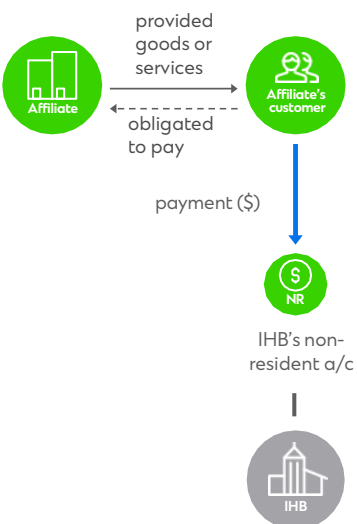
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Indonesia



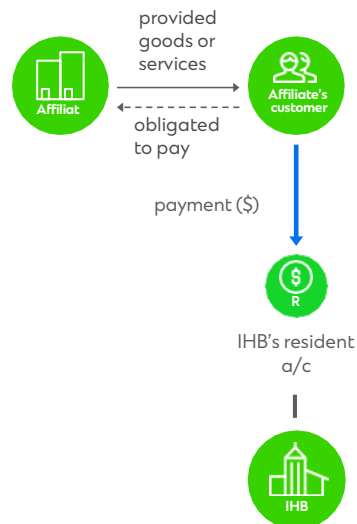
Model 2 > Possible with restrictions

IHB entity using its non- resident account in Indonesia to receive and process ROBO an affiliate entity in Indonesia



Model 3 > Possible with restrictions

Local IHB entity in Indonesia using its resident account to receive and process ROBO an affiliate entity in Indonesia



Legend ● Indonesia ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- If the goods or services transaction done in Indonesia, requirement on use of LCY will be applied.
- Model 1 is feasible in FCY only as cross-border remittance of LCY is not permitted due to Exchange Controls.
- Model 2 is not feasible in LCY as non-residents are restricted from borrowing LCY from residents. Payments in FCY involving currency conversion can be made
- if supported by an exemption letter or agreement from/ with the Central Bank. However, there are reporting requirements for the residents lending to non-residents in FCY.
- Model 3 is feasible in LCY as all domestic transactions must be quoted and settled in LCY. Payments in FCY involving currency conversion can be made if supported by an exemption letter or agreement from/ with the Central Bank.



Tax considerations

Residency: A company is treated as a resident of Indonesia for tax purposes by virtue of having its establishment or its place of management in Indonesia.

Permanent Establishment (PE): Under the Income Tax Law, a non-resident company may be treated as having a taxable presence if it runs a business or conducts activities in Indonesia. Where the non-resident company is resident in a country that has a tax treaty with Indonesia, the rules on a PE creation may differ (usually there is a longer “time test” for certain activities performed in Indonesia).

Corporate tax A standard corporate tax rate of 22 per cent applies but may be reduced subject to meeting certain conditions.	22 per cent
Treasury-related tax incentives	No
Thin capitalisation The allowable debt-to-equity ratio of 4:1 applies in determining deductible financing costs for corporates.	Yes
Transfer pricing Transactions between related parties are to be conducted at arm's length. Transfer pricing documentation is required on cross-border transactions and domestic related party transactions.	Yes
Controlled foreign corporation rule CFC rules apply if the Indonesian taxpayer (individually or collectively) owns (directly or indirectly) 50 per cent or more of the shares in a non-listed offshore company. Certain income of CFC is subject to deemed dividend rule in Indonesia.	Yes

Withholding tax

Interest on bank deposits A WHT of 20 per cent applies on interest paid by bank to residents and non-residents with PE. Exceptions may apply, subject to conditions. A WHT of 20 per cent applies on interest paid by banks to non-residents without PE.	20 per cent
Interest on intercompany loans A creditable WHT of 15 per cent applies on interest paid to residents or non-residents with PE. A final WHT of 20 per cent applies on interest paid to non-residents without PE.	15 per cent 20 per cent
Dividends Domestic sourced dividends received by a resident corporation from another resident corporation are not taxable. Foreign sourced dividend received by corporate tax resident (which fulfil the reinvestment back condition) are not taxable. Dividends paid to non-residents without PE will be subject to a WHT of 20 per cent.	Not taxable Not taxable 20 per cent
Royalties A WHT of 15 per cent applies on royalties paid to residents and non-residents with PE, and A WHT of 20 per cent applies on royalties paid to non-residents without PE.	15 per cent 20 per cent

Macau



GDP
USD24.04 billion



GDP growth
-21.5 per cent



Population
0.7 million



Central bank
Monetary Authority of Macau



Local currency
Macanese Pataca (MOP)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, current accounts are non-interest bearing.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore. LCY is not a preferred international settlement currency.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

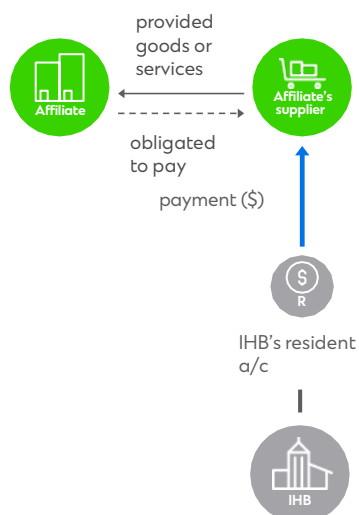
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

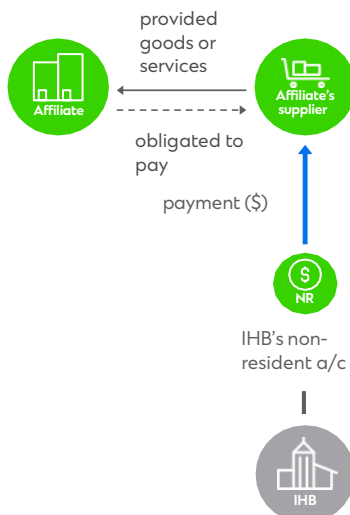
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Macau



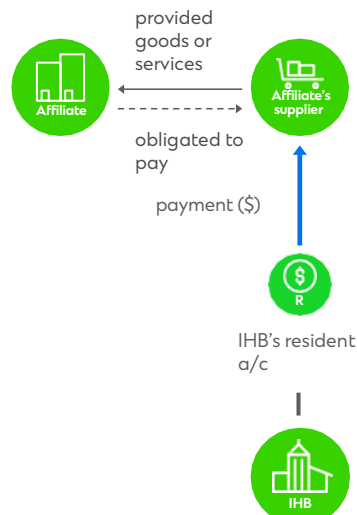
Model 2 > Possible

IHB entity using its non-resident account in Macau to execute POBO an affiliate entity in Macau



Model 3 > Possible

Local IHB entity in Macau using its resident account to execute POBO an affiliate entity in Macau



Legend ● Macau ● Country A

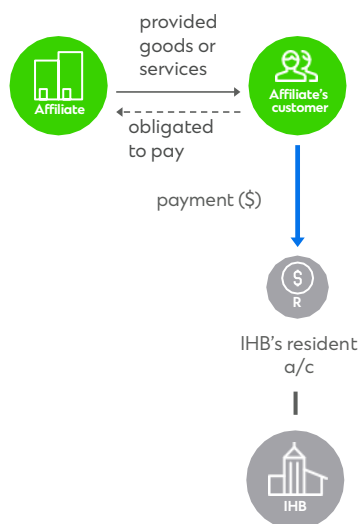
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Receipts-on-behalf-of (ROBO)

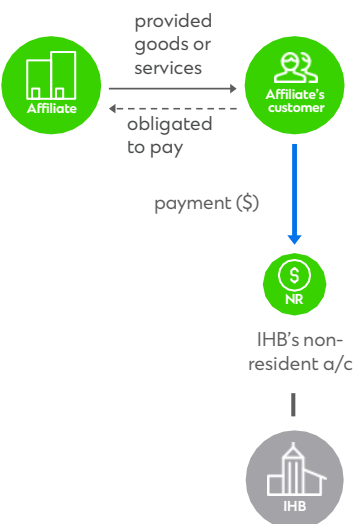
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Macau



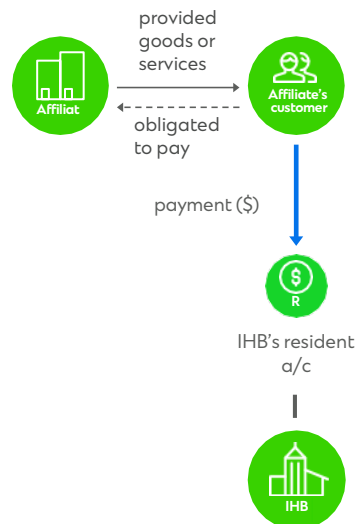
Model 2 > Possible

IHB entity using its non-resident account in Macau to receive and process ROBO an affiliate entity in Macau



Model 3 > Possible

Local IHB entity in Macau using its resident account to receive and process ROBO an affiliate entity in Macau



Legend



Macau



Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Tax considerations

Residency: Generally, a Macau incorporated company is considered a Macau resident for Macau tax purposes.

Permanent Establishment (PE): There is no formal definition of PE in the Macau Complementary Tax Law. Generally, the key for determining whether a foreign company should be subject to Macau Complementary Tax is whether it has carried on commercial/ industrial activities in Macau.

Corporate tax

Corporate tax rate of 12 per cent is applicable for profits above MOP600,000. According to the 2023 Budget, taxable profits below MOP600,000 derived in the tax year 2022 are exempt from tax.

12 per cent

Treasury-related tax incentives

No

Thin capitalisation There are no thin capitalisation rules in Macau, but the Macau Finance Bureau will determine reasonableness of interest charged before granting a tax deduction.	No
Transfer pricing	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Malaysia



GDP

USD407.0 billion



GDP growth

8.7 per cent



Population

33.94 million



Central bank

Central Bank of Malaysia
(Bank Negara Malaysia)



Local currency

Malaysian Ringgit (MYR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	In general, current accounts are non-interest bearing. However, some banks do offer interest bearing current accounts, subject to conditions e.g., minimum deposit.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N	N	Corporates are generally not permitted to open savings accounts.
	FCY	N	N	

Residents may open FCY accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

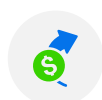
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	FCY Sweep between Resident Entities can be automated via Trade Foreign Currency Account (FCA) only. FCY movements from Trade FCA to Investment FCA is deemed as investment in foreign currency assets onshore and this fund movement cannot be automated via sweep. If any resident entity within the corporate group has LCY borrowings, the resident entity will be subject to an investment limit of LCY 50 million or equivalent in aggregate per calendar year on corporate group basis.
Same entity (NR)	Y	Y	-
R ↔ R	Y	Y _R	FCY Sweep between Resident Entities can be automated via Trade FCA only

R ↔ NR	Y _R	Y _R	<p>Resident Entity extending LCY intercompany loan to Non-Resident Entity</p> <p>LCY sweep/ intercompany lending is allowed if the funds borrowed by Non-Resident entity from Resident entity is used to finance real sectors activities in Malaysia. Real sectors activities are referred to as below:</p> <p>a) Production or consumption of goods or services in Malaysia excluding:</p> <ul style="list-style-type: none"> i. activities in the financial services sector, whether Islamic or otherwise; ii. the purchase of securities of Islamic securities; or iii. the purchase of financial instruments of Islamic financial instruments, and <p>b) Construction or purchase of a residential or commercial property excluding the purchase of land only.</p>
			<p>Resident Entity extending FCY intercompany loan to Non-Resident Entity</p> <p>FCY sweep/ intercompany lending is deemed as Resident entity investing in foreign currency assets. FCY sweep between Resident entity and Non-Resident entity must be done via the Resident's Investment Foreign Currency Account (IFCA).</p> <p>If the funds in IFCA is sourced from LCY conversion or Trade FCA, an investment limit of LCY 50 million or equivalent in aggregate per calendar year on corporate group basis applies if any Residents within the group have LCY borrowings.</p> <p>Resident Entity receiving FCY intercompany loan from Non-Resident Entity</p> <p>The Resident entities within the same group of companies will be subjected to the FCY borrowing limit of LCY 100 million or equivalent in aggregate on a corporate group basis, if the borrowing is obtained from their non-resident entity that is setup as a Non-Resident Financial Institution or Special Purpose Vehicle within the group.</p>
NR ↔ NR	N	Y	-

X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y _R	<p>Resident Entity extending FCY intercompany loan to Non-Resident Entity</p> <p>FCY sweep/ intercompany lending is deemed as Resident entity investing in foreign currency assets. FCY sweep between Resident entity and Non-Resident entity must be done via the Resident's entity Investment Foreign Currency Account (IFCA).</p> <p>If the funds in IFCA is sourced from LCY conversion or Trade FCA, an investment limit of LCY 50 million or equivalent in aggregate per calendar year on corporate group basis applies if any Resident entities within the group have LCY borrowings.</p> <p>Resident Entity receiving FCY intercompany loan to Non-Resident Entity</p> <p>The Resident entities within the same group of companies, will be subjected to the FCY borrowing limit of LCY 100 million or equivalent in aggregate on a corporate group basis, if the borrowing is obtained from their Non-Resident entity that is setup as a Non-Resident Financial Institution or Special Purpose Vehicle within the group</p>
NR ↔ offshore	N	Y	-

Y: Yes, without restrictions Y_R: Restrictions may apply N: Not allowed N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible to FCY onshore.

There are restrictions on conversion if the FCY funds are used for cross-border remittances (refer to Cross-border remittance section).

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Maximum transaction limit of LCY 1 million
Real Time Gross Settlement (RTGS)	T	Minimum transaction limit of LCY 10,000
Direct Debit (Clearing House)	T	-
JomPAY	T	-
Faster (Instant) payments (FPX, DuitNow Pay-to-account & DuitNow Pay-to-proxy, DuitNow Online Banking & Wallet)	T (24/7)	DuitNow: Up to LCY 10 million per transaction FPX: Up to LCY 1 million per transaction



Cross-border remittance

Inward:

Borrowing

Refer to the cross-border sweeping/intercompany lending section

Export of Goods

Resident exporter shall receive the export proceeds of goods in Malaysia –

- a) In Ringgit or FCY which shall be placed in Ringgit account or Trade Foreign Currency Account maintained with Licensed Onshore Bank;
- b) in full value excluding any –
 - i. approved deductions related to the Export of Goods as listed in Foreign Exchange Policy Notice 7 – Appendix A; and
 - ii. amount spent for approved offsetting or writing-off arrangements as listed in Foreign Exchange Policy Notice 7 – Appendix B
- c) earlier than or in accordance with the payment date of the export contract which shall not exceed 6 months from the date of shipment. However, where any of the circumstances stated in Foreign Exchange Policy Notice 7 - Appendix C applies, the Resident exporter may receive the proceeds of its Export of Goods up to 24 months from the date of shipment.

Outward: Generally, Residents are allowed to make payments offshore in FCY for any purpose except for those prohibited under the Foreign Exchange policy (FEP). Purpose of payment is mandatory and there may be requirement for documentary evidence checks.

Investment in Foreign Currency Asset

Residents are free to make investments in FCY provided it does not have LCY borrowings on corporate group basis. Where the residents have LCY borrowings, LCY 50 million equivalent per calendar year on corporate group basis using funds sourced from the aggregate of:

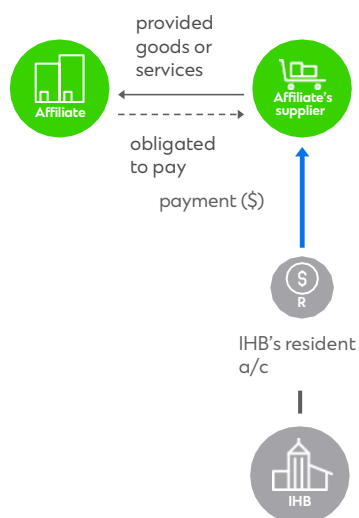
- Conversion of LCY into FCY;
- From Trade Foreign Currency Asset;
- A borrowing in FCY from a licensed onshore bank for purposes other than Direct Investment Abroad; and
- Swapping a LCY denominated financial asset in Malaysia for a financial asset in Labuan entity or outside of Malaysia.



Payments-on-behalf-of (POBO)

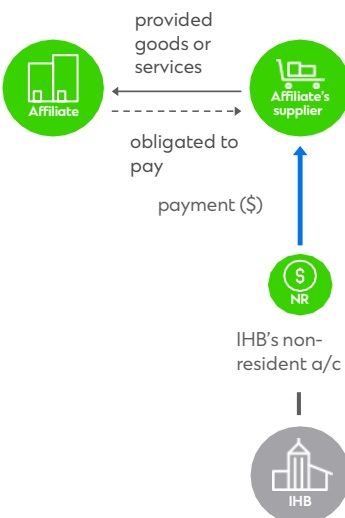
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Malaysia



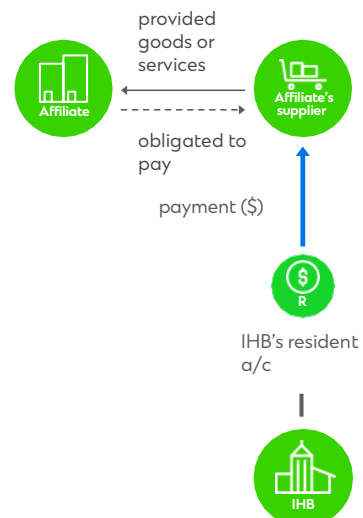
Model 2 > Possible with restrictions

IHB entity using its non- resident account in Malaysia to execute POBO an affiliate entity in Malaysia



Model 3 > Possible with restrictions

Local IHB entity in Malaysia using its resident account to execute POBO an affiliate entity in Malaysia



Legend ● Malaysia ● Country A

- Residents can open bank accounts in LCY and most foreign currencies.
- For the IHB to make POBO a resident in FCY, this is subject to requirements as provided in Notice 4: Payments and Receipts on FEP.
- Model 1 may be feasible in FCY and not LCY as LCY is not available offshore.
- Model 2 is possible in LCY and FCY. POBO, arising to an inter-company LCY and FCY lending from non-resident to a resident is allowed in any amount for entities within the same group of companies. However, if the IHB is setup as a Non-Resident Financial Institution or Special Purpose Vehicle, the FCY lending limit is up to RM100mill equivalent in aggregate on a corporate group basis.

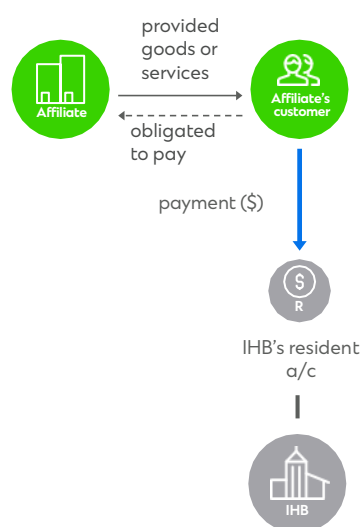
- Model 3 is feasible in LCY and FCY. Proceed/ payment from FCY inter-company lending between residents must be credited into a Trade FCA

NOTE: All IHB models requires registration with Bank Negara Malaysia except for the model where the IHB entity is incorporated locally, and it does not involve LCY conversion and non-resident entity participation in the structure

Receipts-on-behalf-of (ROBO)

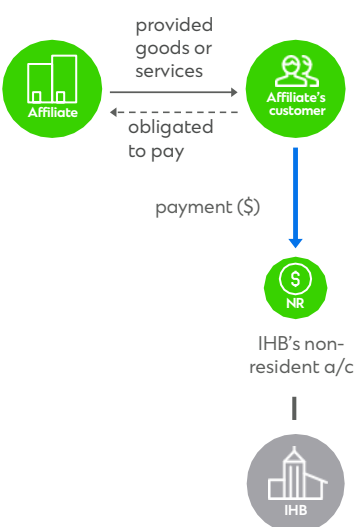
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Malaysia



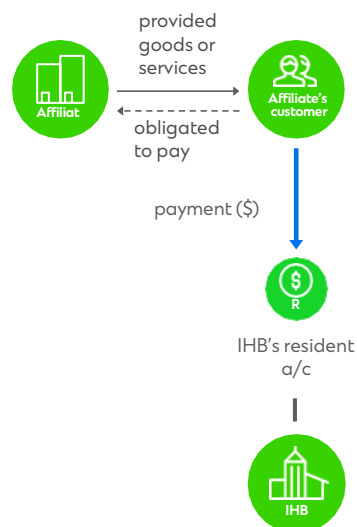
Model 2 > Possible with restrictions

IHB entity using its non- resident account in Malaysia to receive and process ROBO an affiliate entity in Malaysia



Model 3 > Possible with restrictions

Local IHB entity in Malaysia using its resident account to receive and process ROBO an affiliate entity in Malaysia



Legend ● Malaysia ● Country A

- Residents can open bank accounts in LCY and most foreign currencies.
- For the IHB to make ROBO the affiliate in FCY is subject to requirements as provided in Notice 4: Payments and Receipts on FEP.
- Model 1 is possible in FCY and not possible for LCY as LCY is not available offshore.
- For Model 2, Non-Residents are allowed to borrow LCY from Resident entity to finance real sector activities in Malaysia only. ROBO in FCY for Resident is subject to the Resident entity's investment in foreign currency asset limit of LCY 50 mil per calendar year on corporate group basis.
- Model 3 is feasible in LCY and FCY. Proceed/ payment from FCY inter-company lending between Resident entities must be credited into a Trade FCA.
- For Resident Entity that is an Exporter where the buyer is located offshore, the affiliate must ensure that the export proceeds is receipt in Malaysia in full value and no later than 6 months from the date of shipment. The resident exporter is allowed to receive its proceeds from export of goods in its Trade FCA or LCY account maintained with a licensed onshore bank.

NOTE: All IHB models requires registration with Bank Negara Malaysia except for the model where the IHB entity is incorporated locally, and it does not involve LCY conversion and non-resident entity participation in the structure.



Tax considerations

Residency: A company is a tax resident in Malaysia if its management and control are exercised in Malaysia. Management and control are normally considered to be exercised at the place where the directors' meetings are held concerning management and control of the company.

Permanent Establishment (PE): A company is a tax resident in Malaysia if its management and control is exercised in Malaysia. Management and control are normally considered to be exercised at the place where the directors' meetings are held concerning management and control of the company.

Corporate tax A lower tax rate may be applicable for a company resident in Malaysia with paid up ordinary share capital of MYR2.5 million or less.	24 per cent
Treasury-related tax incentives	No
Thin capitalisation The thin capitalisation rules are replaced by the Earning Stripping Rules (ESR). With effect from 1 July 2019, the ESR limits the maximum deductible interest on intercompany loans to 20 per cent of the tax EBITDA.	No
Transfer pricing There are Transfer Pricing regulations in Malaysia which covers intra-group services and interest on financial assistance, among others.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans WHT is not applicable on intercompany interest payments between Malaysian tax residents. A WHT of 15 per cent applies on inter-company interest paid to a non-resident.	0 per cent 15 per cent
Dividends	No
Royalties There is no WHT on royalties paid to residents. A WHT of 10 per cent applies on royalties paid to non-residents.	No 10 per cent

Labuan



Central bank

Central Bank of Malaysia
(Bank Negara Malaysia)



Local currency

Malaysian Ringgit (MYR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Per the Foreign Exchange Policy (FEP) issued by Bank Negara Malaysia, a Labuan entity is deemed as Non-Resident entity. In general, current accounts are non-interest bearing. However, some banks do offer interest bearing current accounts, subject to conditions e.g., minimum deposit.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N	N	Corporates are generally not permitted to open savings accounts.
	FCY	N	N	

Standard Chartered Bank Offshore Labuan (SCBOL) is not a local branch of licensed onshore bank, therefore, falls under Labuan Banks which is regulated by Labuan Financial Services Authority (Labuan FSA). Below is the guidance to Labuan Banks (SCBOL inclusive):

- i. No LCY account can be opened.
- ii. No cheque/ instrument on demand is offered on current account
- iii. No LCY remittance

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply

*R refers to entity that is incorporated in Malaysia (excluding Labuan).

*NR refers to entity that is incorporated in Labuan and outside Malaysia.



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (NR) (incl. Labuan entity)	Y	Y	-
NR (incl. Labuan entity) ↔ NR (incl. Labuan entity)	Y	Y	

X-border	LCY	FCY	Additional information
NR Entity (incl. Labuan entity) ↔ R (in Malaysia)	N	Y _R	<p>Resident Entity (in Malaysia) extending FCY intercompany loan to Non-Resident Entity</p> <p>FCY sweep/ intercompany lending is deemed as Resident entity (in Malaysia) investing in foreign currency assets. FCY sweep between Resident entity (in Malaysia) and Non-Resident entity (i.e., Labuan entity) has to be done via the Resident Entity's Investment Foreign Currency Account (IFCA).</p> <p>If the funds in IFCA is sourced from LCY conversion or Trade FCA, an investment limit of LCY 50 million or equivalent in aggregate per calendar year on corporate group basis applies if any Resident entity (in Malaysia) within the group have LCY borrowings.</p> <p>Resident Entity (in Malaysia) receiving FCY intercompany loan to Non-Resident Entity</p> <p>The Resident entities (in Malaysia) within the same group of companies will be subjected to the FCY borrowing limit of LCY 100 million or equivalent in aggregate on a corporate group basis if the borrowing is obtained from their Non-Resident entity that is setup as a Non-Resident Financial Institution or Special Purpose Vehicle within the group.</p>
NR (incl. a Labuan entity) ↔ NR (in Malaysia)	N	Y	-
NR (incl. Labuan entity) ↔ offshore entity (outside Malaysia)	N	Y	-

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice to offer notional pools in Labuan.



Currency convertibility

Local currency: LRY is convertible in Labuan. LRY is not convertible offshore (outside of Malaysia) due to exchange control restrictions on holding LRY offshore.

Foreign currency: FCY is convertible to LRY in Labuan.



Domestic remittance

Malaysia's domestic clearing infrastructure is available for accounts opened by a licensed onshore bank.



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions on inward remittance in FCY. Purpose of payment is not mandatory. There are no documentary requirements.

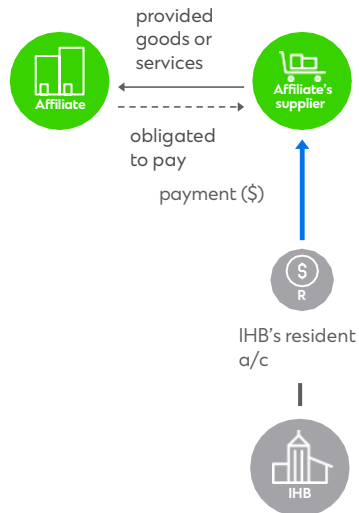
Outward: Generally, there are no foreign exchange regulatory restrictions on outward remittance in FCY. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

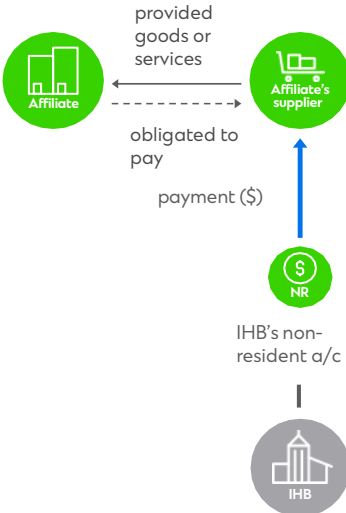
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Labuan



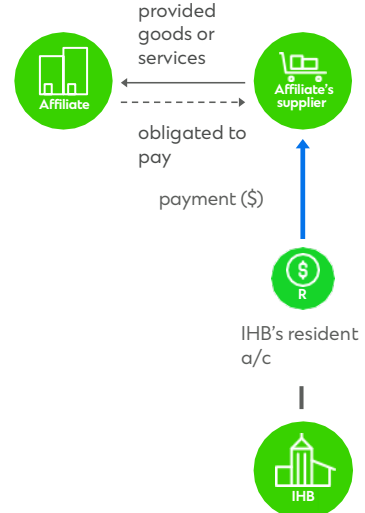
Model 2 > Possible

IHB entity using its non- resident account in Labuan to execute POBO an affiliate entity in Labuan



Model 3 > Possible

Local IHB entity in Labuan using its non-resident account to execute POBO an affiliate entity in Labuan



Legend ● Labuan ● Country A (outside of Malaysia and Labuan)

- Non-residents (including Labuan entities) can open bank accounts in LCY and FCY.
- For the IHB to make POBO a resident in FCY, this is subject to requirements as provided in Notice 4: Payments and Receipts on FEP.
- Model 1 is feasible in FCY and not feasible for LCY.
- Model 2 is possible in LCY and FCY. POBO, arising to an inter-company LCY and FCY lending from non-resident to a resident is allowed in any amount for entities within the same group of companies. However, if the IHB is setup as a Non-Resident (including Labuan entities) Financial Institution or Special Purpose Vehicle, the FCY lending limit is up to RM100mill equivalent in aggregate on a corporate group basis.
- Model 3 is feasible in LCY and FCY. Proceed/ payment from FCY inter-company lending between residents must be credited into a Trade FCA.

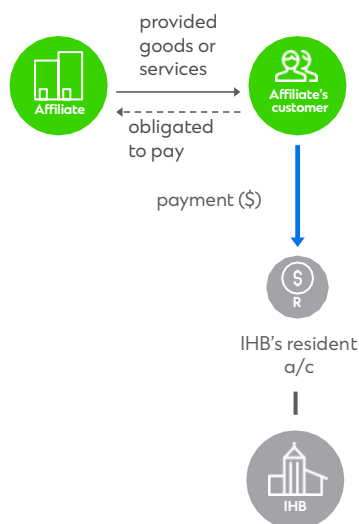
NOTE: All IHB models requires registration with Bank Negara Malaysia except for the model where the IHB entity is incorporated locally, and it does not involve LCY conversion and non-resident entity (including Labuan entity) participation in the structure



Receipts-on-behalf-of (ROBO)

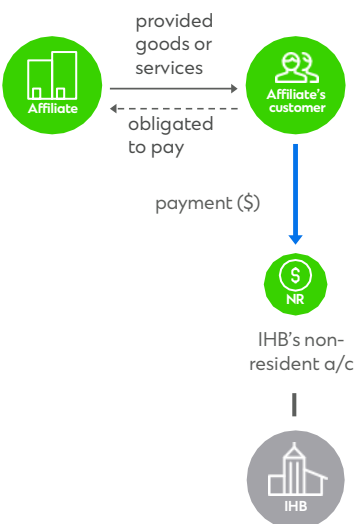
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Labuan



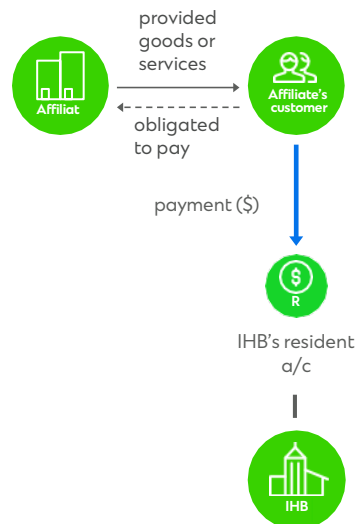
Model 2 > Possible

IHB entity using its non- resident account in Labuan to receive and process ROBO an affiliate entity in Labuan



Model 3 > Possible

Local IHB entity in Labuan using its non-resident account to receive and process ROBO an affiliate entity in Labuan



Legend ● Labuan ● Country A (outside of Malaysia and Labuan)

- Non-residents (including Labuan entities) can open bank accounts in LCY and FCY.
- For the IHB to make ROBO the affiliate in FCY is subject to requirements as provided in Notice 4: Payments and Receipts on FEP.
- Model 1 is feasible in FCY only and not feasible in LCY.
- For Model 2, Non-Residents (including Labuan entities) are allowed to borrow LCY from Resident entity to finance real sector activities in Malaysia only. ROBO in FCY for Resident is subject to the Resident entity's investment in foreign currency asset limit of LCY 50 mil per calendar year on corporate group basis.
- Model 3 is feasible in LCY and FCY. Proceed/ payment from FCY inter-company lending between Resident entities must be credited into a Trade FCA.
- For Resident Entity that is an Exporter where the buyer is located offshore, the affiliate must ensure that the export proceeds is receipt in Malaysia in full value and no later than 6 months from the date of shipment. The resident exporter is allowed to receive its proceeds from export of goods in its Trade FCA or LCY account maintained with a licensed onshore bank.

NOTE: All IHB models requires registration with Bank Negara Malaysia except for the model where the IHB entity is incorporated locally, and it does not involve LCY conversion and non-resident entity (including Labuan entities)



Tax considerations

Residency: A company is tax resident in Malaysia (including Labuan) if its management and control is exercised in Malaysia (including Labuan). Management and control is normally considered to be exercised at the place where the directors' meetings are held concerning management and control of the company.

Permanent Establishment (PE): Generally, a non-resident entity is regarded as having a PE in Malaysia (including Labuan) if it has a fixed place of business in Malaysia (including Labuan), where the business of the entity is wholly or partly carried on.

Corporate tax A Labuan company is taxed at 3 per cent of audited account profits/ 24 per cent of its chargeable profits under the Labuan Business Activity Tax ("LBATA") with effect from 11 February 2020, where substantial activity requirements have not been fulfilled.	3 per cent/ 24 per cent of net profit
Treasury-related tax incentives Labuan does not offer specific tax incentives for corporates carrying on treasury activities. Labuan companies enjoy low tax rates.	No
Thin capitalisation	No
Transfer pricing While there is no specific requirement, related party transactions must comply with the arm's length principles.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Philippines



GDP

USD404.28 billion



GDP growth

7.6 per cent



Population

115.56 million



Central bank

Central Bank of the Philippines
(Bangko Sentral ng Pilipinas)



Local currency

Philippine Peso (PHP)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₂	Y _{2,R}	Non-residents can open LCY accounts, but the source of funding is limited to the conversion of inwardly remitted FCY, or other sources allowed by the Central Bank. Documents to support the source of LCY is required to be submitted for every credit to the account.
	FCY	Y ₂	Y ₂	
Savings account opening	LCY	Y ₂	Y _{2,R}	Overdrafts are not allowed by the Central Bank.
	FCY	Y ₂	Y ₂	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	Generally, LCY and FCY sweeping is allowed in Philippines. However, source of funds for FCY sweeping must be from the non-resident's or resident's own sources outside the banking system. FCY sourced from the banking system is subject to submission of documentary requirements and for legitimate purposes. Documents to support source of LCY is required to be submitted for every credit, regardless of the amount, into a non-resident LCY account.
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y	Y _R	
R ↔ NR	N	Y _R	
NR ↔ NR	N	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y _R	Cross-border sweeping in LCY is not possible due to exchange control restrictions on the import and export of the LCY. Source of funds for FCY sweeping must be from the non-resident's or resident's own sources outside the banking system. FCY sourced from the banking system is subject to submission of documentary requirements and for legitimate purposes.
NR ↔ offshore	N	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. However, as banks in the Philippines are not allowed to extend overdrafts to customers, notional pooling has limited value. It is not market practice for notional pools to be offered in the Philippines.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not convertible offshore due to exchange control restrictions on the import and export of the LCY. Conversion of LCY to FCY is permitted for prescribed purposes and subject to documentary requirements.

Under the rules of the Central Bank, if the FCY is purchased from the local banking system for non-trade purposes and the purchase does not exceed USD 1 million (for corporations/ other entities) or its equivalent per client per day, an Application to Purchase Foreign Exchange (ATP) must be completed and submitted to the bank selling the FCY. If the amount exceeds USD1 million or its equivalent per client per day, the ATP must be further supported by documents required under existing rules and must be submitted to the bank selling the FCY.

If the funds for permitted outward investments exceeding USD60 million or its equivalent in other FCY per resident investor per year is intended to be sourced or purchased from the local banking system, the investor is required to submit a notification to the Central Bank of the total FCY requirement exceeding the threshold and present to the FCY selling bank a copy of the notice duly received/acknowledged by the Central Bank.

Non-residents may purchase FCY in exchange for LCY from the banking system up to the amount equivalent to the balance of its LCY deposit funded by allowable LCY sources. LCY deposits funded by inward remittances must be used onshore to fund registered investments, and/or loans to allow conversion to, and repatriation of FCY.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Also available in USD
Real Time Gross Settlement (RTGS)	T	Also available in USD
Instapay	T (almost immediate)	Up to LCY 50,000 per transaction



Cross-border remittance

Inward: Inward remittances of LCY in excess of LCY 50,000 are prohibited unless Central Bank approval is obtained. There are no foreign exchange regulatory restrictions on inward remittances in FCY. Purpose of payment must be indicated in the payment instruction on all cross-border remittances. There are no documentary requirements.

Foreign loans/ foreign currency loans are required to be approved or registered or reported with the Central Bank if the funds for repayment of the loan will be sourced from the local banking system. Inward investments must be registered to allow repatriation of capital and earnings using FCY sourced from the local banking system.

Outward: Outward remittances of LCY in excess of LCY 50,000 are prohibited unless Central Bank approval is obtained. There are no foreign exchange regulatory restrictions on outward remittances in FCY. However, purpose of payment must be indicated in the payment instruction on all cross-border remittances. There are no documentary requirements if the remittance is FCY funded.

The purchase of FCY against LCY from the local banking system for allowable purposes is subject to the submission of the ATP if the amount does not exceed the applicable thresholds. Additionally, proof of underlying documents must be submitted where the amount exceeds applicable thresholds.

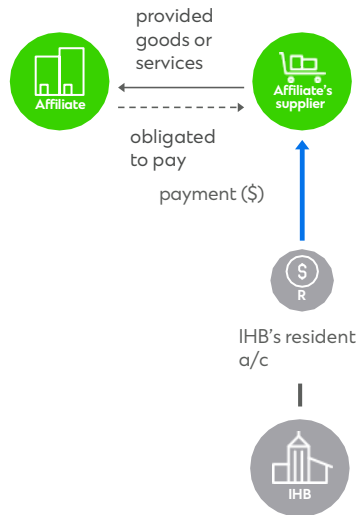
If the funds for permitted outward investments exceeding USD60 million or its equivalent in other FCY per resident investor per year is intended to be sourced or purchased from the local banking system, the investor is required to submit a notification to the Central Bank of the total FCY requirement exceeding the threshold and present to the FCY selling bank a copy of the notice duly received/acknowledged by the Central Bank



Payments-on-behalf-of (POBO)

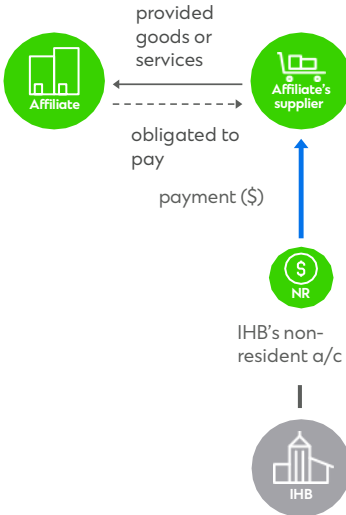
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in the Philippines



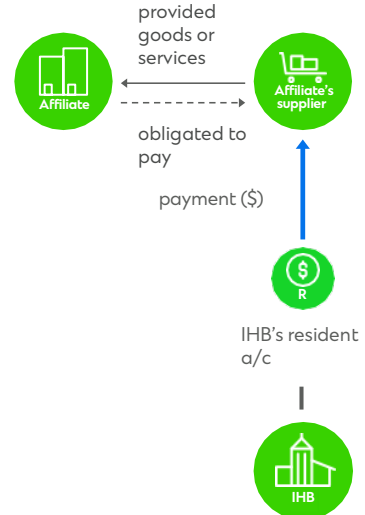
Model 2 > Possible with restrictions

IHB entity using its non-resident account in the Philippines to execute POBO an affiliate entity in the Philippines



Model 3 > Possible

Local IHB entity in the Philippines using its resident account to execute POBO an affiliate entity in the Philippines



Legend ● Philippines ● Country A

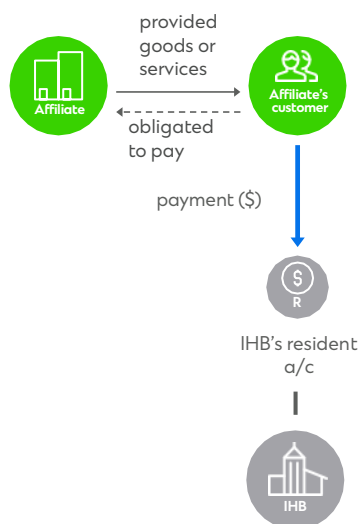
- Residents and non-residents can open bank accounts in LCY and most foreign currencies. For non-resident, credits into their LCY accounts must come from eligible sources, with supporting documents to be presented at the time of credit regardless of amount.
- Model 1 is feasible in FCY. There are exchange control restrictions on the import and export of the LCY.
- Model 2 is feasible in FCY since there are limitations on the eligible sources of LCY for credit into non-resident accounts, in addition to exchange control restrictions in conversion of LCY to FCY.



Receipts-on-behalf-of (ROBO)

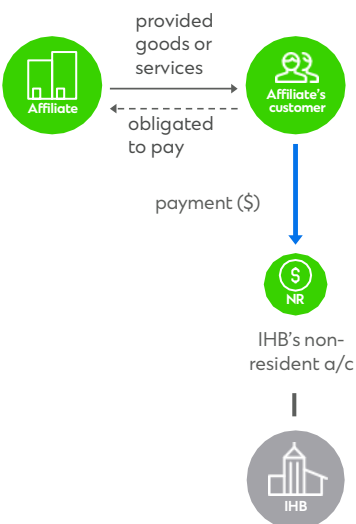
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in the Philippines



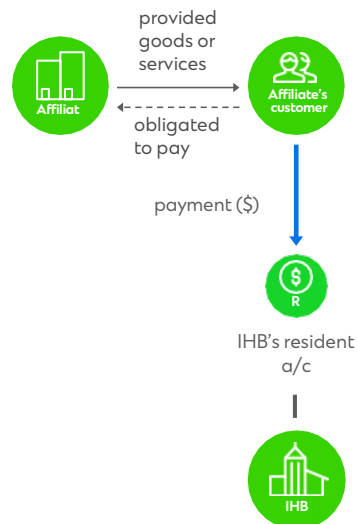
Model 2 > Possible with restrictions

IHB entity using its non-resident account in the Philippines to receive and process ROBO an affiliate entity in the Philippines



Model 3 > Possible

Local IHB entity in the Philippines using its resident account to receive and process ROBO an affiliate entity in the Philippines



Legend ● Philippines ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY. There are exchange control restrictions on the import and export of the LCY.
- Model 2 is feasible in FCY since there are limitations on the allowable sources of funds for non-resident accounts



Tax considerations

Residency: A domestic corporation is a corporation that is created or organised under Philippines laws. A branch, affiliate or extension office of a foreign corporation that is duly licensed to engage in trade or business within the Philippines is considered a resident foreign corporation.

Permanent Establishment (PE): Generally, a PE is a business establishment through which a foreign company conducts its income generating business activities in the Philippines. A PE may exist from rendering of services in Philippines based on a time-bound threshold. A non-resident corporation with a PE may be considered as a resident foreign corporation doing business in the Philippines.

Corporate tax The standard corporate income tax rate is 25 per cent for domestic and resident foreign corporations. Domestic corporations with net taxable income not exceeding PHP5 million, and total assets not exceeding PHP100 million shall be taxed at 20 per cent. However, income of non-resident corporations derived from Foreign Currency Deposit Unit (FCDU) transactions shall be exempt from tax.	25 per cent/ 20 per cent
Treasury-related tax incentives Tax incentives are available for treasury activities under the Regional Operating Headquarter incentive.	Yes
Thin capitalisation In practice, tax authorities may apply a debt-to-equity ratio of 3:1 for corporates.	No
Transfer pricing The application of the arm's-length principle may follow a 'three-step' approach prescribed by the BIR as per the relevant regulations.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits Interest from LCY deposits is subject to a 20 per cent final WHT for domestic and resident foreign corporations, and 25 per cent final WHT for non-resident foreign corporations. For FCY deposits under the expanded FCDU system, interest is subject to a 15 per cent final WHT for domestic and resident foreign corporations and is tax-exempt for non-resident foreign corporations.	20 per cent/ 25 per cent 15 per cent/ 0 per cent
Interest on intercompany loans Generally, 15 per cent creditable WHT for domestic and resident foreign corporations and 20 per cent final WHT or tax treaty rate for non-resident foreign corporations.	15 per cent/ 20 per cent
Dividends Philippines does not impose WHT on dividends paid by a resident to another resident. Foreign-sourced dividends received by domestic corporations may be exempt from tax, if certain conditions are met. Dividend received by non-resident foreign corporations from resident corporations is subject to 25 per cent. This can be lowered to 15 per cent final WHT pursuant to the tax sparing provisions of the Tax Code or tax treaty rate.	No 25 per cent/ 15 per cent
Royalties Royalty paid by a resident to another resident is subject to a 20 per cent final WHT Royalty paid to non-resident foreign corporations is generally subject to a 25 per cent WHT.	20 per cent 25 per cent

Singapore



GDP
USD466.79 billion



GDP growth
3.6 per cent



Population
5.64 million



Central bank
Monetary Authority of Singapore



Local currency
Singapore Dollar (SGD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_1	Y_1	As per market practice, savings accounts in Singapore are not offered to companies.
	FCY	Y_1	Y_1	
Savings account opening	LCY	N_M	N_M	
	FCY	N_M	N_M	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore and offshore. LCY can be held offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (via Clearing House)	T+1	-
FAST Payment (24x7)	T (almost immediate)	Limited to LCY 200,000 per transaction
PayNow	Based on the payment type	PayNow via ACH: T+1 PayNow via RTGS: T PayNow via FAST: Realtime settlement & LCY 200,000 per transaction



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

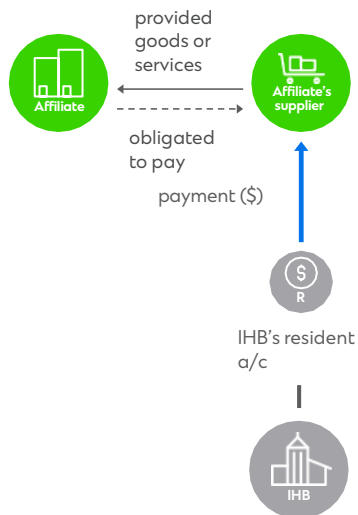
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

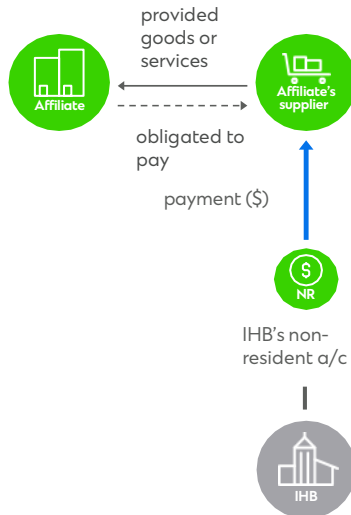
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Singapore



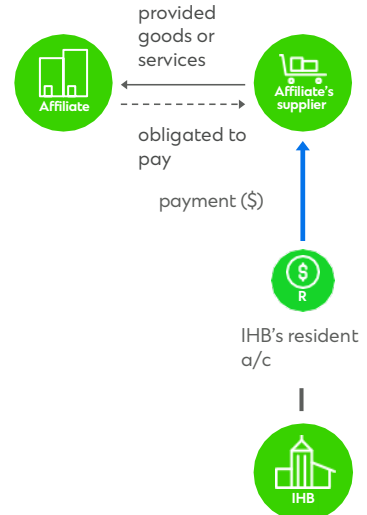
Model 2 > Possible

IHB entity using its non-resident account in Singapore to execute POBO an affiliate entity in Singapore



Model 3 > Possible

Local IHB entity in Singapore using its resident account to execute POBO an affiliate entity in Singapore



Legend ● Singapore ● Country A

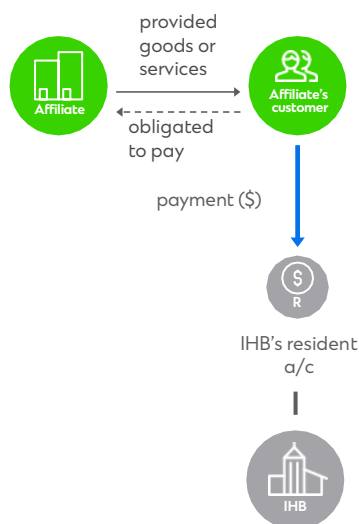
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Receipts-on-behalf-of (ROBO)

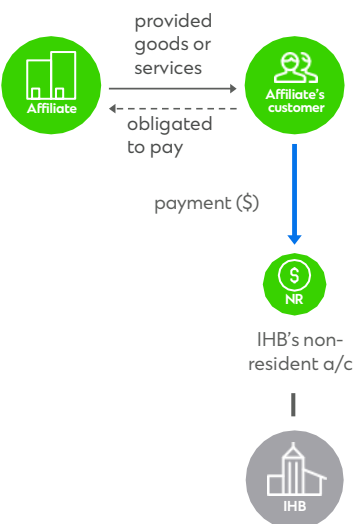
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Singapore



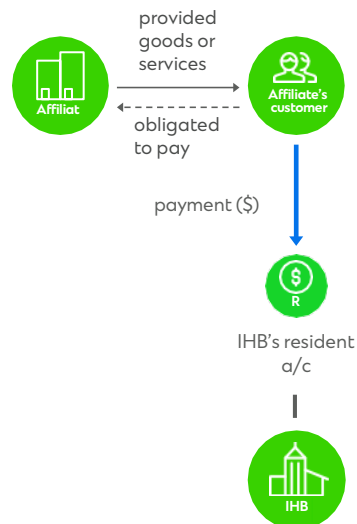
Model 2 > Possible

IHB entity using its non-resident account in Singapore to receive and process ROBO an affiliate entity in Singapore



Model 3 > Possible

Local IHB entity in Singapore using its resident account to receive and process ROBO an affiliate entity in Singapore



Legend

● Singapore ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.



Tax considerations

Residency: The tax residence of a corporation is determined by the place where the central management and control of its business is exercised. This is taken generally to mean the place where the directors meet to exercise de facto control.

Permanent Establishment (PE): Singapore taxes with reference to the source of income rather than the presence of a PE.

The definition of a PE in Singapore's DTAs is largely based on the OECD definition. It is generally taken to be a fixed place through which the business of an enterprise is wholly or partly carried on.

Corporate tax	17 per cent
Treasury-related tax incentives Qualifying income derived by an approved Finance and Treasury Centre (FTC) company from carrying on qualifying FTC activities is taxed at a reduced rate of 8 per cent. An approved FTC company is also exempt from Singapore withholding tax on interest payments on loans for which the funds are used for carrying on approved qualifying activities or services, subject to conditions. Subject to further announcements, the FTC incentive is due to lapse after 31 December 2026.	8 per cent
Thin capitalisation There are no thin capitalisation rules in Singapore. However, there is restriction on the tax deductibility of interest expenses attributable to non-income producing or non-trade assets.	No
Transfer pricing Transactions between related parties are expected to adhere to the arm's length principle and contemporaneous Transfer Pricing Documentation should be maintained. Penalties and/ or a 5 per cent surcharge on the transfer pricing adjustment value (regardless of whether there was tax payable on the adjustments made) applies for non-compliance.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits with approved banks in Singapore	No
Interest on intercompany loans Singapore does not impose WHT on interest paid by a resident company to another resident company. WHT at the prevailing corporate tax rate (currently at 17 per cent) (non-final) is applicable on interest paid by a resident to a non-resident company (with PE) where the interest is effectively connected to the PE in Singapore. WHT requirements have been waived on interest payments made to Singapore branches of non-resident companies. A final WHT of 15 per cent applies on interest paid to non-resident companies without PE.	No 17 per cent 15 per cent
Dividends	No

Royalties	
Singapore does not impose WHT on royalty payment between resident companies.	No
The following are the applicable Singapore WHT rates on royalty paid by a resident company to:	
a) Singapore PE (other than a Branch) of a non-resident company – prevailing corporate tax rate (currently at 17 per cent) (non-final)	17 per cent
b) Singapore Branch of a non-resident company – waived	
Royalty payments paid by resident to non-residents (without PE) are subject to WHT at the rate of 10 per cent. The tax withheld represents a final tax.	10 per cent

No

- 17 per cent

10 per cent

South Korea



GDP
USD1.67 trillion



GDP growth
2.6 per cent



Population
51.63 million



Central bank
Bank of Korea



Local currency
Korean Won (KRW)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _{1,R}	A non-resident can open a free won (KRW) or won (KRW) account for specific business purposes. As per market practice, interest is not paid on current accounts and overdrafts are not offered on FCY accounts.
	FCY	Y ₁	Y _{1,R}	
Savings account opening	LCY	Y ₁	Y _{1,R}	While there are no regulatory restrictions on overdrafts for LCY non-residents, this may be challenging if the entity does not carry on business or investment activity in Korea.
	FCY	Y ₁	Y _{1,R}	

Residents may open accounts offshore, subject to procedural requirements by the designated foreign exchange bank, and/ or the Central Bank.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

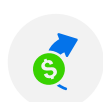
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	If a resident is lending to a non-resident, the resident is required to obtain approval from the Central Bank. Sweeping between a resident and non-resident is only allowed in FCY according to the foreign exchange regulations.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	In practice, it is difficult for non-residents to lend to other non-residents due to regulatory restrictions.
R ↔ NR	N	Y _R	There are significant tax implications that arise out of multi-entity sweeping/ intercompany lending structures (including prescribed intercompany interest rates for transfer pricing purposes).
NR ↔ NR	N _M	N _M	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	Y _R	LCY is not a preferred international settlement currency. If borrowings by residents from non-residents are greater than USD50 million or equivalent on an accumulated basis, the borrowing in excess of USD50 million or equivalent requires reporting to MOSF via the designated foreign exchange bank. Borrowings less than USD50 million or equivalent on an accumulated basis, requires reporting to the designated foreign exchange bank only.
NR ↔ offshore	N _M	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in South Korea.



Currency convertibility

Local currency: LCU is convertible to FCY onshore. LCU is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCU onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCU 1 billion per transaction
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (via Clearing House)	T+1	-
Faster (Instant) payments - HOFINET	T (almost immediate)	Up to LCU 1 billion per transaction



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory requirements. Purpose of payment is not mandatory. However, inward remittances exceeding USD100,000 or equivalent requires underlying documents to prove the purpose of the fund.

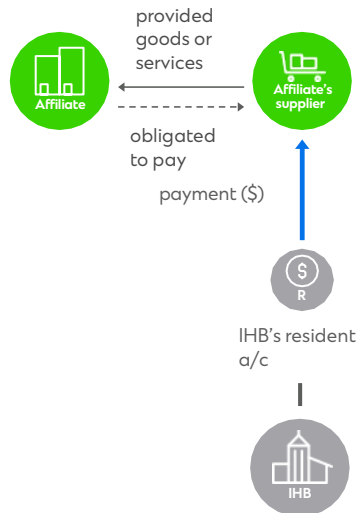
Outward: Generally, there are no foreign exchange regulatory requirements. Purpose of payment is not mandatory. However, foreign currency remittances above USD5,000 or equivalent need to be supported by underlying documentation.



Payments-on-behalf-of (POBO)

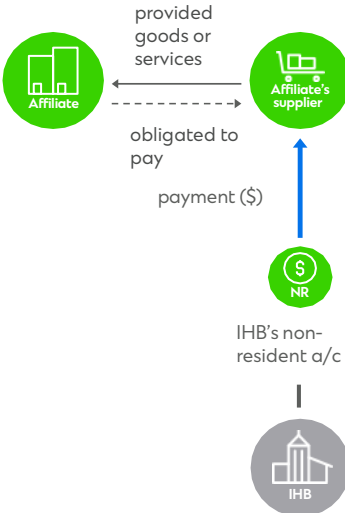
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Korea



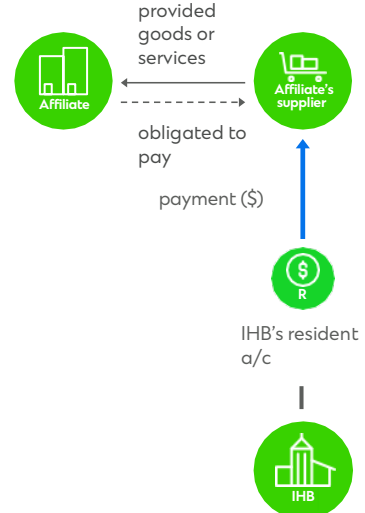
Model 2 > Possible

IHB entity using its non-resident account in Korea to execute POBO an affiliate entity in Korea



Model 3 > Possible

Local IHB entity in Korea using its resident account to execute POBO an affiliate entity in Korea



Legend ● South Korea ● Country A

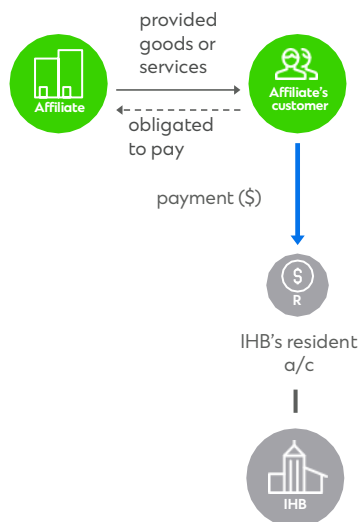
- Residents and non-residents can open bank accounts in LCY and most foreign currencies. Significant tax implications arising from intercompany lending structures make POBO challenging.
- Models 1, 2 and 3 are feasible without filing a third-party payment report or approval. However, the underlying contract of the intercompany transaction between IHB and Affiliate should be submitted to a foreign exchange bank.
- Model 1 is feasible in FCY only as LCY is not a preferred international settlement currency. Cross-border transactions above certain thresholds must be supported by underlying documentation (i.e., sales contract or invoice between the Affiliate and the Affiliate's supplier).
- Model 2 is feasible both in FCY and LCY. For LCY, outward payments from the IHB's non-resident free won account to the resident should be supported by underlying documentation to prove trade or business-related purposes regardless of the payment amount. For FCY, this is treated as a cross-border transaction, thus, the documentary requirement mentioned under Model 1 should be met.



Receipts-on-behalf-of (ROBO)

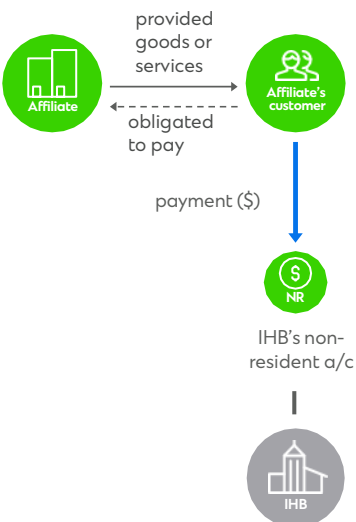
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Korea



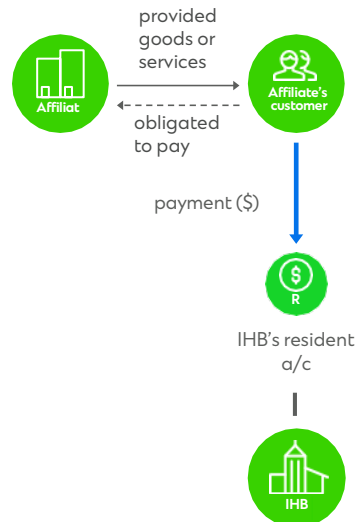
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Korea to receive and process ROBO an affiliate entity in Korea



Model 3 > Possible

Local IHB entity in Korea using its resident account to receive and process ROBO an affiliate entity in Korea



Legend ● South Korea ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies. Significant tax implications arising from intercompany lending structures make ROBO challenging.
- For Models 1 and 2, the Affiliate's customer should file a third-party payment report with a foreign exchange bank (for payments below USD10,000 or equivalent) or Central Bank (for payments more than USD10,000 or equivalent), unless the payment has been reported for other capital transactions. The copy of the filed report should be submitted to a foreign exchange bank, who handles the ROBO payment.
- Model 1 is feasible in FCY only as LCY is not a preferred international settlement currency. Cross-border transactions above certain thresholds must be supported by underlying documentation (i.e., sales contract or invoice).
- Model 2 is feasible both in FCY and LCY. For LCY, credit into IHB's non-resident free won account by resident should be supported by underlying documentation to prove trade or business-related purposes, regardless of the payment amount. For FCY, this is treated as a cross-border transaction, thus, the document requirement mentioned under Model 1 should be met.



Tax considerations

Residency: A corporation having its head office or principal office in South Korea is a resident corporation. A corporation with a place of effective management in South Korea is also treated as a resident corporation.

Permanent Establishment (PE): An entity is deemed to have PE in South Korea if it:

- a) has any fixed place of business in Korea, where the business of the entity is wholly or partly carried on,
- b) represented by a dependant agent in Korea, who has the authority to conclude contracts on its behalf and who has repeatedly exercised that authority, or
- c) its employee(s) continually or repeatedly render similar services in South Korea for two or more years, even if each service visit is for less than 6 months within 12 consecutive months.

Corporate tax The basic Korean corporate income tax rates are 9 per cent on the first KRW200 million of taxable income, 19 per cent for taxable income up to KRW20 billion, 21 per cent on taxable income above KRW20 billion, and 24 per cent on income above KRW300 billion, excluding 10 per cent surtax.	9 per cent/ 19 per cent/ 21 per cent/ 24 per cent
Treasury-related tax incentives	No
Thin capitalisation For corporates, interest is considered excessive if the debt-to-equity ratio of borrowings from an Overseas Controlling Shareholder (OCS) (or guaranteed by the OCS) exceeds a 2:1 ratio (6:1 in case of financial institutions)	Yes
Transfer pricing In principle, transactions between related parties should be at arm's length. The most reasonable method out of the following should be used (i) CUP method, (ii) Resale price method, (iii) Cost plus, profit split and (iv) Transactional net margin method (TNMM). Where the listed methods cannot be used, other reasonable methods can be used.	Yes
Controlled foreign corporation rule Applies only where (i) the Korean company and its related parties holds at least 10 per cent of shareholding of the foreign subsidiary directly or indirectly and (ii) taxes borne by the foreign subsidiary is 15 per cent or less.	Yes

Withholding tax

<p>Interest on bank deposits</p> <p>A WHT of 14 per cent applies on interest paid to residents, excluding 10 per cent surtax.</p> <p>Interest paid to non-residents are subject to a 20 per cent WHT, excluding 10 per cent surtax.</p>	<p>14 per cent</p> <p>20 per cent</p>
<p>Interest on intercompany loans</p> <p>A WHT of 25 per cent applies on interest paid to residents for non business-related loans, excluding 10 per cent surtax.</p> <p>Interest paid to non-residents are subject to a 20 per cent WHT, excluding 10 per cent surtax.</p>	<p>25 per cent</p> <p>20 per cent</p>
<p>Dividends</p> <p>South Korea does not impose WHT on dividends paid to residents.</p> <p>A WHT of 20 per cent is imposed on dividend payments to non-residents, excluding 10 per cent surtax.</p>	<p>No</p> <p>20 per cent</p>
<p>Royalties</p> <p>South Korea does not impose WHT on royalties paid to residents.</p> <p>A WHT of 20 per cent applies on royalties paid to non-residents, excluding 10 per cent surtax.</p>	<p>No</p> <p>20 per cent</p>

Sri Lanka



GDP
USD74.40 billion



GDP growth
-7.8 per cent



Population
22.18 million



Central bank
Central Bank of Sri Lanka



Local currency
Sri Lanka Rupee (LKR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_3	$Y_{4,R}$	Residents may open FCY accounts, and non-residents may open LCY and FCY accounts for prescribed purposes as specified by regulations.
	FCY	$Y_{3,R}$	$Y_{3,R}$	
Savings account opening	LCY	Y_2	$Y_{2,R}$	
	FCY	$Y_{2,R}$	$Y_{2,R}$	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	N	Generally, only LCY intercompany lending is allowed between residents. Non-residents accounts are only allowed for prescribed purposes as specified by regulations.
Same entity (NR)	N	N	
R ↔ R	Y	N	
R ↔ NR	N	N	
NR ↔ NR	N	N	
X-border	LCY	FCY	Additional information
R ↔ offshore	N	N	LCY is not a preferred international settlement currency. Residents may not lend FCY to offshore entities unless special approval is obtained from the Department of Foreign Exchange (DFE).
NR ↔ offshore	N	N	Non-residents accounts are only allowed for prescribed purposes as specified by regulations.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling is not offered in Sri Lanka.



Currency convertibility

Local currency: Conversion of LCY into FCY onshore is allowed for trade and other business-related transactions (Current Transaction and Permitted Capital Transactions). LCY is not a preferred international settlement currency.

Foreign currency: FCY remitted into Sri Lanka through official (banking) channels may be converted into LCY. In-country transactions in FCY carried out in accordance with the Foreign Exchange Act are permitted.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCY 5 million per transaction
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T+1	Up to LCY 5 million per transaction
Common Electronic Fund Transfer (CEFT)	T (almost immediate)	Up to LCY 5 million per transaction



Cross-border remittance

Inward: Non-resident accounts are subject to permitted credits of its regulated bank account. Purpose of payment is mandatory. There are documentary requirements.

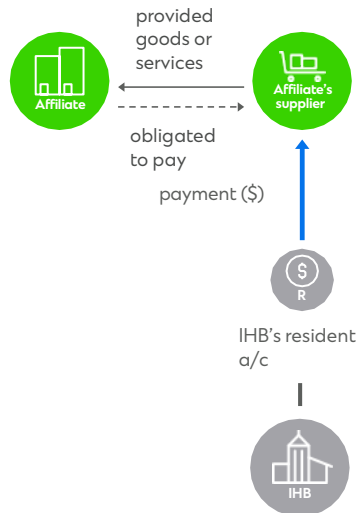
Outward: LCY is not a preferred international settlement currency. Residents may remit FCY offshore for permitted (e.g., trade) transactions. Non-residents may remit FCY offshore subject to permitted debits of its regulated bank account. Purpose of payment is mandatory. There are documentary requirements.



Payments-on-behalf-of (POBO)

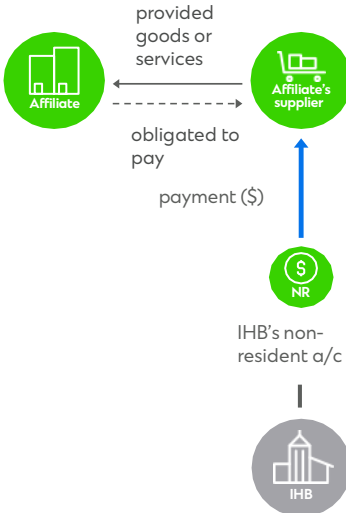
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Sri Lanka



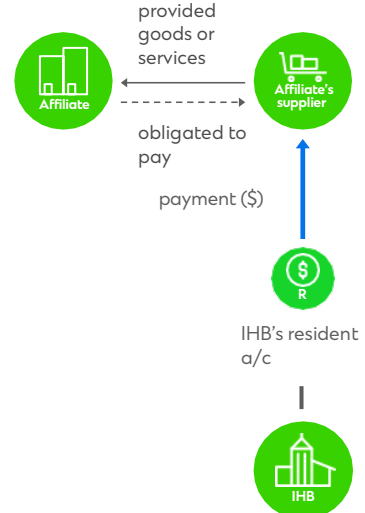
Model 2 > No

IHB entity using its non-resident account in Sri Lanka to execute POBO an affiliate entity in Sri Lanka



Model 3 > Possible with restrictions

Local IHB entity in Sri Lanka using its resident account to execute POBO an affiliate entity in Sri Lanka



Legend ● Sri Lanka ● Country A

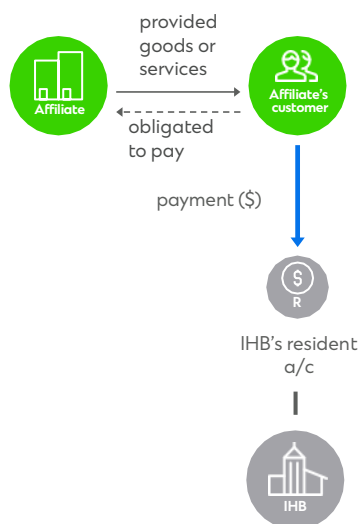
- Residents and non-residents can open bank accounts in LCY and designated foreign currencies.
- Model 1 is feasible in FCY only as LCY is not a preferred international settlement currency.
- Model 2 is not feasible as non-residents accounts are only allowed for prescribed purposes as specified by regulations.
- Model 3 is feasible in LCY as only LCY intercompany lending is allowed between residents. All FCY payments are required to be supported by bona fide trade transactions.



Receipts-on-behalf-of (ROBO)

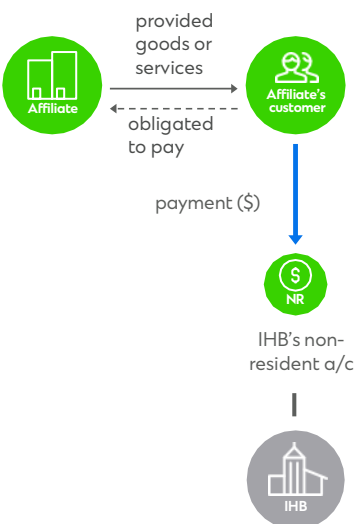
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Sri Lanka



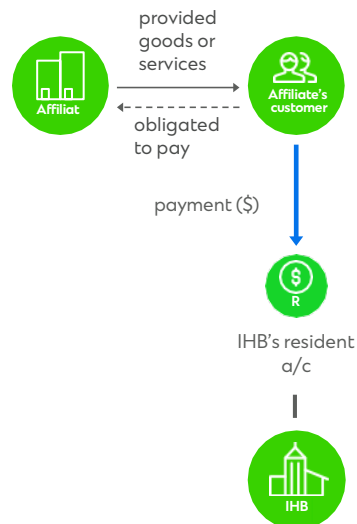
Model 2 > No

IHB entity using its non-resident account in Sri Lanka to receive and process ROBO an affiliate entity in Sri Lanka



Model 3 > Possible with restrictions

Local IHB entity in Sri Lanka using its resident account to receive and process ROBO an affiliate entity in Sri Lanka



Legend

● Sri Lanka ● Country A

- Residents and non-residents can open bank accounts in LCY and designated foreign currencies.
- Model 1 is feasible in FCY provided special approval is obtained from the DFE for the resident affiliate entity to lend to IHB. LCY is not a preferred international settlement currency.
- Model 2 is not feasible as non-residents accounts are only allowed for prescribed purposes as specified by regulations.
- Model 3 is feasible in LCY as only LCY intercompany lending is allowed between residents. All FCY payments are required to be support by bona fide trade transactions.



Tax considerations

Residency: A company whose registered or principal office is located in Sri Lanka, or the control and management of its business is exercised in Sri Lanka is a resident company for the purposes of income tax.

Permanent Establishment (PE): Broadly, a PE is generally understood to refer to a fixed place of business through which the business of a foreign enterprise is wholly or partially carried on in Sri Lanka.

Corporate tax The standard corporate tax rate is 30 per cent. 40 per cent applies for corporates with income from a business consisting of betting, gaming, liquor and tobacco.	30 per cent/ 40 per cent
Treasury-related tax incentives	No
Thin capitalisation Deductibility of interest payment made by any entity (other than financial institutions) is restricted in computing the statutory income in excess of debt-equity ratio of 4:1.	Yes
Transfer pricing There are no specific transfer pricing rules pertaining to intercompany lending. However, if interest is charged on a non-arm's length basis, the tax authorities may apply the general Transfer Pricing Regulations contained in the Inland Revenue Act.	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits Interest paid by local banks on FCY deposits are not subject to WHT. A WHT of 5 per cent applies on interest paid in LCY by banks to residents and non-residents.	Not applicable/ 5 per cent
Interest on intercompany loans A WHT of 5 per cent applies on interest paid to residents and non-residents, except on interest paid to non-residents on FCY denominated loans.	5 per cent/ Not applicable
Dividends Residents are required to withhold income tax at 15 per cent of gross dividends payable to any shareholder.	15 per cent
Royalties Royalty payments to residents and non-residents are subject to a WHT of 14 per cent.	14 per cent

Taiwan



GDP
USD761 billion



GDP growth
4.69 per cent



Population
23.26 million



Central bank
Central Bank of the Republic of
China (Taiwan)



Local currency
New Taiwan Dollar (TWD)



Account conditions

		R		NR	Additional information
Current account opening	LCY	$Y_{3,R}$	N_M		Residents can only open accounts with Domestic Banking Units (DBUs). DBUs can only offer LCY current accounts and LCY/FCY savings accounts. Non-residents can open LCY/FCY savings accounts with DBUs or FCY current/savings accounts with Offshore Banking Units (OBUs). As per market practice, LCY current accounts are not offered to non-residents. Current accounts are non-interest bearing. Standard board rates apply on LCY savings accounts.
	FCY	N_M	$Y_{3,R}$		
Savings account opening	LCY	$Y_{2,R}$	$Y_{2,R}$		
	FCY	$Y_{2,R}$	$Y_{2,R}$		

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y _R	Y _R	<p>Automated sweeping involved with current accounts is restricted.</p> <p>Intercompany lending is subject to provisions in the Companies Act which can limit the quantum of lending. The default quantum allowed for lending is 40 per cent of the net value of the lending enterprise.</p>
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	Y _R	<p>LCY is not a preferred international settlement currency.</p> <p>Intercompany lending is subject to provisions in the Companies Act which can limit the quantum of lending. The default quantum allowed for lending is 40 per cent of the net value of the lending enterprise.</p>
NR ↔ offshore	N _M	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not a preferred international settlement currency.

For residents, prior approval from Central Bank is required if the aggregate amount of foreign exchange transactions involving LCY exceeds USD50 million or equivalent per year. The foreign exchange amount of underlying transactions of import/ export of goods and services trades is not subject to this cap.

A Central Bank declaration form is required for foreign exchange transactions involving LCY with amount equivalent to or over LCY 500,000. In addition, if the amount is equivalent to or over USD1 million, supporting documentation is also required.

In addition to the provision of the declaration statement and relevant documents, the following remittances where a single remittance by a non-resident exceeds USD100,000 or equivalent in foreign exchange purchased or sold may not be processed without being approved in advance by Central Bank of Republic of China (Taiwan):

- a) Revenue from contract construction within the territory of the Republic of China
- b) Deposits of guarantees and arbitration fees for pending legal disputes within the territory of the Republic of China
- c) Payment related to legally or approved by the competent authorities acquiring real estate for self-use within the territory of the Republic of China
- d) Inheritance, insurance claims, and pensions legally acquired within the territory of Taiwan.

Supporting documentation is required for processing of foreign exchange settlements against LCY on POBO/ ROBO, subject to approval by the bank or the Financial Supervisory Committee.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
ACH – ACH Payment/ Direct Credit	T+1	-
Real Time Gross Settlement (RTGS)	T	Also available in USD, EUR, CNY and JPY
ACH – ACH Collection/ Direct Debit	T+1	Some banks to credit funds on T+2



Cross-border remittance

Inward: Generally, there are foreign exchange regulatory restrictions on inward remittances. Purpose of payment is mandatory for any FCY remittances to DBU accounts. Documentary requirements may apply. Certain restrictions apply to investment related remittances between China and Taiwan.

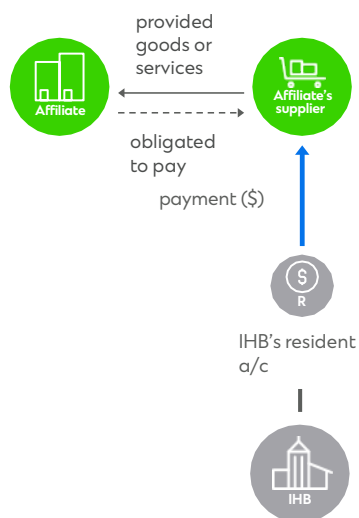
Outward: Generally, there are foreign exchange regulatory restrictions on outward remittances. LCY generally cannot be freely remitted as it is not a preferred international settlement currency. Purpose of payment is mandatory for any FCY remittances from DBU accounts. Documentary requirements may apply. Certain restrictions apply to investment related remittances between China and Taiwan.



Payments-on-behalf-of (POBO)

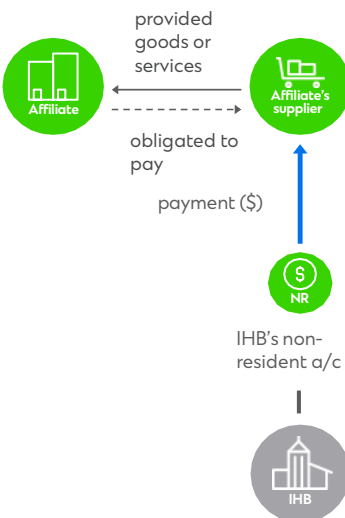
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Taiwan



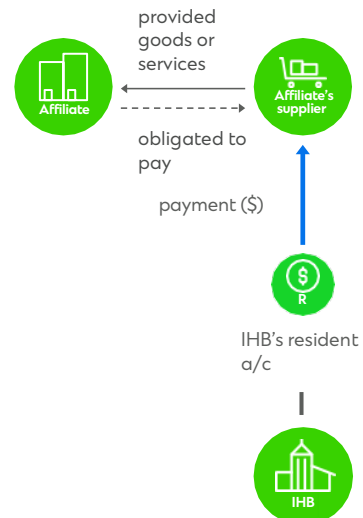
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Taiwan to execute POBO an affiliate entity in Taiwan



Model 3 > Possible with restrictions

Local IHB entity in Taiwan using its resident account to execute POBO an affiliate entity in Taiwan



Legend

● Taiwan ● Country A

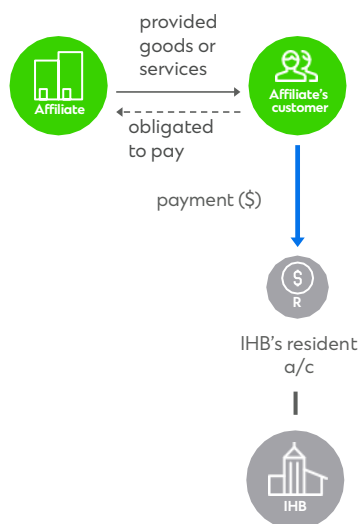
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 might be feasible in FCY only as LCY is not a preferred international settlement currency. LCY accounts cannot be opened offshore and OBU/ DBU restrictions apply.
- Model 2 might be feasible in FCY. As per market practice, LCY current accounts are not offered to non-residents. Approval from the Central Bank is required if the aggregate amount of foreign exchange transactions involving LCY exceeds USD50 million or equivalent per year.



Receipts-on-behalf-of (ROBO)

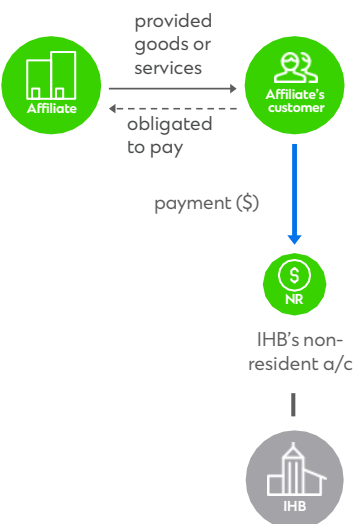
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Taiwan



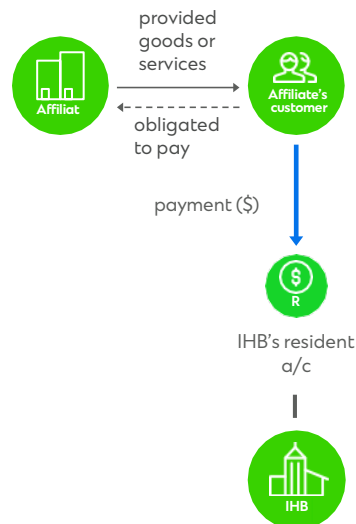
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Taiwan to receive and process ROBO an affiliate entity in Taiwan



Model 3 > Possible with restrictions

Local IHB entity in Taiwan using its resident account to receive and process ROBO an affiliate entity in Taiwan



Legend ● Taiwan ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY as LCY is not an international settlement currency. LCY accounts cannot be opened offshore and OBU/ DBU restrictions may apply.
- Model 2 is feasible in FCY. As per market practice, LCY current accounts are not offered to non-residents. Approval from the Central Bank is required if the aggregate amount of foreign exchange transactions involving LCY exceeds USD50 million or equivalent per year.



Tax considerations

Residency: A company is a resident of Taiwan for tax purposes if it is incorporated in Taiwan.

Permanent Establishment (PE): Taiwan domestic tax regulations only refer to a fixed place of business and business agent, which generally follows the definitions of a fixed place of business and agency PE in the OECD model tax convention.

Corporate tax

The standard corporate tax rate is 20 per cent.

No income tax is imposed for corporates with taxable income of less than TWD120,000.

20 per cent

No

Treasury-related tax incentives	No
Thin capitalisation Tax deductible interest expense on intercompany debt is capped at a prescribed intercompany debt-to-equity ratio of 3:1. The forementioned thin capitalisation rule does not apply to situations that are eligible for the Safe Harbour Rule, e.g., the annual aggregate interest expense is less than TWD4 million.	Yes
Transfer pricing The interest rate for intercompany loans should be at arm length's rate. The deductible interest expense is capped at a prescribed intercompany debt-to-equity ratio of 3:1.	Yes
Controlled foreign corporation rule A resident company's share of CFC earnings will be taxable if the company and its related parties, directly or indirectly, own more than 50 per cent of the shares of a company located in a low-tax (i.e., 70 per cent of Taiwan's current tax rate) jurisdiction.	Yes

Withholding tax

Interest on bank deposits WHT rate of 10 per cent and 20 per cent applies on interest paid to residents and non-residents respectively for accounts opened with a DBU of a local bank. Interest paid to non-residents for accounts opened with an OBU of a local bank is exempt from WHT.	10 per cent/ 20 per cent No
Interest on intercompany loans WHT rate of 10 per cent and 20 per cent applies on interest paid to residents and non-residents respectively.	10 per cent/ 20 per cent
Dividends Taiwan does not impose WHT on dividends paid by a resident to another resident. For dividends paid to a non-resident, a WHT of 21 per cent applies.	No 21 per cent
Royalties WHT rate of 10 per cent and 20 per cent applies on royalties paid to residents and non-residents respectively.	10 per cent/ 20 per cent

Thailand



GDP
USD495.42 billion



GDP growth
2.6 per cent



Population
71.70 million



Central bank
Bank of Thailand



Local currency
Thai Baht (THB)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _{3,R}	Deposit and withdrawal conditions apply for resident FCY accounts and non-resident LCY accounts.
	FCY	Y _{1,R}	Y ₄	Non-residents may open a NR Baht account for Securities (NRBS) or a NR Baht account (NRBA) for general purposes. The total daily outstanding end-of-day balances for each type of account, with all Thai commercial bank, must not exceed LCY 200 million per non-resident except for NR with special approval granted by the Central Bank, on a case-by-case basis. Transfers between different types of accounts are not allowed.
Savings account opening	LCY	Y ₂	Y _{4,R}	
	FCY	Y _{2,R}	Y _{2,R}	

Residents may open accounts offshore subject to repatriation requirements and outward remittance regulations.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement. However, balances in NRBA and NRBS cannot be included to receive benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	Sweeps within the same entity is allowed in FCY. However, certain restrictions will apply. Sweeping between NRBA and NRBS is not allowed.
Same entity (NR)	Y _R	Y _R	Under foreign exchange regulations, domestic lending between two resident entities must be in LCY. Domestic sweeps between resident and non-resident entities are considered as cross-border transactions under foreign exchange control regulations.
R ↔ R	Y	N	For LCY lending from residents to non-residents, LCY funds from resident LCY accounts can only be deposited into NRBA's whose account holders are residents in Cambodia, Laos, Malaysia, Myanmar and Vietnam for trade and investment within these countries (including Thailand).
R ↔ NR	Y _R	Y _R	Lending by residents to non-residents from other countries must be in FCY unless Central Bank approval is obtained.
NR ↔ NR	Y _R	Y	An exemption from the foreign business license requirement applies if it relates to the provision of loans to related companies, subject to meeting conditions.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not available

N_M: Not offered in the market

X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	<p>Non-residents can lend funds to residents freely. Residents can also convert LCY to FCY for lending to overseas companies.</p> <p>Only LCY lending from residents to non-residents in Cambodia, Laos, Malaysia, Myanmar and Vietnam for trade and investment within these countries (including Thailand) is allowed. Lending by residents to non-residents from other countries must be in FCY unless Central Bank approval is obtained.</p> <p>Under the intercompany lending arrangement which Residents lend FCY to offshore, if the transaction amount is higher than USD200,000 equivalent, supporting document check may be required, except for the case that such Resident client is a KYB client of the onshore bank (Know Your Business scheme as per Central Bank regulation, Bank will check supporting document for the first transaction to approve KYB for clients. KYB clients will be review by bank annually.</p>
NR ↔ offshore	Y _R	Y	<p>Non-residents lend LCY to offshore entity is under scope of exchange control regulations as it has to comply with LCY withdrawal and deposit conditions of non-resident Thai Baht accounts.</p> <p>Residents may borrow FCY from non-residents without restrictions, subject to submission of supporting documents and the bank's approval with transaction amounts equivalent to USD200,000 or above. Supporting document check can be waived for the said transaction if such Residents are KYB clients of the bank.</p> <p>An exemption from the foreign business license requirement applies if it relates to the provision of loans to related companies, subject to meeting conditions. Purpose of transaction required for all activities under scope of Exchange Control Regulations.</p>

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

While there are no specific regulatory restrictions on notional pooling arrangements, there is a need to be compliant with exchange control regulations per local regulation. NRBA and NRBS are not allowed to be included in notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible to FCY onshore. LCY is not a preferred international settlement currency.

Residents converting LCY to FCY must provide purpose of transaction, and proof of permitted underlying business obligation for transaction amounts higher than USD200,000 or equivalent, except for the KYB clients in which the supporting document check could be waived.

Non-residents can convert LCY into FCY for remittance offshore or for depositing into the FCD account. This may be subject to documentation requirements, depending on the type of foreign exchange transaction.

Foreign currency: Generally, in-country transactions must be settled in LCY. However, residents may settle their trade/ services obligation in FCY via FCD account, subject to conditions. Residents may withdraw FCY from FCD account and exchange into LCY.

Non-residents can convert FCY from their FCD accounts to LCY. This may be subject to documentation requirements, depending on type of foreign exchange transaction.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCY 2 million per transaction
Real Time Gross Settlement (RTGS)	T	-
PromptPay	T (almost immediate)	Up to LCY 2 million per transaction



Cross-border remittance

Inward: Foreign currencies can be transferred or brought into Thailand without restriction. Purpose of payment is mandatory. There are no documentary requirements.

Outward: For residents, outward remittances to settle foreign obligations are generally permitted upon presentation of documentation as prescribed by the Central Bank to authorised banks provided that the purpose of the remittance is those permitted by the Central Bank. Supporting document check could be waived in some cases such as for Resident KYB client. However, the bank is allowed to ask for additional supporting document from client if necessary. Purpose of transaction is required for all activities under scope of Exchange Control Regulations.

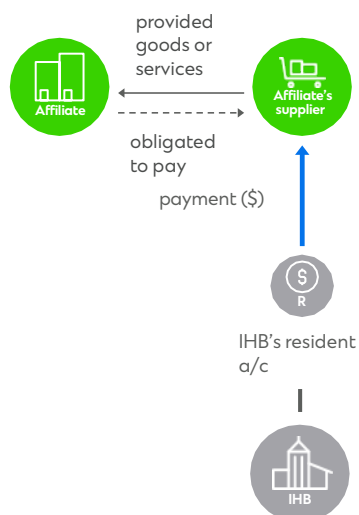
For non-residents, outward remittance of FCY is allowed. Generally, cross-border FCY transactions are permitted and in certain cases may require a notification to the Central Bank before effecting the transfer.



Payments-on-behalf-of (POBO)

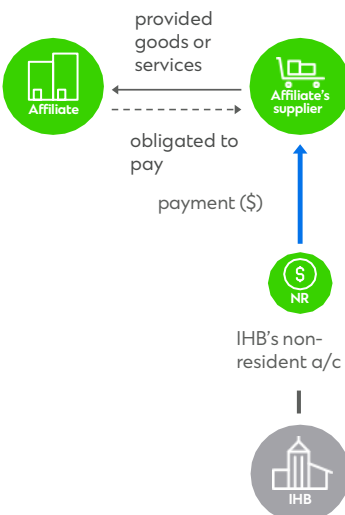
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Thailand



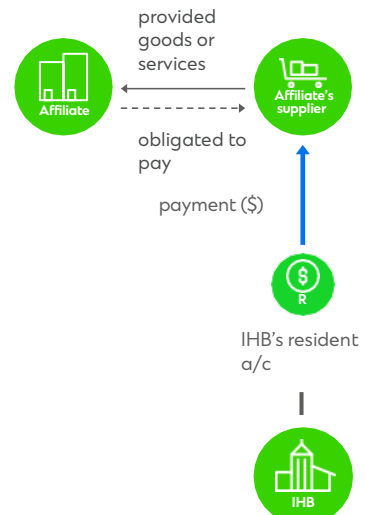
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Thailand to execute POBO an affiliate entity in Thailand



Model 3 > Possible with restrictions

Local IHB entity in Thailand using its resident account to execute POBO an affiliate entity in Thailand



Legend

● Thailand ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- FCY or THB remittances/ repayment from offshore entity to residents can be done subject to conditions under Exchange Control regulations, such as purpose of transaction is required for regulatory reporting, THB transfer from offshore entity must be from correct type of Non-resident THB account (NRBA or NRBA), supporting document may be required for some transactions.

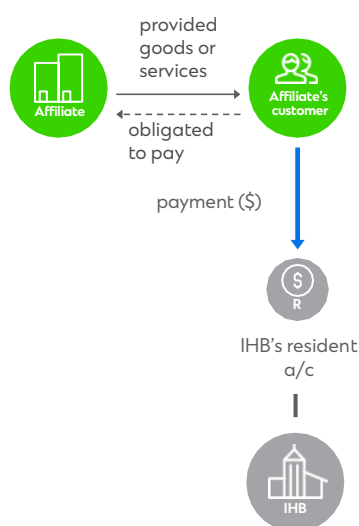
- Banks may require alignment of details on invoice/ underlying documents with payment details, applicable for all FCY transactions involving both resident and non-resident accounts and THB transactions for non-resident accounts.
- Models 1, 2, and 3 are feasible subject to conditions and requirements under Exchange Control regulations. In general, for FCY transfer between residents must not be for buy/ sell/ exchange/ lending of FCY, unless BOT approval is obtained. For entities which have obtained specific license or approval such as Thai Treasury centre license, special BOT approval, there might be different conditions from general regulations.



Receipts-on-behalf-of (ROBO)

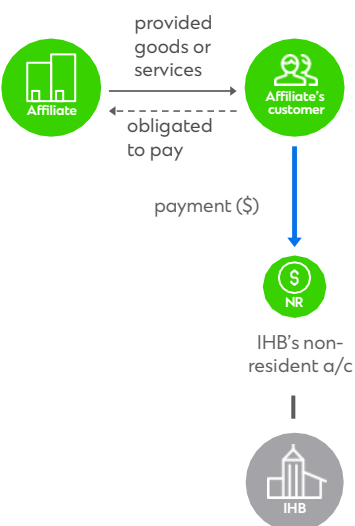
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Thailand



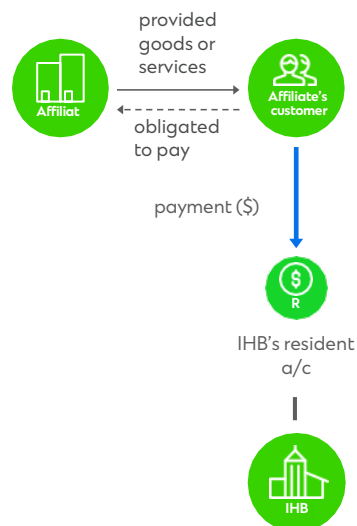
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Thailand to receive and process ROBO an affiliate entity in Thailand



Model 3 > Possible with restrictions

Local IHB entity in Thailand using its resident account to receive and process ROBO an affiliate entity in Thailand



Legend ● Thailand ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- FCY remittances/ repayment between residents and the offshore entity can be done under conditions under Exchange control regulation. Supporting document is required in many cases, some exceptions apply.
- Banks may require alignment of details on invoice/ underlying documents with payment details, applicable for all FCY transactions involving both resident and non-resident accounts and THB transactions for non-resident accounts.
- Thai residents are allowed to purchase foreign currency or make outward remittance for any purposes other than those prescribed in the negative list. For negative list purpose transaction, prior BOT approval must be obtained. Negative list purposes are listed as below.
 1. Purchase/ exchange FX/ THB or derivative referencing THB with offshore counterparties.
 2. Payment for digital asset such as Crypto currency
 3. Payment for non-imported gold
 4. lending THB to NR (some exceptions apply)
 5. Remittance of fund from entity acting as agent of offshore Money Transfer or NR loan repayment agent

- Models 1 and 2 are feasible subject to conditions and requirements indicated in Exchange Control regulation.
- Model 3 is feasible in LCY and FCY. In general, for FCY transfer between residents must not be for buy/ sell/ exchange/ lending of FCY, unless BOT approval is obtained. For entities which have obtained specific license or approval such as Thai Treasury centre license, special BOT approval, there might be different conditions from general regulations



Tax considerations

Residency: A company incorporated under the laws of Thailand is a resident company

Permanent Establishment (PE): Under Thai tax law, juristic companies or partnerships organised under foreign laws will be deemed to have a PE if:

- they carry on business in Thailand; or
- they have an employee, a representative or a go-between for carrying on business in Thailand and thereby derive income or gains in Thailand.

Corporate tax The standard corporate tax rate of 20 per cent applies but SMEs are subject to progressive tax rates up to 20 per cent.	20 per cent
Treasury-related tax incentives The Board of Investment (BOI): Promoted companies are exempt from CIT for up to 8 years (subject to certain conditions). International Business Centre (IBC) tax incentive provides reduced CIT rates of 3 per cent, 5 per cent or 8 per cent on qualifying income derived by companies set up in Thailand to provide treasury services to its affiliates. In addition, WHT exemption is available on interest and dividends paid by the IBC to foreign recipients.	Yes
Thin capitalisation	No
Transfer pricing Transactions between related parties should adhere to the arm's length principle. Transfer pricing disclosure is mandatory for taxpayers whose annual turnover is THB 200 million or more.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits A WHT of 1 per cent ¹ applies on bank interests paid to residents and non- residents with PE. Bank interests paid to non-residents without PE are subject to WHT of 15 per cent.	1 per cent/ 15 per cent
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¹ The above withholding tax rates have been temporarily reduced from 1 January 2023 to 31 December 2025 provided that the tax is remitted via the e-withholding tax system. For payments paid to residents and non- residents with PE, the normal rates of 5 per cent, 3 per cent and 2 per cent are reduced to 1 per cent.

Interest on intercompany loans A WHT of 1 per cent ¹ applies on interests paid to residents and non-residents with PE. Interests paid to non-residents without PE are subject to WHT of 15 per cent.	1 per cent/ 15 per cent
Dividends Dividends received from a Thai company by a company listed on the Stock Exchange of Thailand, or any other limited company that holds at least 25 per cent of the total shares with voting rights in the company paying the dividend without any cross shareholding will be exempt from withholding tax. Otherwise, a WHT of 10 per cent applies.	No/ 10 per cent
Royalties A WHT of 3 per cent and 15 per cent applies on royalties paid to residents and non-residents respectively.	3 per cent/ 15 per cent

Vietnam



GDP
USD408.8 billion



GDP growth
8.0 per cent



Population
98.19 million



Central bank
State Bank of Vietnam



Local currency
Vietnamese Dong (VND)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _{1,R}	There is no regulatory definition for savings account for corporates in Vietnam. Per related regulations only current account is defined by State Bank of Vietnam. Activities over resident FCY and non-resident current accounts are restricted. Interest rates are regulated.
	FCY	Y _{1,R}	Y _{1,R}	
Savings account opening	LCY	N	N	Overdrafts are treated as short-term loans and will be transferred to a separate loan account at end of day. Overdraft facilities on non- resident current accounts are only available in specific circumstances or with Central Bank approval.
	FCY	N	N	

Residents may open accounts offshore, subject to the approval of the Central Bank.

Interest optimisation	Yes	Subject to third party information sharing restrictions and no circumvention on regulated interest rate caps, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	Only sweeping of funds between accounts in same currency belonging to the same entity is currently allowed. Lending between resident entities can be conducted via entrustment loans if the entruster is licensed for this activity.
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	N	
R ↔ NR	N	N	
NR ↔ NR	N	N	
X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y _R	Due to foreign exchange controls, cross- border sweeping is generally not allowed for resident entity.
NR ↔ offshore	N	Y	Cross-border intercompany loan in FCY is permitted subject to meeting conditions or approval from the Central Bank or the Prime Minister.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

It is not market practice for multi-entity notional pooling to be offered in Vietnam.



Currency convertibility

Local currency: LCV is convertible to FCY onshore.

Supporting documents (e.g., contracts with foreign suppliers, etc.) should be submitted to the bank for purchase of FCY. All domestic transactions should be in LCV, except for certain specific exempt transactions.

Foreign currency: FCY is convertible to LCV onshore. All domestic transactions should be executed in LCV unless specifically allowed by the Central Bank. All transactions in FCY must be carried out through an authorised credit institution, supporting documents can be required in certain cases



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	Also available in USD, GBP, EUR, AUD, CHF, SGD, JPY
Faster (Instant) Payments	T (almost immediate)	Up to VND499,999,999 per transaction



Cross-border remittance

Inward: Inward FCY remittances which are loans must comply with regulations on foreign borrowings, including registration with the Central Bank. For transactions not related to loan or capital injections, clear payment narration is mandatory. Otherwise, supporting documents are required to be submitted to the bank.

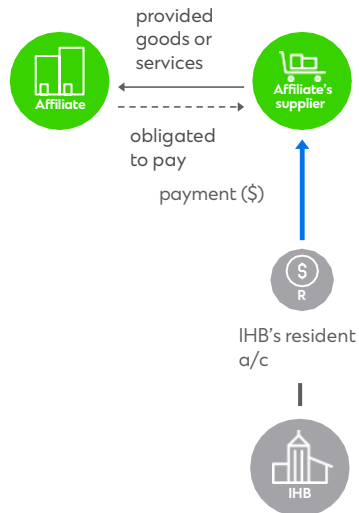
Outward: LCV is not a convertible currency and cannot be remitted overseas. For FCY, outward remittances are only permitted for certain purposes (e.g., imported goods and services, payment of principals and interests of foreign loans, direct and indirect investment [investment in valuable papers issued by non-residents, etc.]) and documentation (e.g., contracts, invoices) are required to support the remittance. In addition, FCY remittance must be carried out through authorised credit institutions. Purpose of payment is required. There are documentary requirements.



Payments-on-behalf-of (POBO)

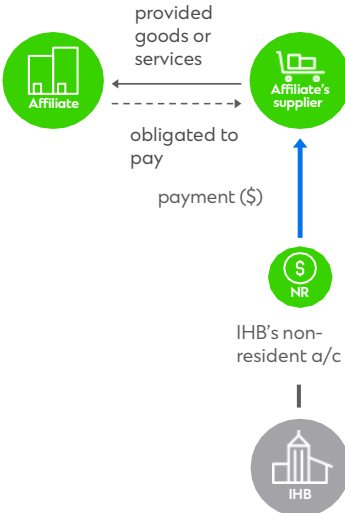
Model 1 > No

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Vietnam



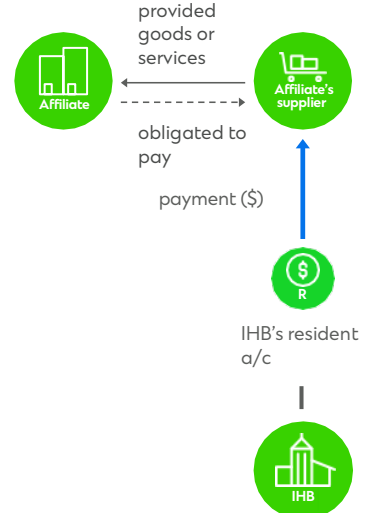
Model 2 > No

IHB entity using its non-resident account in Vietnam to execute POBO an affiliate entity in Vietnam



Model 3 > Possible with restrictions

Local IHB entity in Vietnam using its resident account to execute POBO an affiliate entity in Vietnam



Legend ● Vietnam ● Country A

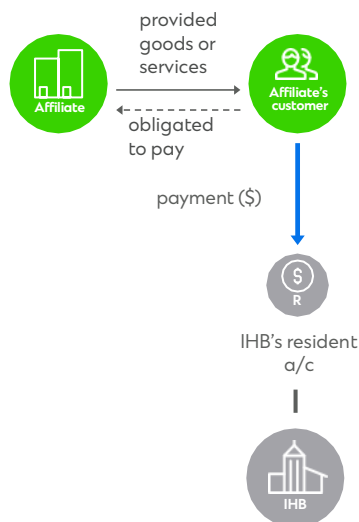
- Residents can open bank accounts in LCY and most foreign currencies.
- Non-residents can open bank accounts in FCY and LCY for certain purposes only. The receipt and remittance of funds by non-residents must comply with local regulations issued by the Central Bank and other relevant authorities.
- Models 1 and 2 are not feasible as the intercompany loan from the IHB to the affiliate must be paid to the offshore borrowing account of the affiliate (not the affiliate's supplier).
- Model 3 is feasible only in LCY provided it creates no intercompany lending implication as FCY payments within Vietnam are only allowed for specific purposes.



Receipts-on-behalf-of (ROBO)

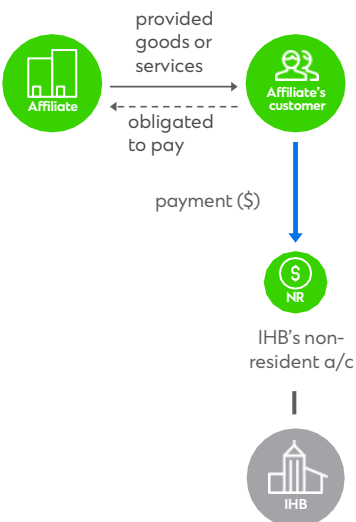
Model 1 > No

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Vietnam



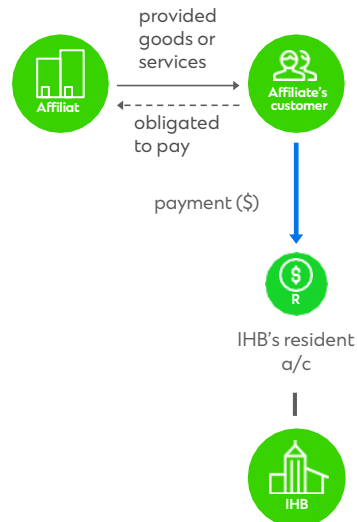
Model 2 > No

IHB entity using its non-resident account in Vietnam to receive and process ROBO an affiliate entity in Vietnam



Model 3 > Possible with restrictions

Local IHB entity in Vietnam using its resident account to receive and process ROBO an affiliate entity in Vietnam



Legend

● Vietnam ● Country A

- Residents can open bank accounts in LCY and most foreign currencies.
- Non-residents can open bank accounts in FCY but are only permitted to open LCY accounts for certain purposes and the receipt and remittance of funds by non-residents must comply with the account opening permit.
- Model 1 is not feasible as all FCY outward remittances are subject to strict control and LCY cannot be remitted offshore. For a resident to lend to an offshore entity, approvals from the Central Bank and the Prime Minister are required.
- Model 2 is not feasible as non-resident accounts in Vietnam are only allowed to receive funds for specific purposes, which does not include ROBO a third party.
- Model 3 is feasible only in LCY provided it creates no intercompany lending implication as FCY payments within Vietnam are only allowed for specific purposes.



Tax considerations

Residency: Any organisation incorporated under Vietnamese law (irrespective of whether Vietnamese owned or foreign owned) would be treated as tax resident of Vietnam.

Permanent Establishment (PE): In Vietnam, a PE is defined as a fixed place of business through which a foreign enterprise carries out part or the whole of its business or production activities in Vietnam.

Corporate tax The standard CIT rate is 20 per cent.	20 per cent
Treasury-related tax incentives	No
Thin capitalisation Vietnam has no thin capitalisation rules. However, tax deductibility of interest on loans is subject to the cap of 30 per cent of EBITDA.	No
Transfer pricing Vietnam has in place transfer pricing regulations wherein the acceptable methodologies for determining arm's length pricing are generally aligned to the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Transfer pricing reporting and documentation requirements apply.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits Interest paid to residents is not subject to WHT. If the non-resident is not a tax registrant of Vietnam, a WHT of 5 per cent applies. If the non-resident registers to pay tax in Vietnam under deduction method (i.e., pay tax on profit), the non-resident should include the interest in its total taxable profit.	No/ 5 per cent
Interest on intercompany loans Interest paid to residents is not subject to WHT. If the non-resident is not a tax registrant of Vietnam, a WHT of 5 per cent applies. If the non-resident registers to pay tax in Vietnam under deduction method (i.e., pay tax on profit), the non-resident should include the interest in its total taxable profit.	No/ 5 per cent
Dividends	No
Royalties Royalties paid to residents is not subject to WHT. A WHT of 10 per cent applies on royalties paid to non-residents.	No/ 10 per cent

Botswana



GDP
USD20.36 billion



GDP growth
5.80 per cent



Population
2.63 million



Central bank
Bank of Botswana



Local currency
Botswana Pula (BWP)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Accounts require proof of source of funds before they can be opened. Generally, only USD, GBP, EUR and ZAR denominated current, and savings accounts can be opened.
	FCY	Y _{1,R}	Y _{1,R}	
Savings account opening	LCY	Y ₁	Y ₁	As per market practice, interest is generally not offered on current accounts and overdrafts are not offered on savings and FCY current accounts.
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	Y	LCY is not a preferred international settlement currency.
NR ↔ offshore	N _M	Y	FCY cross border sweeping is typically limited to USD, GBP, EUR, and ZAR.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible to FCY onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T+2	-
Faster (Instant) Payments	T (almost immediate)	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory.

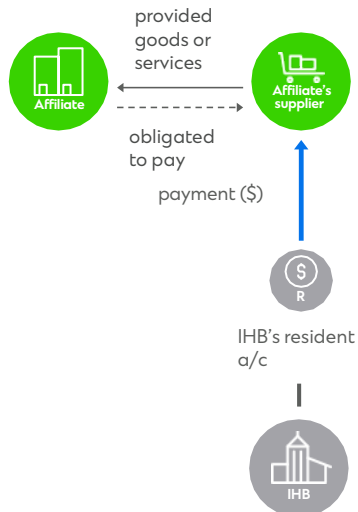
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. Form A is a regulatory reporting requirement for all outward cross-border remittance above LCY 10,000.



Payments-on-behalf-of (POBO)

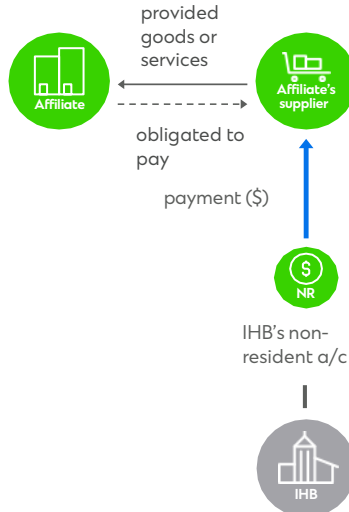
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Botswana



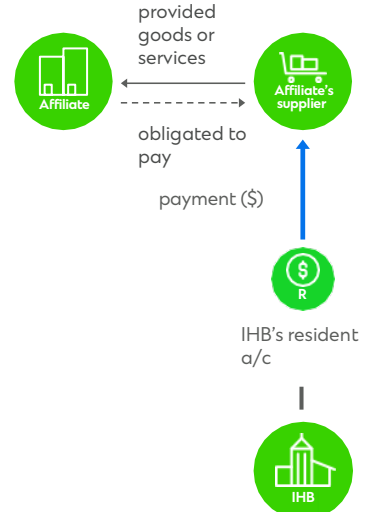
Model 2 > Possible

IHB entity using its non-resident account in Botswana to execute POBO an affiliate entity in Botswana



Model 3 > Possible

Local IHB entity in Botswana using its resident account to execute POBO an affiliate entity in Botswana



Legend ● Botswana ● Country A

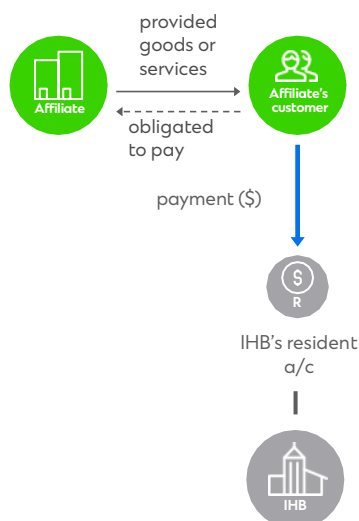
- Residents and non-residents can open bank accounts in LCY and FCY accounts are typically limited to USD, GBP, EUR and ZAR denominations.
- Model 1 may be feasible in FCY only as LCY is not a preferred international settlement currency.
- For the purposes of verifying source of funds, an agreement between the relevant parties detailing the POBO arrangement may be required under Financial Action Task Force (FATF) recommendations.



Receipts-on-behalf-of (ROBO)

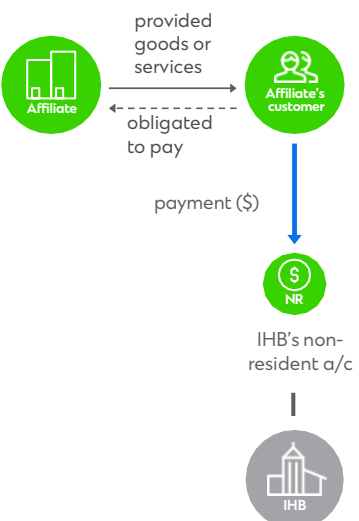
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Botswana



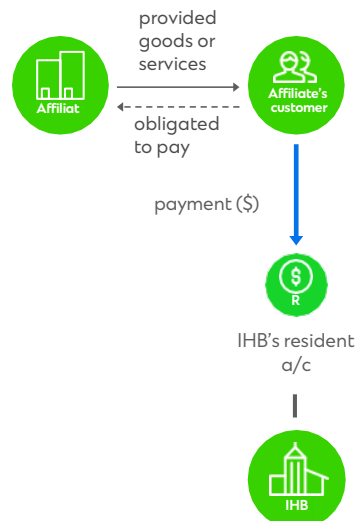
Model 2 > Possible

IHB entity using its non-resident account in Botswana to receive and process ROBO an affiliate entity in Botswana



Model 3 > Possible

Local IHB entity in Botswana using its resident account to receive and process ROBO an affiliate entity in Botswana



Legend ● Botswana ● Country A

- Residents and non-residents can open bank accounts in LCY and FCY accounts are typically limited to USD, GBP, EUR and ZAR denominations.
- Model 1 may be feasible in FCY only as LCY is not a preferred international settlement currency.
- For the purposes of verifying source of funds, an agreement between the relevant parties detailing the ROBO arrangement may be required under FATF recommendations.
- Beneficiary details should match the account names and number of where the money will be received, and this may create an impediment to ROBO.



Tax considerations

Residency: A company is considered a resident of Botswana for tax purposes if its registered office or place of incorporation is in Botswana or if the company is managed and controlled in Botswana.

Permanent Establishment (PE): The definition of PE in the DTAs that Botswana enters into with contracting states follows the OECD Model Tax Convention on Income and Capital.

Corporate tax Corporate tax rate for residents is 22 per cent. Branches are taxed at a rate of 30 per cent.	22 per cent 30 per cent
Treasury-related tax incentives	No
Thin capitalisation Thin capitalisation rules were introduced effective from 1 July 2019 and were made applicable to all taxpayers except banking and insurance companies. As per the general provisions, the net interest expense is limited to 30 per cent of taxable income or earnings before interest, tax, depreciation, and amortisation (EBITDA). The excess interest expense may be carried forward and deducted from taxable income for up to three years (ten years for mining companies and IFSC companies).	Yes
Transfer pricing Botswana introduced transfer pricing (TP) regulations with effect from 1 July 2019. Such regulations are applicable on transactions with non-resident connected persons. All the transactions between related parties are to be recorded at arm's length. The Minister is to prescribe whether the conditions of a transaction are consistent with the arm's-length principle, and required documentation is to be kept by the parties in respect of such transaction.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits A WHT of 10 per cent and 15 per cent applies on interest paid to residents and non-residents respectively.	10 per cent/ 15 per cent
Interest on intercompany loans A WHT of 10 per cent and 15 per cent applies on interest paid to residents and non-residents respectively.	10 per cent/ 15 per cent
Dividends Dividends paid to residents and non-residents are subject to a WHT of 10 per cent.	10 per cent
Royalties Botswana does not impose WHT on royalties paid by a resident to another resident. A WHT of 15 per cent applies on royalties paid to non-residents.	No/ 15 per cent

Ghana



GDP
USD73.77 billion



GDP growth
3.1 per cent



Population
33.48 million



Central bank
Bank of Ghana



Local currency
Ghanaian Cedi (GHS)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, banks generally do not offer interest on LCY current and FCY accounts.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₂	Y ₂	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	Depending on the type of accounts, FCY is transferable subject to the availability of documentation to back the underlying transactions.
Same entity (NR)	Y	Y _R	
R ↔ R	Y	Y _R	
R ↔ NR	Y	Y _R	
NR ↔ NR	Y	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	Y _R	LCY is not a preferred international settlement currency.
NR ↔ offshore	N _M	Y _R	Outward cross-border sweeps in FCY are subject to exchange controls.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Ghana.



Currency convertibility

Local currency: LCV is convertible to FCY onshore. LCV is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCV onshore. The foreign exchange regulations differentiate between 2 types of foreign currency accounts: (i) Foreign Currency Account (FCA) and (ii) Foreign Exchange Account (FEA). Deposits to FCA can only be made from offshore sources. Transfers offshore from the FCA by depositors are free from restrictions. FCA transfers onshore are however subject to foreign exchange regulations. Only FCY acquired from export proceeds or any other local source of foreign exchange in Ghana can be used to operate an FEA.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	-
Real Time Gross Settlement (RTGS)	T	Also available in USD, EUR and GBP
Direct Debit (Clearing House)	T	-
Faster (Instant) Payments	T (almost immediate)	-



Cross-border remittance

Inward: Payments to FCA accounts may be made without restrictions. The Central Bank has the power to impose temporary restrictions on the importation of foreign exchange. Purpose of payment is mandatory. Generally, there are no documentary requirements however, documents may be required if the transaction is deemed as suspicious.

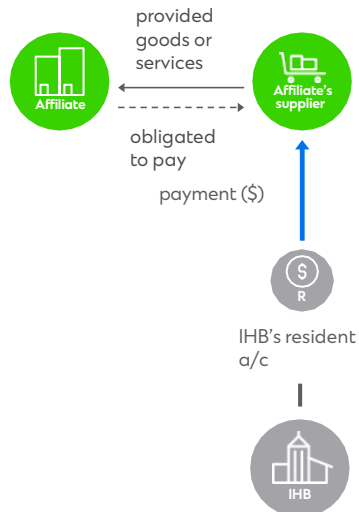
Outward: LCV needs to be converted to FCY for outward transactions. Purpose of payment is mandatory. Generally, payments from FCA accounts may be made without restrictions. Balances on FEA accounts cannot be transferred freely without supporting documentation to back the underlying transaction. Residents are, however, allowed to transfer up to USD10,000 or equivalent per annum from the FEA accounts to meet payment obligations abroad without documentation. Non-residents are, in principle, free to transfer abroad their net after-tax profits. This must be supported by the relevant underlying documentation. The Central Bank has the power to impose temporary restrictions on the exportation of foreign exchange.



Payments-on-behalf-of (POBO)

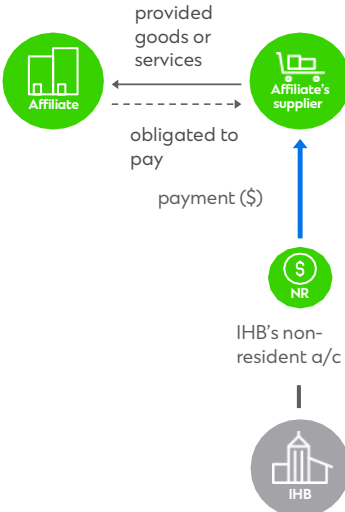
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Ghana



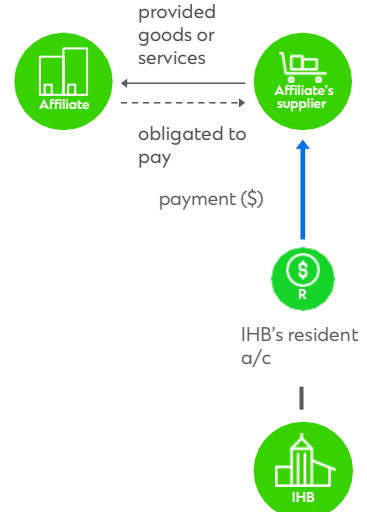
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Ghana to execute POBO an affiliate entity in Ghana



Model 3 > Possible with restrictions

Local IHB entity in Ghana using its resident account to execute POBO an affiliate entity in Ghana



Legend ● Ghana ● Country A

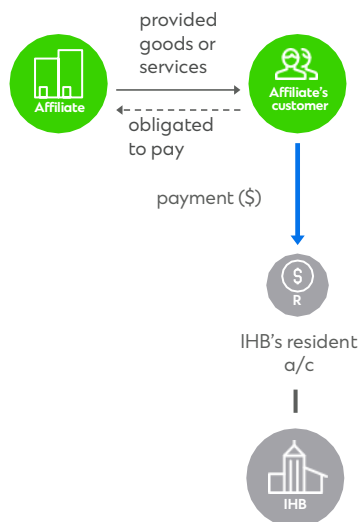
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Supporting documents must be provided to the Central Bank to back the underlying transactions in FCY.
- Model 1 is possible in FCY only because LCY is not a preferred international settlement currency.
- Models 2 and 3 are generally feasible in LCY only due to the restrictions on FCY accounts. However, where the supplier is licensed by the Central Bank to invoice in FCY, payments can be made in FCY



Receipts-on-behalf-of (ROBO)

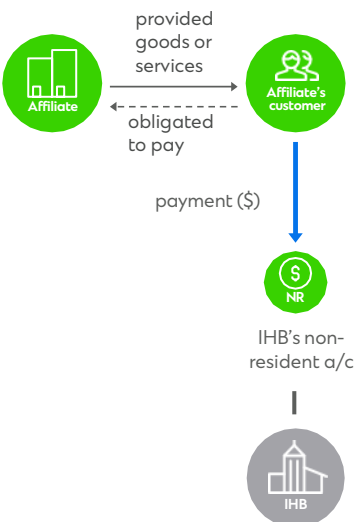
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Ghana



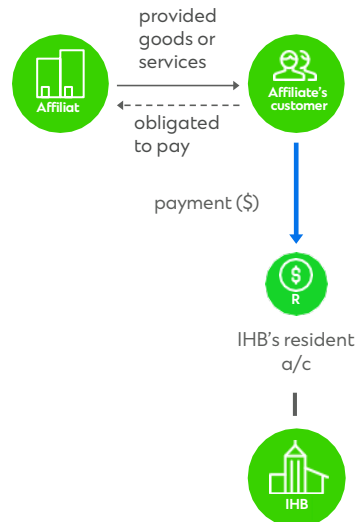
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Ghana to receive and process ROBO an affiliate entity in Ghana



Model 3 > Possible with restrictions

Local IHB entity in Ghana using its resident account to receive and process ROBO an affiliate entity in Ghana



Legend ● Ghana ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is possible in FCY only because LCY is not a preferred international settlement currency.
- Models 2 and 3 are generally feasible in LCY only due to the restrictions on FCY accounts. However, where the supplier is licensed by the Central Bank to invoice in FCY, payments can be made in FCY. Deposits to FCAs can only be made from offshore sources.



Tax considerations

Residency: A resident entity for tax purposes is an entity incorporated under the laws of Ghana (i.e., Companies Act, 2019 (Act 992)) or has its management and control exercised in Ghana at any time during the year of assessment

Permanent Establishment (PE): PE includes a place where a person carries on business or that is at the disposal of that person for that purpose, as well as a place where a person:

- carries on business through an agent, other than a general agent of independent status acting in the ordinary course of business as such;
- has, is using, or is installing substantial equipment or machinery;
- is engaged in a construction, assembly, or installation project for ninety days or more, including a place where a person is conducting supervisory activities in relation to such a project: or,
- the provision of services in the country.

<p>Corporate tax</p> <p>The general corporate tax rate is 25 per cent. A higher rate of 35 per cent applies to mining and upstream petroleum companies. The rate is reduced for businesses in certain sectors such as agriculture, waste processing, free zone companies, venture capital financing company, etc including businesses located outside Accra, and Tema.</p> <p>In addition, a 5 per cent Growth and Sustainability Levy (GSL) applies on the accounting profit before tax for specified entities including banks, insurance companies, telecommunication companies, other financial institutions, hospitality, and other entities. A 5 per cent Financial Sector Recovery Levy (FSRL) applies on the accounting profit before tax of banks.</p> <p><i>Minimum Tax rule</i></p> <p>A person may be required to compute and pay tax on a minimum chargeable income of 5 per cent of turnover where the person has been declaring losses for the previous five years of assessment.</p> <p>This does not apply to a person within the first five years of commencement of operations or engaged in farming.</p>	<p>25 per cent</p> <p>Yes</p>
<p>Treasury-related tax incentives</p>	<p>No</p>
<p>Thin capitalisation</p> <p>An exempt controlled resident entity, other than a financial institution, is deemed to be thinly capitalised if the ratio of interest-bearing debt to equity contributions is greater than 3:1 on loans between associates.</p>	<p>Yes</p>
<p>Transfer pricing</p> <p>Ghana introduced transfer pricing regulations with effect from November 2020. Transactions between related parties are required to adhere to the arm's length principle and related documentation (i.e., Local File, Master File, Annual Transfer Pricing Return) is required for filing with the tax authorities together with the tax return due within four months after the end of the accounting period. In addition, entities whose ultimate Parent Entity has a consolidated revenue of more than GHS2.9 billion in the prior year is required to prepare (if the UPE is a resident entity) or obtain and file a CbCR within 12 months of the year-end of the ultimate Parent Entity.</p> <p>The objective control threshold is now 25 per cent (from 1 May 2023) from 50 per cent. The subjective criteria are still applicable.</p>	<p>Yes</p>
<p>Controlled foreign corporation rule</p>	<p>No</p>

Withholding tax

Residents and non-residents:	
Interest on bank deposits A WHT of 8 per cent applies on interest paid by banks or any resident person to resident and non-resident persons other than individuals.	8 per cent
Interest on intercompany loans A WHT of 8 per cent applies on interest paid to residents and non-residents persons.	8 per cent
Dividends Dividends paid to residents is not subject to WHT where the company receiving the dividend controls, directly or indirectly, 25 per cent or more of the voting power in payer. In all other cases, the WHT rate is 8 per cent. Dividends paid to non-residents are subject to a WHT of 8 per cent.	No/ 8 per cent 8 per cent
Royalties A WHT of 15 per cent applies on royalties paid to residents and non-residents.	15 per cent
Rent (as investment income) A WHT of 8 per cent applies on rental of property for residential purpose. A WHT of 15 per cent applies on rental of property for commercial purpose.	8 per cent 15 per cent
Commissions Commissions to resident insurance agents and salespersons	10 per cent
Directors Fee Fees, emoluments, and other benefits to a director, manager, or board member of a body of persons	20 per cent
Supply of services: Supply of services exceeding GHS2,000 per annum paid by an entity	7.5 per cent
Supply of goods: Goods exceeding GHS2,000 per annum, and payment for unprocessed precious minerals, consideration for the realisation of assets and liabilities by a resident person.	3 per cent
Supply of works Supply of works exceeding GHS2,000 per annum paid by an entity	5 per cent

Non-resident persons only:	
Imported Services Fee Management, consulting, and technical service fees, and endorsement fees	20 per cent
Branch Profit Repatriated branch after tax profits	8 per cent
Short-term insurance premium	5 per cent
Income from telecommunication, shipping, and air transport	15 per cent
Consideration for the realisation of assets and liabilities	10 per cent

Ivory Coast



GDP
USD70.17 billion



GDP growth
6.2 per cent



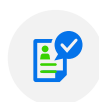
Population
28.16 million



Central bank
Central Bank of West African
States (BCEAO)



Local currency
West African CFA Franc (XOF)



Account conditions

	R		NR	Additional information
Current account opening	LCY	Y ₁	Y _{1,R}	Resident FCY accounts can only be opened with authorisation from the Central Bank and Minister of Finance (MOF) and operations (interest/ overdraft) determined by the purpose. FCY accounts are limited to EUR.
	FCY	Y _{1,R}	Y _{1,R}	
Savings account opening	LCY	Y ₂	Y _{2,R}	Non-resident accounts may be opened for a duration of 2 years and can be renewed, subject to justification of residency. Prior authorisation is required for interest to be paid and overdrafts to be offered. Overdrafts are not offered for savings accounts.
	FCY	Y _{2,R}	Y _{2,R}	

Residents can open LCY accounts within the WAEMU zone.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	N	Domestic lending between residents must be in LCY. Lending to a non-resident is subject to prior authorisation by the MOF.
Same entity (NR)	Y	Y	
R ↔ R	Y	N	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	LCY sweeping/ lending from a resident to an offshore entity is subject to prior authorisation by the MOF. Resident FCY sweeping is only possible if the FCY account is opened and sweeping is allowed as part of its operations. Offshore fund transfers from non-resident accounts should be done via approved intermediaries and may require regulatory authorisation by MOF or Central Bank if it is a project payment. Payments would not require authorisation if they are considered ordinary payments or if they are made within the West African Economic and Monetary Union (WAEMU) zone.
NR ↔ offshore	Y _R	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. Notional pooling is not offered by banks in Ivory Coast.



Currency convertibility

Local currency: LCY is convertible to FCY onshore via approved intermediaries. Relevant documentation may be requested by the bank for the conversion. LCY is convertible within the WAEMU zone.

Foreign currency: FCY is convertible to LCY onshore via approved intermediaries.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory; however, it may be required by banks. There are no documentary requirements.

Outward: All LCY cross-border remittances outside the WAEMU zone requires authorisation by MOF or Central Bank. FCY transfers outside the WAEMU zone above LCY 300,000 or equivalent require completion of exchange control documentation.

Authorisation by the Central Bank is required for FCY cross-border remittances by residents. Trade related payments require documentation and in some instances approval from the regulators. Purpose of payment is not mandatory; however, it may be required by banks.

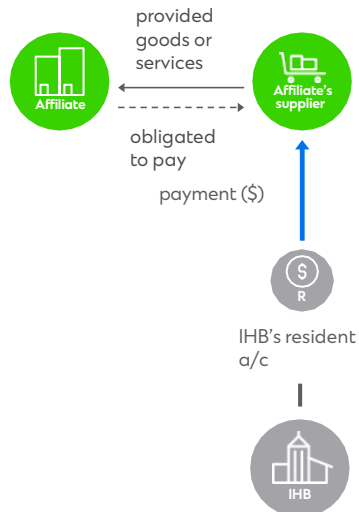
West African Economic and Monetary Union (WAEMU): Inward and outward remittances are allowed for LCY transfers within the WAEMU zone namely Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal, and Togo.



Payments-on-behalf-of (POBO)

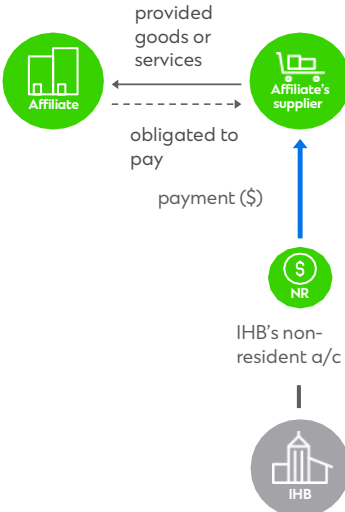
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Ivory Coast



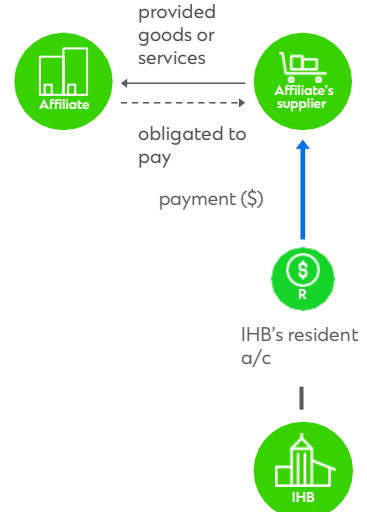
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Ivory Coast to execute POBO an affiliate entity in Ivory Coast



Model 3 > Possible with restrictions

Local IHB entity in Ivory Coast using its resident account to execute POBO an affiliate entity in Ivory Coast



Legend ● Ivory Coast ● Country A

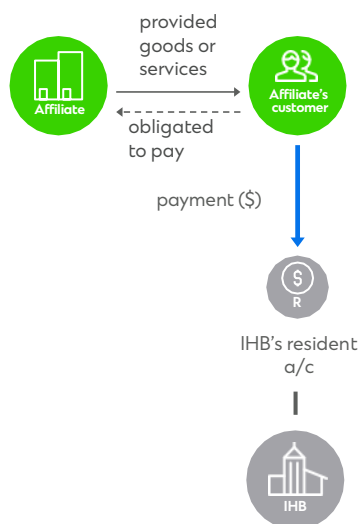
- Residents and non-residents can open bank accounts in LCY.
- Model 1 is feasible in LCY only within the WAEMU zone. Models 1 and 2 are challenging to achieve as residents borrowing from non-residents (onshore or offshore), are subject to notification to the Central Bank. In addition, repayments in FCY may be an issue as FCY accounts are limited to EUR and require Central Bank and Minister of Finance approval.
- Model 3 is feasible in LCY only as domestic lending between residents must be in LCY.
- Some banks may require the payer's name of the paying account to match the invoice unless there is documentary support for why a different entity is paying the invoice.



Receipts-on-behalf-of (ROBO)

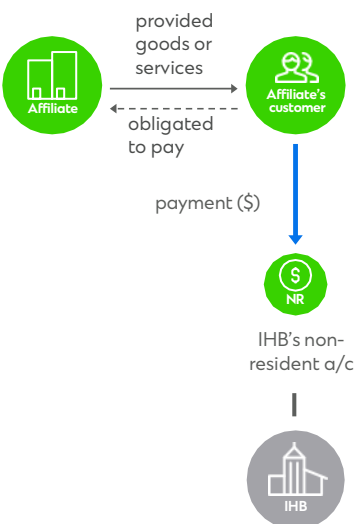
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Ivory Coast



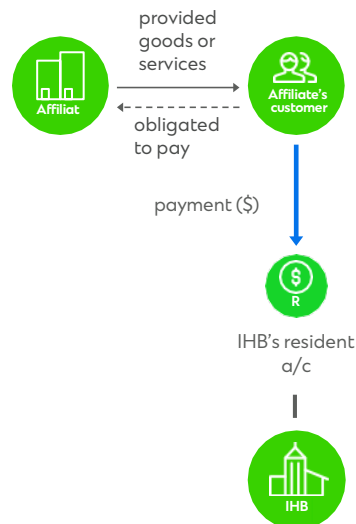
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Ivory Coast to receive and process ROBO an affiliate entity in Ivory Coast



Model 3 > Possible with restrictions

Local IHB entity in Ivory Coast using its resident account to receive and process ROBO an affiliate entity in Ivory Coast



Legend ● Ivory Coast ● Country A

- Residents and non-residents can open bank accounts in LCY.
- Model 1 is feasible in LCY only within the WAEMU zone. Models 1 and 2 are challenging to achieve as residents lending to non-residents (onshore or offshore), are subject to prior authorisation by the Ministry of Finance. In addition, repayments in FCY may be an issue as FCY accounts are limited to EUR and require Central Bank and Minister of Finance approval.
- Model 3 is feasible in LCY only as domestic lending between residents must be in LCY.



Tax considerations

Residency: Resident companies are those registered in Ivory Coast (e.g., subsidiaries, branches, representative offices).

Permanent Establishment (PE): A non-resident is considered as having a PE in Ivory Coast when its activities involve a comprehensive commercial cycle in Ivory Coast or when it operates through a dependent agent in Ivory Coast.

Corporate tax Corporate tax is 25 per cent except for IT companies which are taxed at 30 per cent.	25 per cent/ 30 per cent
Treasury-related tax incentives	No

Thin capitalisation The debt-to-equity ratio is 1:1.	Yes
Transfer pricing In practice, intercompany transactions are expected to be conducted at arm's length. Big and medium sized companies that are subject to or control companies located outside Ivory Coast , are required to produce documentation to the tax authorities during audit operations, including a master file and a local file.	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits The standard WHT rate is 18 per cent and can be reduced depending on the lending period and beneficiary.	1 per cent - 18 per cent
Interest on intercompany loans Standard rate of 18 per cent applies on interest paid to residents and non- residents unless exempted, i.e., intercompany interest is exempt from WHT if the Ivorian company extending the loan has borrowed the money and the interest on said borrowing has already been subject to WHT.	18 per cent
Dividends A WHT of 15 per cent applies on dividends paid to residents and non-residents.	15 per cent
Royalties Ivory Coast does not impose WHT on royalties paid to residents and non-residents with PE. A WHT of 20 per cent on royalties paid to non-residents without PE.	No 20 per cent

Kenya



GDP
USD113.42 billion



GDP growth
4.8 per cent



Population
54.03 million



Central bank
Central Bank of Kenya



Local currency
Kenyan Shilling (KES)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, interest is not offered on current accounts. In addition, overdraft facilities on savings accounts are generally not offered as banks cannot impose any form of charges on savings accounts.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y _R	There are documentary requirements for domestic transactions in FCY in excess of USD15,000 or equivalent and such transactions should also be reported to the Financial Reporting Centre.
Same entity (NR)	Y	Y _R	
R ↔ R	Y	Y _R	
R ↔ NR	Y	Y _R	
NR ↔ NR	Y	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	LCY is not a preferred international settlement currency except for transfers within the EA region namely Kenya, Uganda, Tanzania and Rwanda under the East Africa Payment and Settlement System (EAPS).
NR ↔ offshore	Y _R	Y _R	There are documentation requirements for cross-border transactions in FCY in excess of USD15,000 or equivalent and such transactions should also be reported to the Financial Reporting Centre.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Kenya.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not a preferred international settlement currency. There are documentation requirements for conversions to FCY in excess of USD15,000 or equivalent.

Foreign currency: FCY is convertible to LCY onshore with documentation requirements for conversions in excess of USD15,000 or equivalent.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	Up to LCY 999,999 per transaction
Real Time Gross Settlement (RTGS)	T	Also available in UGX, TZS and RWF
Direct Debit (Clearing House)	T+1	Up to LCY 499,999 per transaction
Faster (Instant) Payments	T (almost immediate)	Up to LCY 999,999 per transaction

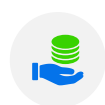


Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are documentation requirements and reporting to Financial Reporting Centre should be made for conversions from FCY more than USD15,000 or equivalent. It is also market practice for an undertaking to be provided by corporates to commit to provide proof of underlying documents on request.

Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. The outward remittance of FCY is subject to documentation requirements and reporting to Financial Reporting Centre should be made for transactions more than USD15,000 or equivalent. Cross-border remittance in LCY is uncommon as LCY is not a preferred international settlement currency. It is also market practice for an undertaking to be provided by corporates to commit to provide proof of underlying documents on request.

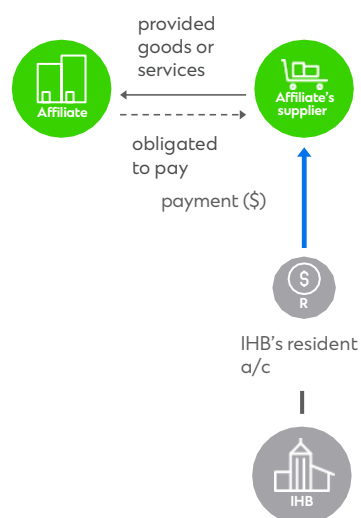
East Africa Payment and Settlement System (EAPS): Inward and outward remittances is allowed for LCY transfers within the EA region namely Kenya, Uganda, Tanzania and Rwanda under the EAPS.



Payments-on-behalf-of (POBO)

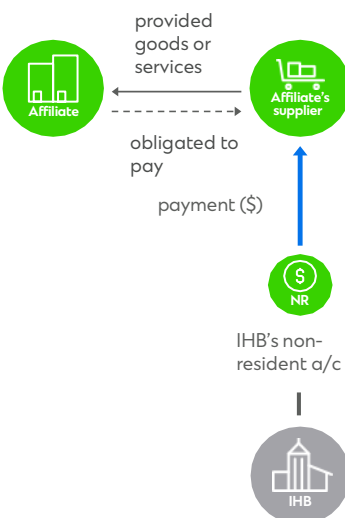
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Kenya



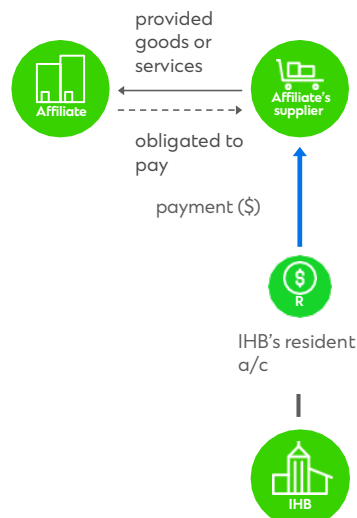
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Kenya to execute POBO an affiliate entity in Kenya



Model 3 > Possible with restrictions

Local IHB entity in Kenya using its resident account to execute POBO an affiliate entity in Kenya



Legend ● Kenya ● Country A

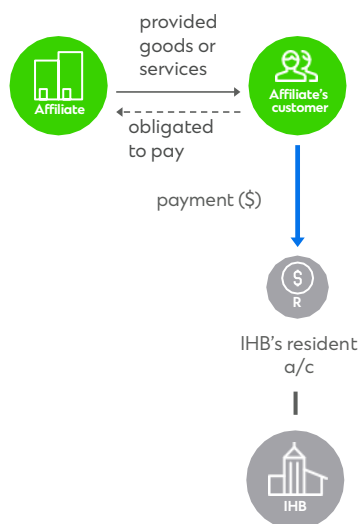
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY, subject to documentary requirements and reporting to Financial Reporting Centre should be made for payments in excess of USD15,000 or equivalent, and LCY only within the EA region namely Uganda, Tanzania and Rwanda under the EAPS.
- Models 2 and 3 are feasible. However, documentary requirements apply and reporting to Financial Reporting Centre should be made for FCY for payments in excess of USD15,000 or equivalent.



Receipts-on-behalf-of (ROBO)

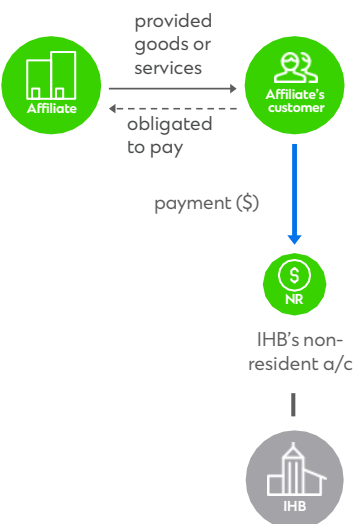
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Kenya



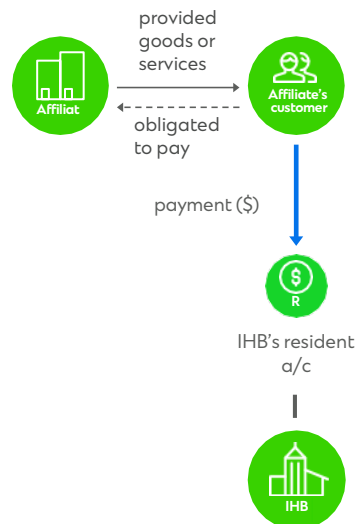
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Kenya to receive and process ROBO an affiliate entity in Kenya



Model 3 > Possible with restrictions

Local IHB entity in Kenya using its resident account to receive and process ROBO an affiliate entity in Kenya



Legend

● Kenya ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY, subject to documentary requirements and reporting to Financial Reporting Centre should be made for payments in excess of USD15,000 or equivalent, and LCY only within the EA region namely Uganda, Tanzania and Rwanda under the EAPS.
- Models 2 and 3 are feasible. However, documentary requirements apply and reporting to Financial Reporting Centre should be made for FCY for payments in excess of USD15,000 or equivalent.



Tax considerations

Residency: The Income Tax Act defines resident, when applied in relation to a body of persons as that:

- of a company incorporated in Kenya; or
- the management and control of the affairs of the body was exercised in Kenya in a particular year of income under consideration; or
- the body has been declared by the Minister by notice in the Gazette to be resident in Kenya for any year of income.

Permanent Establishment (PE): A PE in relation to a person means a fixed place of business through which business is wholly or partly carried on. The PE of a person shall also be deemed to include the PE of a person's dependent agent, (i.e. an agent of the person who acts on the person's behalf and who has, and habitually exercises, authority

to conclude contracts in the name of that person) and the provision of services through employees or other personnel where the services continue for a period of, or periods exceeding in the aggregate, ninety-one days in any twelve-month period.

Corporate tax The normal rate of corporate tax is 37.5 per cent (reduced to 30 per cent from 1 January 2024) for resident companies, & non-resident companies with a PE in Kenya	30 per cent/ 37.5 per cent
Treasury-related tax incentives	No
Thin capitalisation Interest expenses up to 30 per cent of earnings before interest, tax, depreciation and amortisation are allowed as a deduction (no limit for banks and financial institutions).	Yes
Transfer pricing Related party transactions are required to be conducted at arm's length. Companies are required to maintain transfer pricing documentation in support of its transfer pricing policy. With effect from 1 July 2022, subsidiaries and branches based in Kenya that are members of a Multinational Enterprise group that has a consolidated group annual turnover of more than KES 95 billion are required to file a CbCR, master file and local file with the KRA annually.	Yes
Controlled foreign corporation rule Kenya does not have any CFC legislation. However, there are restrictions on the deductibility of interest and foreign exchange losses for companies of foreign controlled companies.	No

Withholding tax

Interest on bank deposits	15 per cent
Interest on intercompany loans	15 per cent
Dividends WHT on dividend payments paid to residents depends on the voting power the recipient has in the payer. If the recipient resident company holds more than 12.5 per cent shareholdings in the payer that is a resident company, there is no withholding tax on the dividend payment. Otherwise, the WHT is 5 per cent when paid to residents or non-resident with a PE. A WHT of 15 per cent applies on dividend payments paid by residents to non-residents without PE.	5 per cent 15 per cent
Royalties A WHT of 5 per cent applies on royalties paid to residents & non-residents with PE. A WHT of 20 per cent applies to royalties paid by residents to non-residents without PE.	5 per cent 20 per cent

Mauritius



GDP
USD12.95 billion



GDP growth
8.9 per cent



Population
1.26 million



Central bank
Bank of Mauritius



Local currency
Mauritian Rupee (MUR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Restrictions may apply if the person is listed on the United Nations Sanctions or as a designated party on a domestic list.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	Minimum interest rates set will be dependent on the rates set by the Central Bank.
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	Y	As per market practice, LCY cross-border lending/ sweeping is not common as the LCY is not a preferred international settlement currency.
NR ↔ offshore	N _M	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T+1	-



Cross-border remittance

Inward: Generally, there are no exchange or currency controls. Purpose of payment is mandatory. There may be documentary requirements for inward remittances.

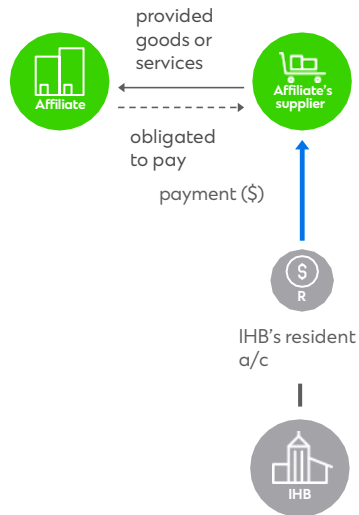
Outward: Generally, there are no exchange or currency controls. Purpose of payment is mandatory. There may be documentary requirements for outward remittances



Payments-on-behalf-of (POBO)

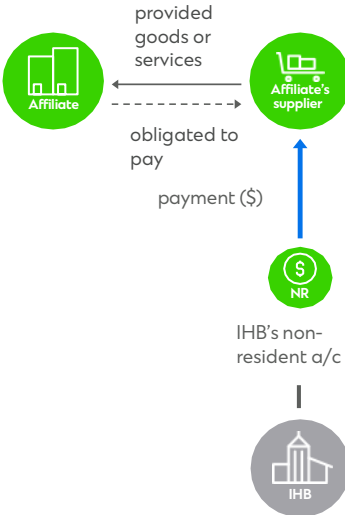
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Mauritius



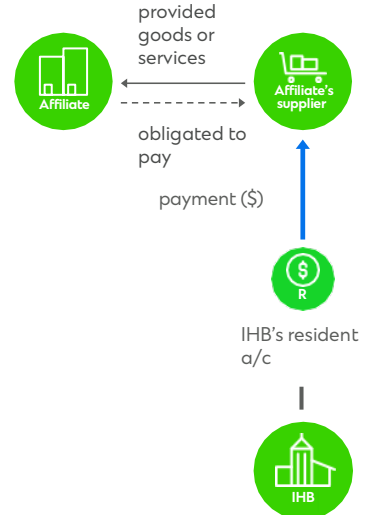
Model 2 > Possible

IHB entity using its non-resident account in Mauritius to execute POBO an affiliate entity in Mauritius



Model 3 > Possible

Local IHB entity in Mauritius using its resident account to execute POBO an affiliate entity in Mauritius



Legend ● Mauritius ● Country A

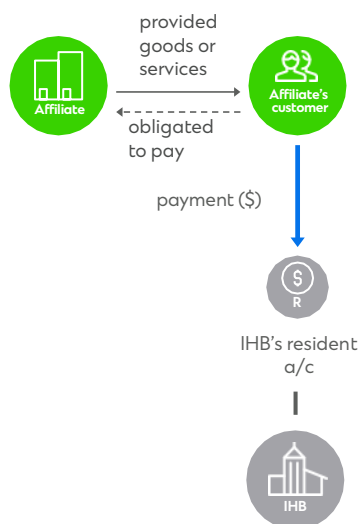
- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is feasible in FCY only as LCY is not a preferred international settlement currency.
- Model 2 is feasible subject to the IHB being registered as a Global Business License (GBL) company.



Receipts-on-behalf-of (ROBO)

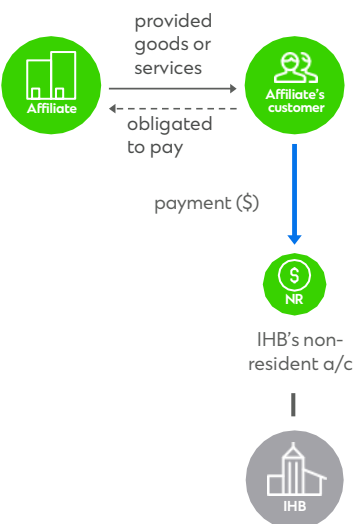
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Mauritius



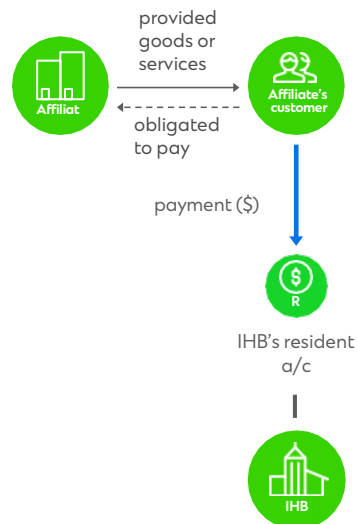
Model 2 > Possible

IHB entity using its non-resident account in Mauritius to receive and process ROBO an affiliate entity in Mauritius



Model 3 > Possible

Local IHB entity in Mauritius using its resident account to receive and process ROBO an affiliate entity in Mauritius



Legend

● Mauritius ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is feasible in FCY only as LCY is not a preferred international settlement currency.
- Model 2 is feasible subject to the IHB being registered as a GBL company.



Tax considerations

Residency: A person (in the case of a company) will be considered a resident in Mauritius if it is incorporated in Mauritius or if it has its central management and control in Mauritius.

Permanent Establishment (PE): Mauritius follows the OECD tax model convention; the term PE means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

Corporate tax

The standard income tax is 15 per cent.

From 1 January 2019, a partial exemption regime is available whereby companies are eligible to an 80 per cent exemption on gross income on specified income, subject to conditions. Any actual tax suffered (including any withholding or underlying tax) can be claimed on foreign source income where the 80 per cent exemption has not been taken.

15 per cent

Treasury-related tax incentives	No
Thin capitalisation	No
Transfer pricing Although there are no transfer pricing rules in Mauritius, transactions between related parties are expected to be conducted at arm's length. Documentation is required to be maintained to demonstrate the arm's length nature of intercompany transactions.	No
Controlled foreign corporation rule CFC rules have been introduced effective 1 July 2020. CFC income shall be calculated in accordance with the arm's length principle. CFC rules are not applicable under certain situations.	Yes

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans Mauritius does not impose WHT on interest paid by a resident to another resident. A WHT of 15 per cent applies on interest paid to non-residents. However, there is no WHT on interest paid to a non-resident by a company holding a GBL out of its foreign source income.	No 15 per cent
Dividends	No
Royalties A WHT of 10 per cent is imposed on royalties paid to residents and 15 per cent for royalties paid to non-residents without PE. However, no WHT is applicable in Mauritius for payments made by a company holding a GBL to a non-resident not carrying out any business in Mauritius.	10 per cent 15 per cent

Nigeria



GDP
USD472.62 billion



GDP growth
3.30 per cent



Population
218.54 million



Central bank
Central Bank of Nigeria



Local currency
Nigerian Naira (NGN)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _{1,R}	Current accounts are generally non-interest bearing but interest may be offered on balances in excess of the minimum balance maintained in the account.
	FCY	Y ₁	Y _{1,R}	Minimum interest rate applies on savings account based on the Monetary Policy Rate set by the Central Bank.
Savings account opening	LCY	Y ₂	Y _{2,R}	FCY overdraft facilities for resident current accounts are restricted to corporates with FCY receivables.
	FCY	Y ₂	Y _{2,R}	Only limited organisations (e.g., foreign professional bodies or non-residents executing approved contracts in Nigeria) are allowed to open non-resident accounts. A separate account is required to be opened for crediting export proceeds.

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	Foreign exchange regulations require both parties to have the FCY intended for the loan transaction. Non-residents are not allowed to open accounts unless under special circumstances.
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y	Y	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	N _M	LCY is not a preferred international settlement currency.
NR ↔ offshore	N _M	N _M	Non-residents are not allowed to open accounts unless under special circumstances.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements, but it is not market practice for banks to offer notional pools in Nigeria and regulatory approval may be required.



Currency convertibility

Local currency: LCY is convertible to FCY onshore for eligible transactions. Residents converting LCY to FCY for eligible transactions are required to fulfil documentary requirements. Goods and services rendered in Nigeria must be paid for in LCY. LCY is not a preferred international settlement currency.

Foreign currency: Residents can convert FCY to LCY onshore. Eligible non-residents who are permitted to open accounts are allowed to convert FCY into LCY. There are restrictions on FCY to LCY conversion by oil and gas companies.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to cumulative LCY 250 million a day
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T	Up to LCY 250 million
Faster (Instant) payments	T (almost immediate)	Up to cumulative LCY 250 million a day



Cross-border remittance

Inward: Generally, there are no restrictions on inward FCY remittance, however a Certificate of Capital Importation (CCI) should be obtained for foreign direct investments and foreign portfolio investments received via inward cross-border transfers and supported by relevant documentation as prescribed by FX regulations to enable future repatriation of the principal and interest. Purpose of payment is mandatory.

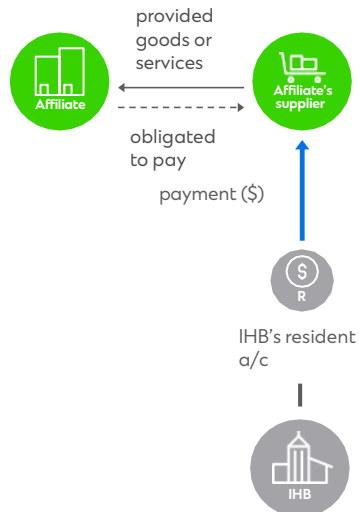
Outward: LCY is not a preferred international settlement currency. Remittance of export proceeds is restricted to eligible transactions. There are no restrictions on the offshore remittance of non-export proceeds or own funds.



Payments-on-behalf-of (POBO)

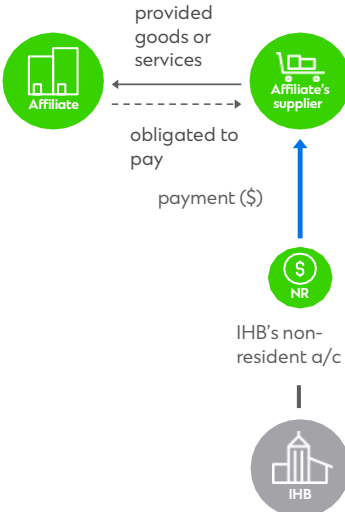
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Nigeria



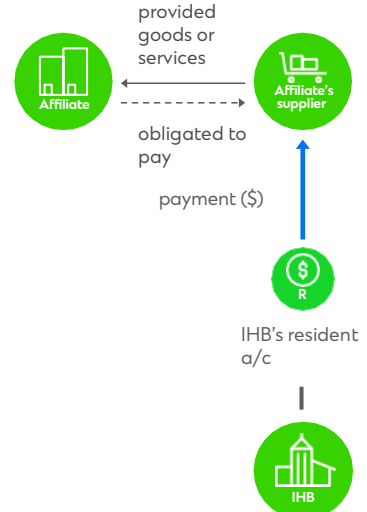
Model 2 > No

IHB entity using its non-resident account in Mauritius to execute POBO an affiliate entity in Nigeria



Model 3 > Possible with restrictions

Local IHB entity in Mauritius using its resident account to execute POBO an affiliate entity in Nigeria



Legend ● Nigeria ● Country A

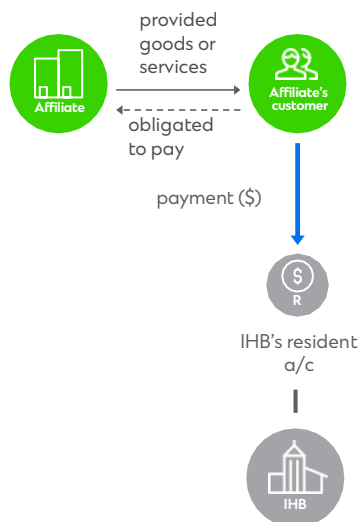
- Residents and non-residents (limited organisations only) can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is only feasible for FCY only as LCY is not a preferred international settlement currency. Residents may borrow FCY from offshore entities. However, the repayment to the IHB may be subject to foreign exchange control restrictions.
- Model 2 is not feasible as non-resident accounts are restricted to limited organisations (e.g., foreign professional bodies or non-residents executing approved contracts in Nigeria).
- Model 3 is feasible for both LCY and FCY. However, foreign exchange rules require both residents to have the foreign currency intended for the intercompany loan transaction.



Receipts-on-behalf-of (ROBO)

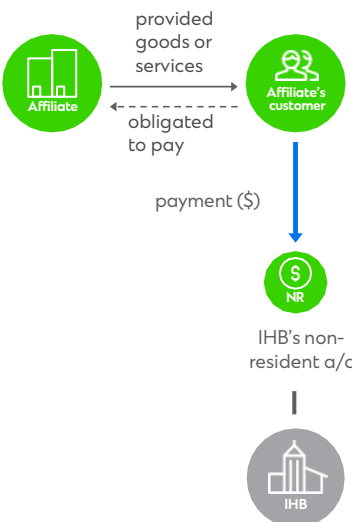
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Nigeria



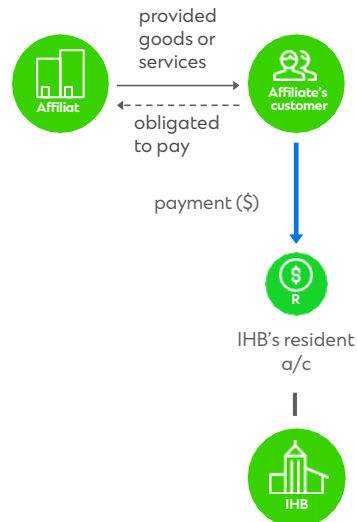
Model 2 > No

IHB entity using its non-resident account in Mauritius to receive and process ROBO an affiliate entity in Nigeria



Model 3 > Possible with restrictions

Local IHB entity in Mauritius using its resident account to receive and process ROBO an affiliate entity in Nigeria



Legend ● Nigeria ● Country A

- Residents and non-residents (limited organisations only) can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is only feasible for FCY only as LCY is not a preferred international settlement currency.
- Model 2 is not feasible as non-resident accounts are restricted to limited organisations (e.g., foreign professional bodies or non-residents executing approved contracts in Nigeria).
- Model 3 is feasible for both LCY and FCY. However foreign exchange rules require both residents to have the foreign currency intended for the intercompany loan transaction.



Tax considerations

Residency: A company is a resident if it is incorporated in Nigeria.

Permanent Establishment (PE): A PE is not particularly defined, but the profits of an entity can be deemed to be derived and subject to tax in Nigeria if the non-resident, either itself or through another person, carries on a business in Nigeria

Corporate tax

The standard CIT rate is 30 per cent, excluding 3 per cent education tax imposed on the assessable profit for each year of assessment of each resident company.

30 per cent

Treasury-related tax incentives	No
Thin capitalisation There are no thin capitalisation rules. However, restriction applies on the tax deductibility of interest expenses on loans from a foreign 'connected person'.	Yes
Transfer pricing The Transfer Pricing regulations stipulate that transactions (specifically including lending or borrowing of money) between connected taxable persons should be consistent with the arm's length principle i.e., should be conducted at arm's length.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits A WHT of 10 per cent is applicable to residents and non-residents. Interest on domiciliary accounts and savings accounts opened by residents and non-residents with PE with deposits under NGN50,000 are exempt.	10 per cent
Interest on intercompany loans A WHT of 10 per cent is applicable to residents and non-residents.	10 per cent
Dividends A WHT of 10 per cent is applicable to residents and non-residents.	10 per cent
Royalties A WHT of 10 per cent is applicable to residents and non-residents.	10 per cent

South Africa



GDP
USD405.27 billion



GDP growth
1.90 per cent



Population
59.89 million



Central bank
South African Reserve Bank



Local currency
South African Rand (ZAR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Approval from the bank's in-house exchange control department is required to open FCY bank accounts. Operation of the account is subject to Exchange Control regulations and for specified purposes only.
	FCY	Y _{1,R}	Y _{1,R}	
Savings account opening	LCY	Y ₁	Y ₁	Maximum interest rate for overdrafts is prescribed by the National Credit Act. As per market practice, overdrafts are not offered to non-resident LCY accounts. In South Africa, call accounts are offered in place of saving accounts for corporates.
	FCY	Y _{1,R}	Y _{1,R}	

Residents are allowed to open accounts offshore through an onshore Authorised Dealer, subject to conditions.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

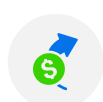
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	Sweeping between residents in the same group is allowed if the centralised treasury operations are in South Africa. Local borrowing limitations apply if the resident borrower is 75 per cent or more controlled by a non- resident.
Same entity (NR)	Y	Y	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	Lending between residents and non-residents is subject to Exchange Control approval which is granted only where the loan is in relation to an approved foreign investment.
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	Cross-border intercompany lending and borrowing is subject to obtaining Exchange Control approval.
NR ↔ offshore	Y _R	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Generally, notional pooling is allowed for accounts of corporates with the same residency status.



Currency convertibility

Local currency: Residents may convert LCY to FCY onshore, subject to purchasing the FCY from an Authorised Dealer who may require an application to be submitted. Non-residents may convert LCY to FCY if they hold a non-resident account. LCY is convertible offshore.

Foreign currency: If the resident receives FCY from offshore, conversion into LCY is automatic unless the resident holds a Customer Foreign Account. Non-residents may convert FCY into LCY if they hold a non-resident account.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	Up to LCY 5 million per transaction
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T+1	Up to LCY 1 million per transaction
Faster (Instant) Payments (Real Time Clearing)	T (Almost immediate)	-



Cross-border remittance

Inward: Residents obtaining inward foreign loans and foreign trade finance facilities from non-residents are required to obtain approval from Authorised Dealers and must be recorded via the Loan Reporting System. For any other applications which fall outside the applicable criteria, an application must be submitted to the Financial Surveillance Department for consideration. Purpose of payment is mandatory. There are no documentary requirements.

Outward: Exchange Control approval is required for residents to invest in foreign countries for all investments exceeding LCY 5 billion per annum, providing LCY loans to non-residents and payment of royalties, technical services fees and management fees in LCY to non-residents. For residents remitting FCY offshore, purchasing FCY from an Authorised Dealer to remit FCY may require an application be submitted. If non-residents have LCY accounts in South Africa or invoice residents in LCY for permissible transactions, specific approval is required from the Central Bank to remit LCY/ FCY offshore. Purpose of payment is mandatory. There are documentary requirements.

Common Monetary Area (CMA): South Africa, Lesotho, Swaziland and Namibia comprise the CMA and there are no exchange controls on transactions between these states. However, such transactions must be reported to the Central Bank.

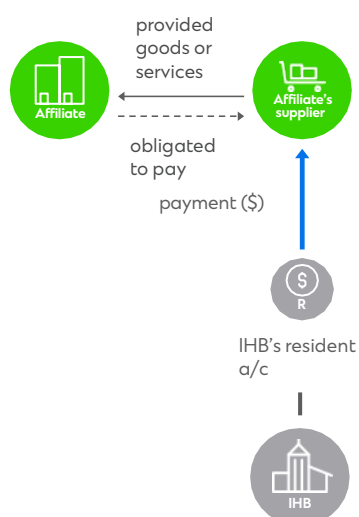
SADC Integrated Real Time Electronic Settlement System (SADC-RTGS): High value-cross-border transactions can be made using the single-currency (ZAR) regional settlement system SADC RTGS. Participating countries include South Africa, Lesotho, Swaziland, Namibia, Malawi, Mauritius, Mozambique, Tanzania, Zambia, Zimbabwe, Seychelles, Botswana, Angola and Democratic Republic of Congo.



Payments-on-behalf-of (POBO)

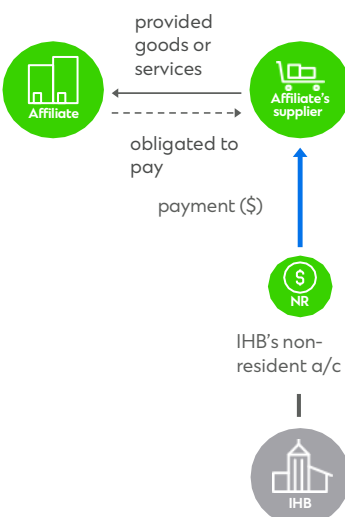
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in South Africa



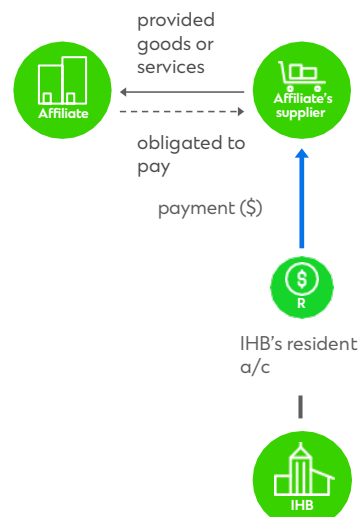
Model 2 > Possible with restrictions

IHB entity using its non-resident account in South Africa to execute POBO an affiliate entity in South Africa



Model 3 > Possible with restrictions

Local IHB entity in South Africa using its resident account to execute POBO an affiliate entity in South Africa



Legend ● South Africa ● Country A

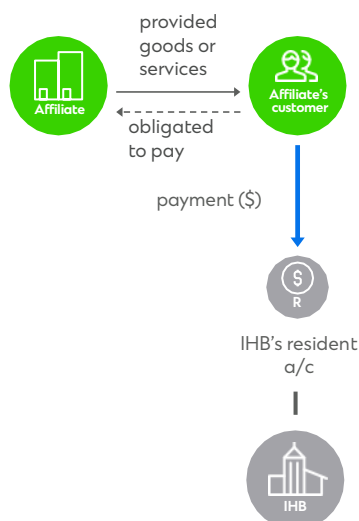
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 may be challenging to implement as cross-border intercompany lending and borrowing is subject to Exchange Control approval.
- Model 2 may be challenging to implement as domestic intercompany lending and borrowing is subject to Exchange Control approval.
- Model 3 is feasible in LCY, subject to intercompany borrowing limitations and FCY, subject to account opening approval.



Receipts-on-behalf-of (ROBO)

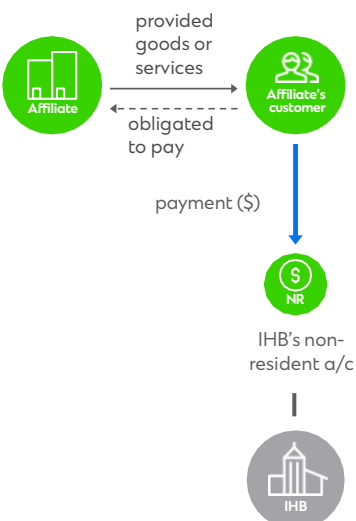
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in South Africa



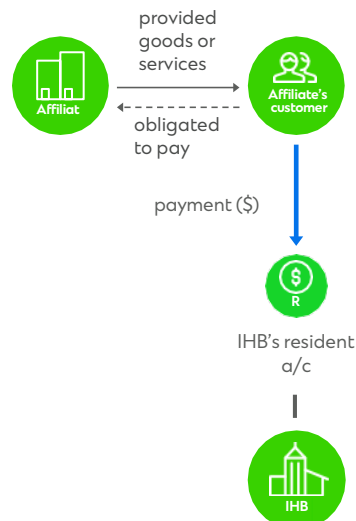
Model 2 > Possible with restrictions

IHB entity using its non-resident account in South Africa to receive and process ROBO an affiliate entity in South Africa



Model 3 > Possible with restrictions

Local IHB entity in South Africa using its resident account to receive and process ROBO an affiliate entity in South Africa



Legend ● South Africa ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 may be challenging to implement as cross-border intercompany lending and borrowing is subject to Exchange Control approval.
- Model 2 may be challenging to implement as domestic intercompany lending and borrowing is subject to Exchange Control approval.
- Model 3 is feasible in LCY, subject to intercompany borrowing limitations and FCY, subject to account opening approval.



Tax considerations

Residency: A company is resident in South Africa if it is incorporated, established, or formed in South Africa or has its place of effective management in South Africa.

Permanent Establishment (PE): South Africa does not, as a general rule, tax non-residents on the basis of having a PE in South Africa. Rather, non-residents are subject to income tax in South Africa on income derived from a South African source. The South African source rules deem income from the disposal of movable property that is effectively connected with a South African PE (as defined from time to time in the Organisation for Economic Co-operation and Development [OECD] Model Tax Convention) to be from a South African source.

Corporate tax For tax years ending before 31 March 2023, the CIT rate applicable to the corporate income of both resident and non-resident companies is a flat 28 per cent. This rate is reduced to 27 per cent with effect for years of assessment ending on or after 31 March 2023.	27 per cent
Treasury-related tax incentives	No
Thin capitalisation Transfer-pricing principles also extend to thin capitalisation. Both the interest rate and the amount of a loan must be based on arm's-length principles. There is currently no safe harbour, and each company must consider its debt-equity mix on an arm's-length basis.	Yes
Transfer pricing The transfer-pricing provisions, relying on the arm's-length principle, apply with respect to any cross-border transaction, operation, scheme, agreement or understanding that are concluded between, or for the benefit of connected persons.	Yes
Controlled foreign corporation rule If one or more residents together, directly or indirectly, hold more than 50 per cent of the voting or participation rights in a foreign company, then it is a CFC in relation to those residents. The income of a CFC is imputed to the residents in proportion to their holdings, subject to certain exclusions and tax credits, where applicable. The most notable exclusions are for high-taxed CFCs and for income attributable to 'foreign business establishments.	Yes

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans South Africa does not impose WHT on interest paid by a resident to another resident. A WHT of 15 per cent applies on interest paid by a resident to a non-resident.	No 15 per cent
Dividends A WHT of 20 per cent applies on dividends paid to resident and non-residents.	20 per cent
Royalties South Africa does not impose WHT on royalties paid by a resident to another resident. A WHT of 15 per cent applies on royalties paid to non-resident.	No 15 per cent

Tanzania



GDP
USD75.73 billion



GDP growth
4.60 per cent



Population
65.50 million



Central bank
Bank of Tanzania



Local currency
Tanzanian Shilling (TZS)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	N	As per market practice, overdraft facilities are not offered on resident LCY savings accounts. Non-residents are required to have a Certificate of Compliance to open bank account. Once obtained, the non-resident is considered a resident for banking purposes.
	FCY	Y ₁	N	
Savings account opening	LCY	Y ₁	Y ₁	Additional approver from the Governor is required for non-residents to open LCY bank accounts. Non-residents are not allowed to deposit LCY in a savings account for more than one year.
	FCY	Y ₁	Y ₁	

Residents may open accounts within the EA region and outside the EA region, subject to Central Bank approval.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

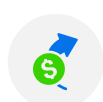
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	Only residents can open and operate bank accounts. Supporting documents are required on domestic sweeps between resident and non-resident entities.
Same entity (NR)	N	N	
R ↔ R	Y	Y	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	N	N	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	LCY is not a preferred international settlement currency except for transfers within the EA region namely Kenya, Uganda, Tanzania and Rwanda under the East Africa Payment and Settlement system (EAPS).
NR ↔ offshore	N	N	Residents lending offshore is not allowed unless exemption from the Governor is obtained. Cross-border sweeping cannot be fully automated because of foreign exchange regulation on transfer of funds offshore.

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling is not offered in Tanzania. Offsetting of financial claims between residents and non-residents is prohibited.



Currency convertibility

Local currency: LCY is convertible to FCY onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCY 20 million per transaction
Real Time Gross Settlement (RTGS)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions on inward FCY remittance. Purpose of payment is mandatory. There are no documentary requirements.

Outward: Outward remittances (not using EAPS) in LCY are subject to approval from the Central Bank. LCY is not a preferred international settlement currency. Purpose of payment is mandatory for all remittances and submission of supporting evidence to the remitting bank for each transaction is required (e.g., invoice copy for supplier payment).

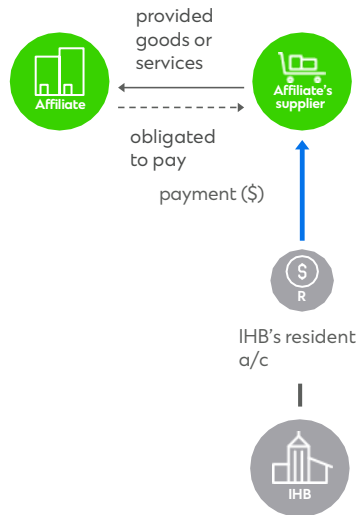
East Africa Payment and Settlement System (EAPS): Inward and outward remittances is allowed for LCY transfers within the EA region namely Kenya, Uganda, Tanzania and Rwanda under the EAPS.



Payments-on-behalf-of (POBO)

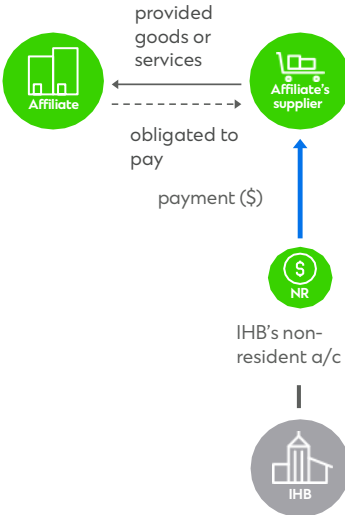
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Tanzania



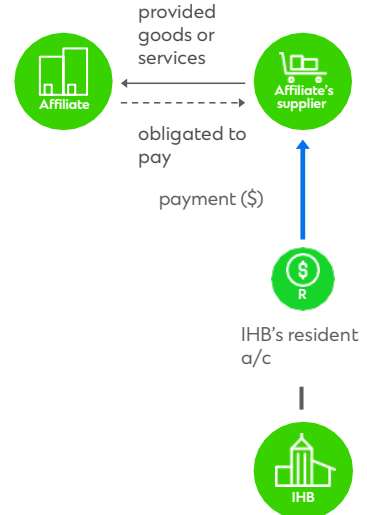
Model 2 > No

IHB entity using its non-resident account in Tanzania to execute POBO an affiliate entity in Tanzania



Model 3 > Possible

Local IHB entity in Tanzania using its resident account to execute POBO an affiliate entity in Tanzania



Legend ● Tanzania ● Country A

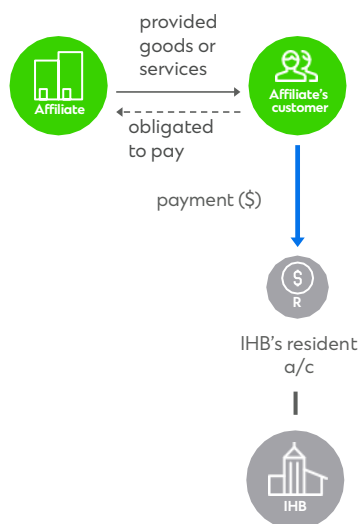
- Residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible only for FCY as residents can borrow in FCY from offshore entities (but cannot lend to offshore entities unless exempted by the Governor), subject to registration of each loan agreement with the Central Bank on loans extended by offshore entities with a tenure exceeding 365 days. LCY is not a preferred international settlement currency.
- Model 2 is not feasible as non-residents are required to apply for a Certificate of Compliance to open a bank account. Once obtained, the non-resident is considered a resident for banking purposes.



Receipts-on-behalf-of (ROBO)

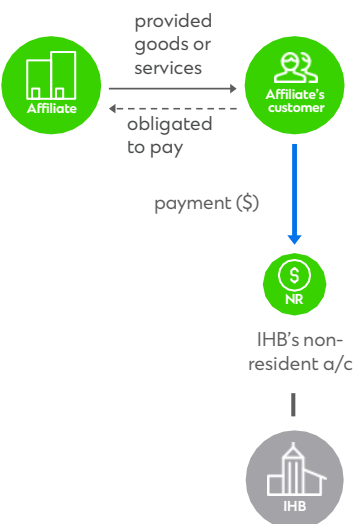
Model 1 > No

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Tanzania



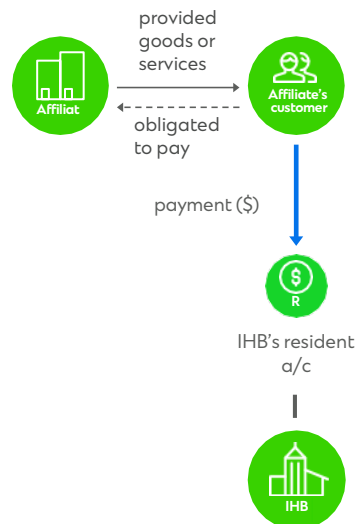
Model 2 > No

IHB entity using its non-resident account in Tanzania to receive and process ROBO an affiliate entity in Tanzania



Model 3 > Possible

Local IHB entity in Tanzania using its resident account to receive and process ROBO an affiliate entity in Tanzania



Legend

● Tanzania ● Country A

- Residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is not feasible as residents cannot lend to offshore entities, unless exempted by the Governor.
- Model 2 is not feasible as non-residents are required to apply for a Certificate of Compliance to open a bank account. Once obtained, the non-resident is considered a resident for banking purposes.



Tax considerations

Residency: A corporation is a resident in a year of income if:

- it is incorporated/ formed under the laws of Tanzania; or
- at any time during the year of income the management and control of the affairs of the corporation are exercised in Tanzania, whether physically or through any electronic means.

Permanent Establishment (PE): PE means a place where a person carries on business and includes:

- a place where a person is carrying on business through an agent, other than a general agent of independent status acting in the ordinary course of business;

- b) where an agent is acting on behalf of another person, that other person shall be deemed to have a PE if:
- i. the agent (other than independent agent) has and habitually exercises authority to conclude contracts or issues invoices on behalf of that other person, unless his activities are limited to the purchase of goods or merchandise
 - ii. the agent (other than independent agent) has no authority to conclude contracts, but habitually maintain stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of that other person; or
 - iii. the agent other than independent agent habitually secures orders, wholly or almost wholly for that other person or for the enterprise controlling, controlled by or subject to the same common control as that of that other person.
- c) a place where a person has used or installed, or is using or installing substantial equipment or substantial machinery; and
- d) a place where a person is engaged in a construction, assembly, or installation project for six months or more, including a place where a person is conducting supervisory activities in relation to such a project.

Corporate tax <p>The standard CIT rate is 30 per cent. Alternative minimum tax applies to companies making a loss for three consecutive years at 0.5 per cent of turnover.</p> <p>Companies listed on the Dar es Salaam Stock Exchange (DSE) are taxed at a lower rate of 25 per cent for the first 3 years from listing. To qualify, at least 30 per cent of the Company's shares must be issued to the public.</p> <p>Reduced corporate income tax rate of 20 per cent applies for the first 5 years of commencing operations for pharmaceutical & leather companies who have a performance agreement with the Tanzania government.</p> <p>A 10 per cent CIT rate applies for assemblers of vehicles, tractors and fishing boats for the first 5 years of commencement of production.</p>	<p>30 per cent/ 0.5 per cent of turnover</p> <p>25 per cent</p> <p>20 per cent</p> <p>10 per cent</p>
Treasury-related tax incentives	No
Thin capitalisation <p>Thin capitalisation rules apply based on a debt-to-equity ratio of 7:3. With effect from 1 July 2022, equity is limited to only "paid up share capital".</p>	Yes
Transfer pricing <p>Taxpayers are required to apply the arm's length principle to transactions between associates, both resident and non-resident. These rates are however not specified. Taxpayers are required to have in place transfer pricing documentation at the time of filing the tax return.</p>	Yes
Controlled foreign corporation rule <p>Applies to a Tanzanian resident shareholder in a CFC. Attributable income less distributions from a controlled foreign trust or company is included in the income of the shareholder.</p>	Yes

Withholding tax

Interest on bank deposits A WHT of 10 per cent applies on interest paid by banks to residents and non-residents.	10 per cent
Interest on intercompany loans A WHT of 10 per cent applies on interest paid to residents and non-residents.	10 per cent
Dividends The normal rate of WHT on dividends is 10 per cent. Where a dividend is paid by a resident corporation to another resident corporation holding 25 per cent or more of shares and voting rights in the corporation paying the dividend, the WHT rate is 5 per cent and 10 per cent if the recipient is a non-resident. Dividends paid by a company listed on the DSE are subjected to 5 per cent WHT (regardless of whether they are paid to a resident or non-resident).	5 per cent/ 10 per cent
Royalties A WHT of 15 per cent applies on royalties paid to residents and non-residents.	15 per cent

Uganda



GDP
USD45.57 billion



GDP growth
4.6 per cent



Population
47.25 million



Central bank
Bank of Uganda



Local currency
Ugandan Shilling (UGX)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, overdraft facilities on savings accounts are generally not offered.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	Transaction purpose reporting is required for domestic sweeping.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y	LCY is not a preferred international settlement currency. However, transfers are allowed within the East Africa (EA) region, namely Kenya, Uganda, Tanzania and Rwanda under the East Africa Payment and Settlement system (EAPS). Transaction purpose reporting is required for cross-border sweeping.
NR ↔ offshore	Y _R	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible to FCY onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Also available in USD, GBP, EUR, UGX
Real Time Gross Settlement (RTGS)	T	Also available in USD, GBP, EUR, UGX
Direct Debit (Clearing House)	T+1	-

Both RTGS and EFT(ACH) have a value date of T. Cut off time being 4:00pm EAT for transactions to be processed on the same day.



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are no documentary requirements. However, banks may ask for supporting documents in relation to the transaction.

Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are no documentary requirements. However, banks may ask for supporting documents in relation to the transaction.

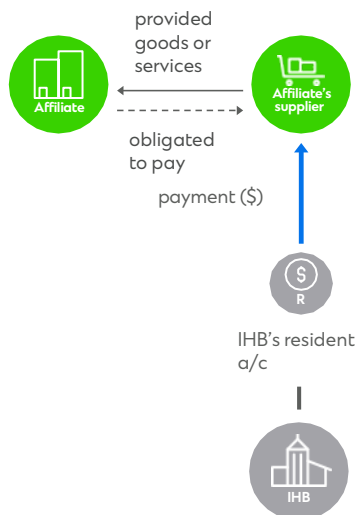
East Africa Payment and Settlement System (EAPS): Inward and outward remittances are allowed for LCY transfers within the EA region namely Kenya, Uganda, Tanzania, and Rwanda under the EAPS.



Payments-on-behalf-of (POBO)

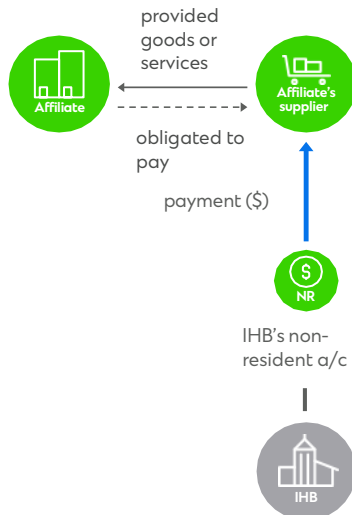
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Uganda



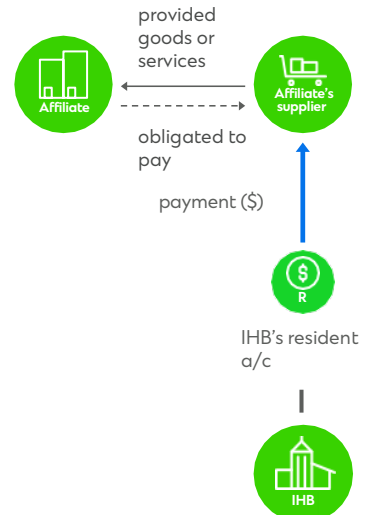
Model 2 > Possible

IHB entity using its non-resident account in Uganda to execute POBO an affiliate entity in Uganda



Model 3 > Possible

Local IHB entity in Uganda using its resident account to execute POBO an affiliate entity in Uganda



Legend ● Uganda ● Country A

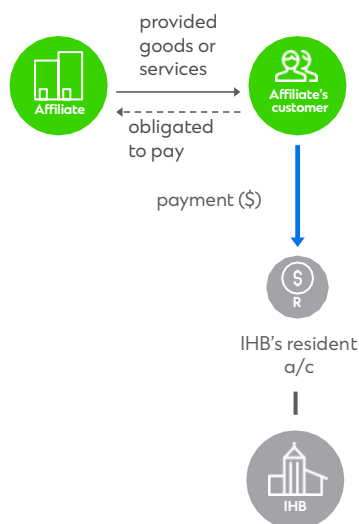
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY. LCY is not a preferred international settlement currency outside the EA region (Uganda, Kenya, Tanzania and Rwanda).



Receipts-on-behalf-of (ROBO)

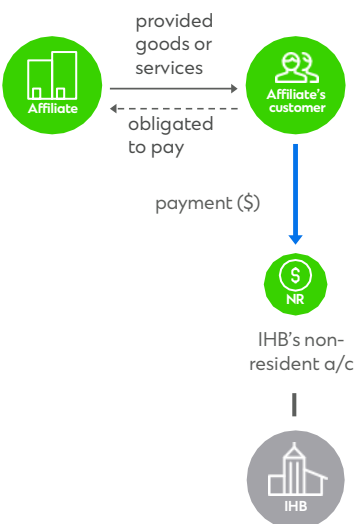
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Uganda



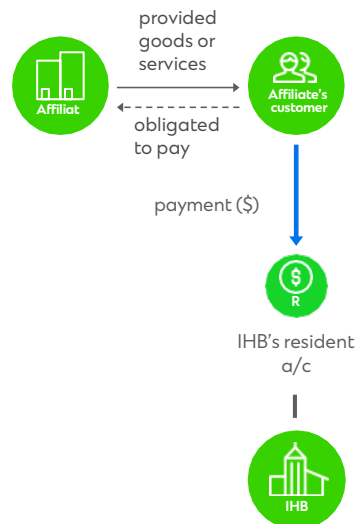
Model 2 > Possible

IHB entity using its non-resident account in Uganda to receive and process ROBO an affiliate entity in Uganda



Model 3 > Possible

Local IHB entity in Uganda using its resident account to receive and process ROBO an affiliate entity in Uganda



Legend

● Uganda ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY. LCY is not a preferred international settlement currency outside the EA region (Uganda, Kenya, Tanzania and Rwanda).



Tax considerations

Residency: A company is resident in Uganda for a year of income if it meets one of the following criteria:

- is incorporated or formed under the laws of Uganda;
- has its management and control exercised in Uganda at any time during the year of income; or
- undertakes the majority of its operations in Uganda during a year of income.

Permanent Establishment (PE): A PE means a place where a non-resident person carries on business in Uganda and it includes a dependent agent and where consultancy services, substantial machinery/ equipment, construction, assembly is in place for ninety or more days.

Corporate tax The general corporate tax rate is 30 per cent for companies. Businesses with a turnover of up to UGX150 million apply small business taxpayer rates.	30 per cent
Treasury-related tax incentives	No
Thin capitalisation Uganda no longer has thin capitalisation rules. Interest deductibility is restricted to 30 per cent of tax EBITDA. The excess interest can be carried forward for a maximum of 3 years.	No
Transfer pricing Transfer pricing regulations impose the arm's length principle for related party transactions and prescribe the documentation required to support the pricing of controlled transactions.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits A WHT of 15 per cent applies on interests paid by banks to residents and non-residents.	15 per cent
Interest on intercompany loans A WHT of 15 per cent applies on interest paid to residents and non-residents.	15 per cent
Dividends Dividends are exempt from WHT if the recipient company owns, directly or indirectly, at least 25 per cent of the voting power of the payer. Otherwise, a WHT of 15 per cent applies on dividend payments to residents and non-residents.	No/ 15 per cent
Royalties A WHT of 15 per cent applies on royalties paid to residents and non-residents.	15 per cent

Zambia



GDP
USD29.16 billion



GDP growth
5.2 per cent



Population
20.02 million



Central bank
Bank of Zambia



Local currency
Zambian Kwacha (ZMW)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Banks are prohibited from offering LCY loans to non-residents with tenor for less than 1 year.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N _M	N _M	As per market practice, savings accounts are generally not offered to corporates.
	FCY	N _M	N _M	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y ₁	Y ₁	-
Same entity (NR)	Y ₁	Y ₁	
R ↔ R	Y ₁	Y ₁	
R ↔ NR	Y ₁	Y ₁	
NR ↔ NR	Y ₁	Y ₁	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y ₁	Y ₁	-
NR ↔ offshore	Y ₁	Y ₁	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Zambia.



Currency convertibility

Local currency: LCY is convertible to FCY onshore and offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T+1	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T+1	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

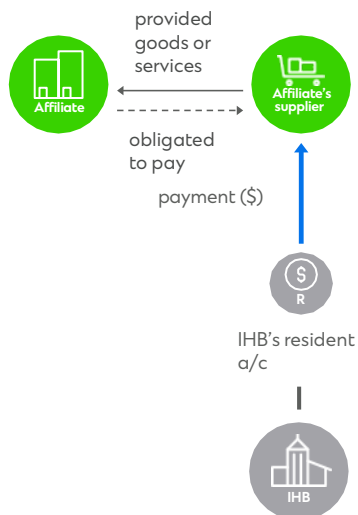
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There may be documentary requirements for payments above USD5,000 or equivalent.



Payments-on-behalf-of (POBO)

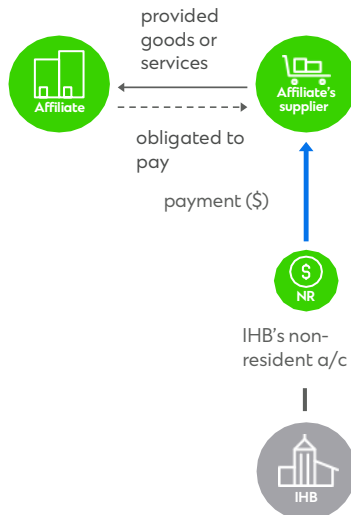
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Zambia



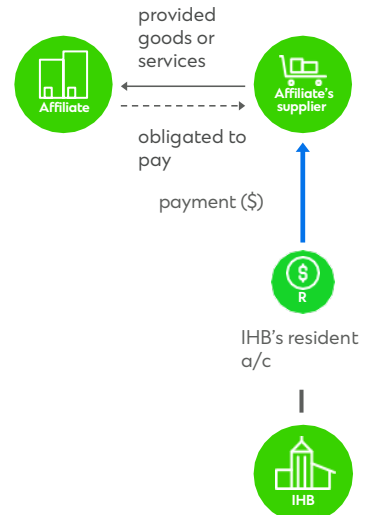
Model 2 > Possible

IHB entity using its non-resident account in Zambia to execute POBO an affiliate entity in Zambia



Model 3 > Possible

Local IHB entity in Zambia using its resident account to execute POBO an affiliate entity in Zambia



Legend ● Zambia ● Country A

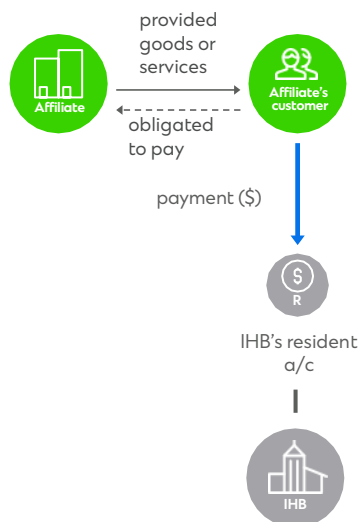
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Receipts-on-behalf-of (ROBO)

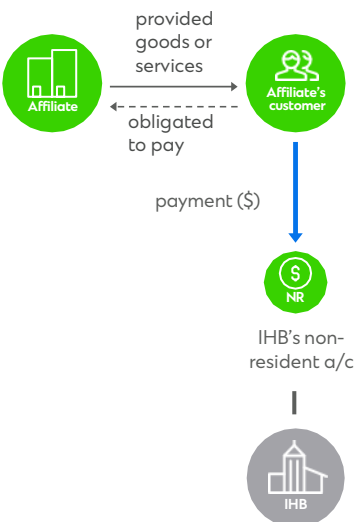
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Zambia



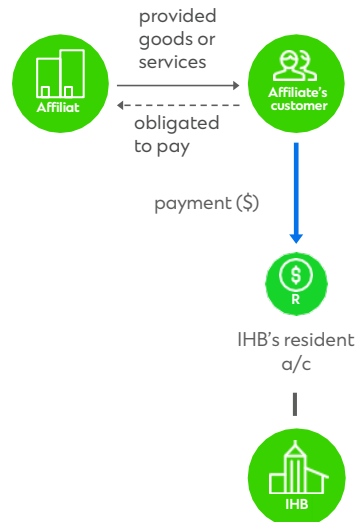
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Zambia to receive and process ROBO an affiliate entity in Zambia



Model 3 > Possible

Local IHB entity in Zambia using its resident account to receive and process ROBO an affiliate entity in Zambia



Legend

● Zambia

● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Models 1 and 2 may be feasible in FCY only as there is a minimum tenor of 1 year for the offering of LCY loans to non-residents. Receipts may therefore need to be in FCY.



Tax considerations

Residency: A person other than an individual will be a resident in Zambia if it is incorporated or formed under the laws of Zambia or if the place of effective management and control is exercised in Zambia.

Permanent Establishment (PE): The Zambian definition of a PE is generally similar to the OECD definition and contains a similar list of activities that are included and excluded from the definition of a fixed place of business.

Corporate tax The standard CIT rate is 30 per cent. Reduced rates are available for certain industries and listings on the Lusaka Stock Exchange.	30 per cent
Treasury-related tax incentives	No

Thin capitalisation Deductibility of interest is limited to 30 per cent of a company's EBITDA.	Yes
Transfer pricing OECD transfer pricing guidelines are generally accepted as the appropriate basis to determine arm's length terms. All related party transactions are to be documented contemporaneously. With effect from 1 January 2021, multinational enterprises with annual consolidated group revenue exceeding ZMW 4,795 million are required to submit CbCR to the ZRA within 12 months from its financial year end.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits A WHT of 15 per cent and 20 per cent applies on interest paid by banks to residents and non-residents respectively.	15 per cent/ 20 per cent
Interest on intercompany loans A WHT of 15 per cent and 20 per cent applies on interest paid to residents and non-residents respectively.	15 per cent/ 20 per cent
Dividends Dividends paid to residents and non-residents are subject to a WHT of 15 per cent and 20 per cent respectively.	15 per cent/ 20 per cent
Royalties Royalty payments to residents are subject to a WHT of 15 per cent. The WHT of 20 per cent applies on royalty payments to non-residents.	15 per cent/ 20 per cent

Bahrain



GDP
USD44.38 billion



GDP growth
4.9 per cent



Population
1.47 million



Central bank
Central Bank of Bahrain



Local currency
Bahraini Dinar (BHD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _{1,R}	As per market practice, non-resident current accounts in LCY are opened for specific purposes only. In addition, overdraft facilities are usually offered to non-residents only if business activities are carried out in Bahrain.
	FCY	Y ₁	Y _{1,R}	
Savings account opening	LCY	Y ₁	Y _{1,R}	
	FCY	Y ₁	Y _{1,R}	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is not a preferred international settlement currency. The exchange rate of the LCY is pegged to the USD.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T	-
Faster (Instant) Payments	T (Less than a minute)	Up to LCY 1,000 per day



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are no documentary requirements.

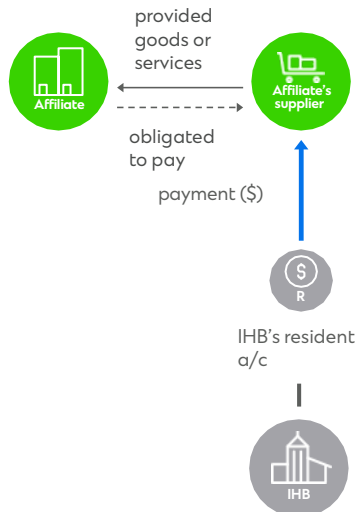
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

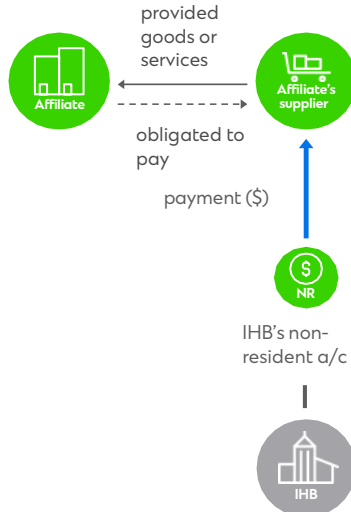
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Bahrain



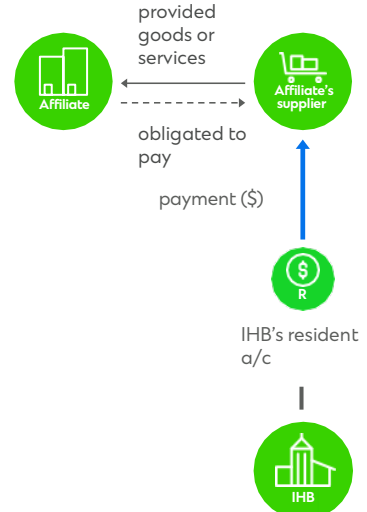
Model 2 > Possible

IHB entity using its non-resident account in Bahrain to execute POBO an affiliate entity in Bahrain



Model 3 > Possible

Local IHB entity in Bahrain using its resident account to execute POBO an affiliate entity in Bahrain



Legend ● Bahrain ● Country A

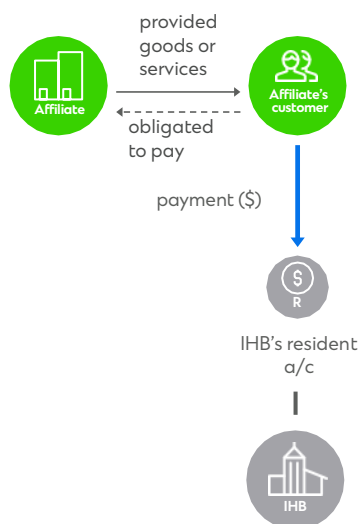
- Residents and non-residents can open bank accounts in LCY and foreign currencies.
- Model 1 is possible in FCY only because LCY is not a preferred international settlement currency.



Receipts-on-behalf-of (ROBO)

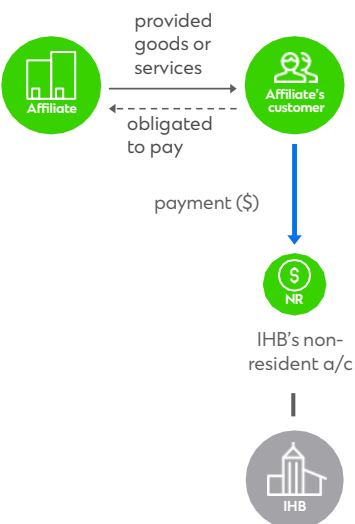
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Bahrain



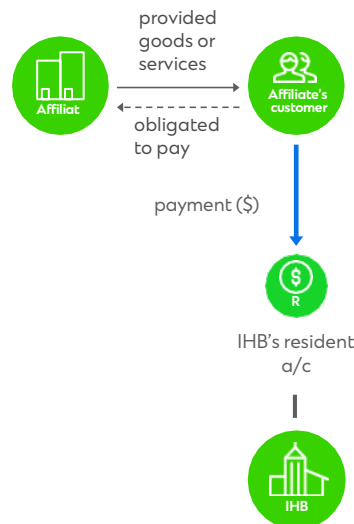
Model 2 > Possible

IHB entity using its non-resident account in Bahrain to receive and process ROBO an affiliate entity in Bahrain



Model 3 > Possible

Local IHB entity in Bahrain using its resident account to receive and process ROBO an affiliate entity in Bahrain



Legend

● Bahrain

● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is possible in FCY only because LCY is not a preferred international settlement currency.



Tax considerations

Residency: Residency is not defined. However, companies engaged in oil, gas or petroleum activities are taxed, regardless of where the company is incorporated.

Permanent Establishment (PE): PE is not defined in Bahrain.

Corporate tax	
Income tax of 46 per cent is only levied on oil, gas and petroleum related companies carrying on business in Bahrain.	No/ 46 per cent
Treasury-related tax incentives	No
Thin capitalisation	No
Transfer pricing	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Egypt



GDP
USD476.75 billion



GDP growth
6.6 per cent



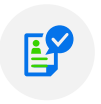
Population
110.990 million



Central bank
Central Bank of Egypt



Local currency
Egyptian Pound (EGP)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₂	-
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N	N	
	FCY	N	N	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	The Central Bank of Egypt may issue guidelines that might prohibit or permit such transactions.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	N	Y	LCY cross border sweeping is not possible as EGP is not an international settlement currency and is generally not available outside of Egypt.
NR ↔ offshore	N	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. In general, notional pooling is subject to the enforceability of rights of set-off for single entity pools and cross-guarantees for multi-entity pools.



Currency convertibility

LCY can be converted to FCY onshore. LCY is generally not available outside of Egypt. FCY can be converted into LCY onshore.



Domestic remittance

Generally, no restrictions. However, the Central Bank of Egypt may issue guidelines from time to time to prohibit/ permit such remittances.



Cross-border remittance

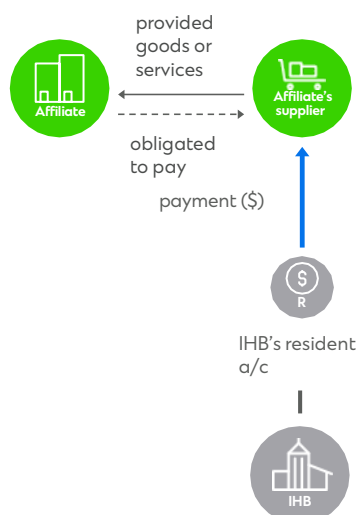
There are no foreign exchange regulatory restrictions for outgoing cross border remittance. However, based on market practice, EGP is generally not available outside of Egypt.



Payments-on-behalf-of (POBO)

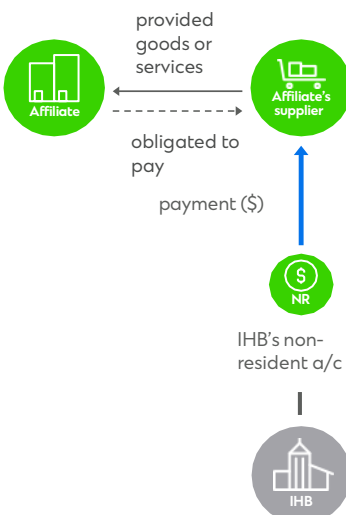
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Egypt



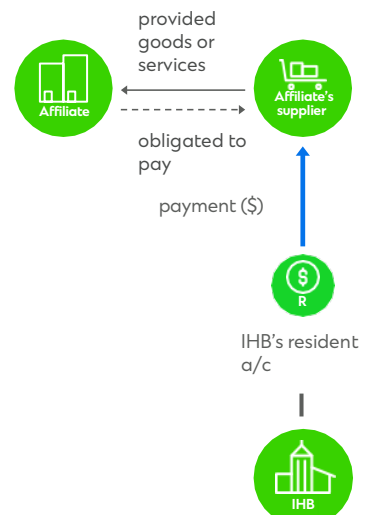
Model 2 > Possible

IHB entity using its non-resident account in Egypt to execute POBO an affiliate entity in Egypt



Model 3 > Possible

Local IHB entity in Egypt using its resident account to execute POBO an affiliate entity in Egypt



Legend ● Egypt ● Country A

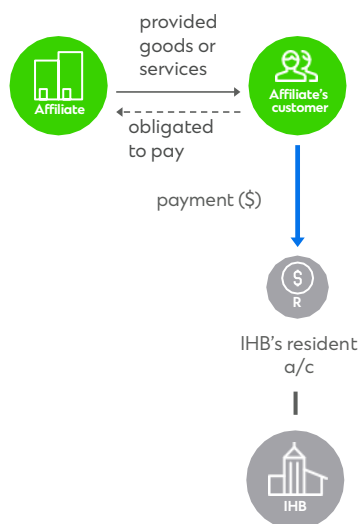
- Cross-border transactions are to be conducted in FCY as EGP is generally not available outside of Egypt.



Receipts-on-behalf-of (ROBO)

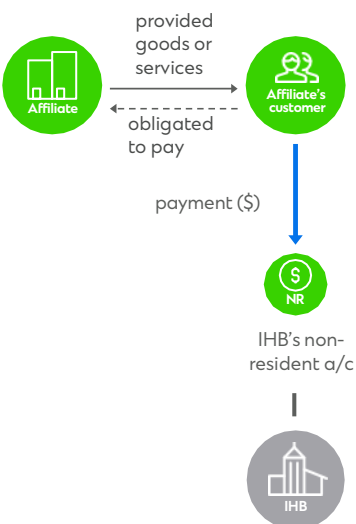
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Egypt



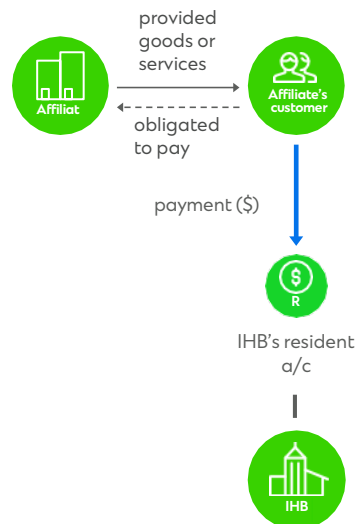
Model 2 > Possible

IHB entity using its non-resident account in Egypt to receive and process ROBO an affiliate entity in Egypt



Model 3 > Possible

Local IHB entity in Egypt using its resident account to receive and process ROBO an affiliate entity in Egypt



Legend

● Egypt

● Country A

- Cross-border transactions are to be conducted in FCY as EGP is generally not available outside of Egypt.



Tax considerations

Residency: A company is considered a tax resident of Egypt if it is established according to the Egyptian Law; or the effective place of management is in Egypt; or the government or public authority owns more than 50 per cent of the capital of the entity. A company's 'effective place of management' is considered met if at least two of the following conditions are fulfilled:

- 1) At least 50 per cent of the board members or managers reside in Egypt, and;
- 2) Daily management decisions take place in Egypt, and;
- 3) The major shareholders (owners of more than 50 per cent of the shares or voting rights) reside in Egypt, and;
- 4) Members of the board of directors hold their meetings in Egypt.

Permanent Establishment (PE): The domestic law defines a PE as any fixed place of business which the business of an enterprise is wholly or partly carried on. In light of recent amendments in the income tax law, the PE definition is broadened to be aligned with the OECD (BEPS Action 7); namely the addition of the service PE, and insurance PE. Moreover, amendments were made to existing PE definitions to further align with the OECD.

Corporate tax	22.50 per cent
Treasury-related tax incentives	No
Thin capitalisation Egyptian thin capitalisation rule provided by the Egyptian Income Tax Law dictates that debt-to-equity ratio is 4:1 and will gradually change to reach 2:1 as follows. <ul style="list-style-type: none"> • 4:1 for FY 2023, • 3:1 for FY 2024 to 2027, and, • 2:1 for FY 2028 onwards. 	Yes
Transfer pricing Egyptian tax law requires transaction between related parties should be at arm's length (i.e., market value).	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits There is no WHT on interest paid by local banks to residents. WHT applies on interest paid to non-resident entities.	No 20 per cent
Interest on intercompany loans There is no WHT on interest paid by a resident to another resident. WHT applies on interest paid to non-resident entities.	No 20 per cent
Dividends WHT is imposed on dividends paid by a resident to another resident, and on dividends paid to non-resident as well.	5 per cent/ 10 per cent
Royalties WHT is imposed on royalties paid by a resident to another resident. There is WHT on royalty payments made to non-resident as well.	3 per cent 20 per cent

Iraq



GDP
USD264.18 billion



GDP growth
7.0 per cent



Population
44.50 million



Central bank
Central Bank of Iraq



Local currency
Iraqi Dinar (IQD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y	Y _R	As per market practice, overdrafts are generally not offered for savings accounts. Account opening for non-residents is subject to stringent procedures which include legislation of documents that must be submitted to the bank.
	FCY	Y _R	Y _R	
Savings account opening	LCY	Y _R	Y _R	
	FCY	Y _R	Y _R	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	<p>As per the Iraqi Companies Law, all liabilities of joint stock companies, including loans, should not exceed 300 per cent of the total capital of the company and other equity rights.</p> <p>Under the Civil Code, intercompany interest rates must not exceed 7 per cent.</p>
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	<p>LCY must be converted to FCY to be remitted offshore.</p> <p>As per the Iraqi Companies Law, all liabilities of joint stock companies, including loans, should not exceed 300 per cent of the total capital of the company and other equity rights.</p> <p>In practice, there may be delays or restrictions to ensure compliance with anti-money laundering regulations and to ensure taxes have been duly settled prior to the transfer.</p>
NR ↔ offshore	N	Y _R	<p>From 2023, both individuals and companies requesting wire transfers must disclose their own identity, and the identity of the recipient. Such information is being reviewed by an electronic system as well as by experts at Iraq's central bank and the New York Fed before payment is made.</p>

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are some regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible to FCY onshore. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Also available in USD and EUR. Up to LCY 5 billion per LCY transaction. Up to USD500,000 or equivalent per FCY transaction. Purpose of payment is required
Real Time Gross Settlement (RTGS)	T	Also available in USD and EUR. Purpose of payment is required



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is mandatory. There are no documentary requirements.

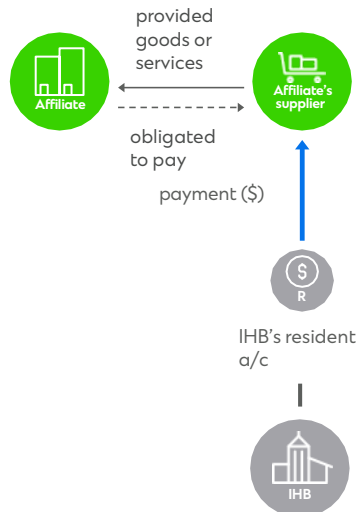
Outward: LCY must be converted to FCY in order to remit funds offshore. Purpose of payment is mandatory. There may be documentary requirements.



Payments-on-behalf-of (POBO)

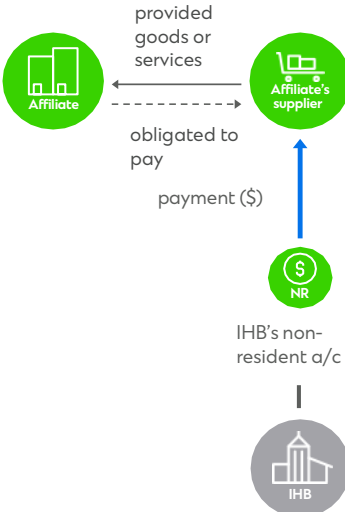
Model 1 > Possible with restrictions

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Iraq



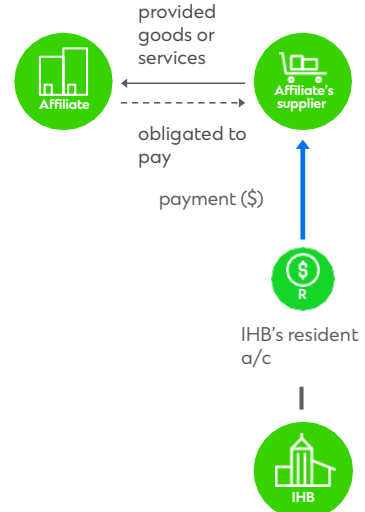
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Iraq to execute POBO an affiliate entity in Iraq



Model 3 > Possible

Local IHB entity in Iraq using its resident account to execute POBO an affiliate entity in Iraq



Legend ● Iraq ● Country A

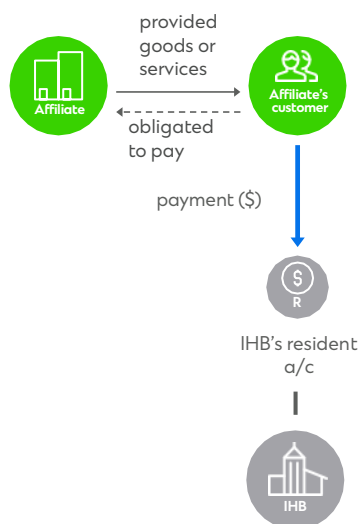
- Residents and branches of foreign entities registered in Iraq (non-residents), can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY however, there may be documentary requirements for outward cross-border transactions. LCY must be converted to FCY in order to remit funds offshore.
- Model 2 is feasible in LCY and FCY. However, there may be documentary requirements for domestic transactions between the IHB and the Affiliate.
- The Central Bank may also question if the invoice does not match the account holders' name.



Receipts-on-behalf-of (ROBO)

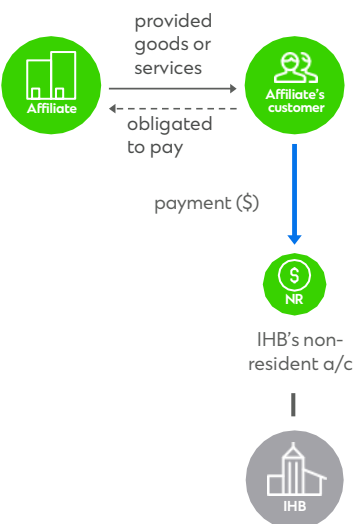
Model 1 > Possible with restrictions

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Iraq



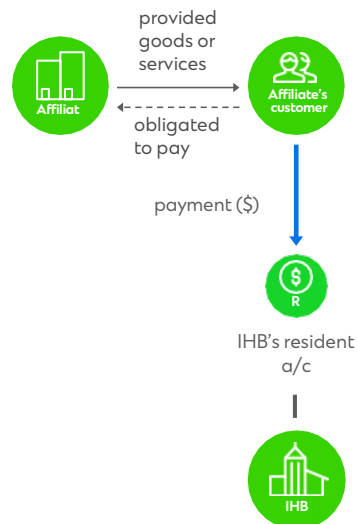
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Iraq to receive and process ROBO an affiliate entity in Iraq



Model 3 > Possible with restrictions

Local IHB entity in Iraq using its resident account to receive and process ROBO an affiliate entity in Iraq



Legend ● Iraq ● Country A

- Residents and branches of foreign entities registered in Iraq (non-residents), can open bank accounts in LCY and most foreign currencies.
- Model 1 is feasible in FCY. LCY must be converted to FCY in order to remit funds offshore.
- Model 2 is feasible in LCY and FCY. However, there may be documentary requirements for domestic transactions between the IHB and the Affiliate.
- The Central Bank may also question if the invoice does not match the account holders' name.



Tax considerations

Residency: The Iraqi Income Tax law defines a “Resident” as any juristic person incorporated under Iraqi laws or other laws having its place of management and control in Iraq.

Permanent Establishment (PE): Any foreign company or economic establishment which is practicing a permanent activity in Iraq, or which has a contract to execute a specific project in or into Iraq.

Corporate tax A flat rate of 15 per cent generally applies to all corporates except for companies in the oil and gas industry, where a tax rate of 35 per cent applies.	15 per cent/ 35 per cent
Treasury-related tax incentives	No
Thin capitalisation	No
Transfer pricing Whilst having no specific transfer pricing legislation, Iraq has a “third party” arm’s length provision contained within its tax legislation.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits The tax legislation does not specify whether WHT is applicable on interest paid to residents. A WHT of 15 per cent interest paid to non-residents.	No 15 per cent
Interest on intercompany loans The tax legislation does not specify whether WHT is applicable on interest paid to residents. A WHT of 15 per cent applies on interest paid to non-residents.	No 15 per cent
Dividends	No
Royalties The tax legislation does not specify whether WHT is applicable on royalties paid to residents. A WHT of 15 per cent applies on royalties paid to non-residents.	No 15 per cent

Kuwait



GDP
USD175.36 billion



GDP growth
8.9 per cent



Population
4.27 million



Central bank
Central Bank of Kuwait



Local currency
Kuwaiti Dinar (KWD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	$Y_{3,R}$	$Y_{3,R}$	FCY overdrafts are available but must be for business purposes. LCY overdrafts to non-residents are available but with restrictions/ limits on the loan facility.
	FCY	$Y_{3,R}$	$Y_{3,R}$	
Savings account opening	LCY	Y_2	Y_2	It is not market practice for overdraft facilities to be offered on savings account.
	FCY	Y_2	Y_2	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y _R	Y _R	-
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	-
NR ↔ offshore	Y _R	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. In general, notional pooling is subject to the enforceability of rights of set-off for single entity pools and cross-guarantees for multi-entity pools. Notional pooling is not market practice in Kuwait.



Currency convertibility

LCY can be converted to FCY onshore. LCY is generally not available outside of Kuwait.
FCY can be converted into LCY onshore.



Domestic remittance

Generally, no restrictions. However, the Central Bank of Kuwait may issue guidelines from time to time to prohibit/ permit such remittances.



Cross-border remittance

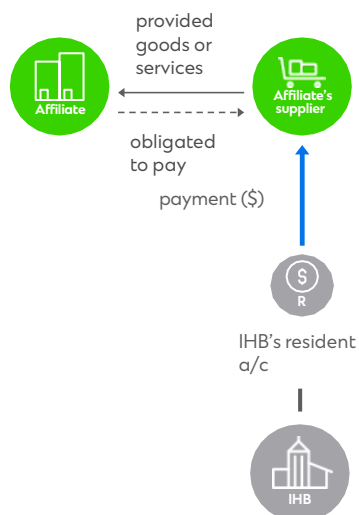
LCY is generally not available offshore and therefore outgoing remittance may need to be made in FCY.



Payments-on-behalf-of (POBO)

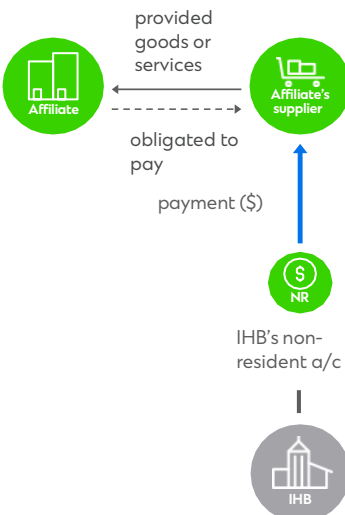
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Kuwait



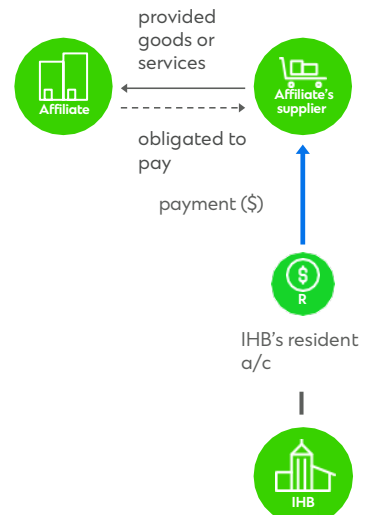
Model 2 > Possible

IHB entity using its non-resident account in Kuwait to execute POBO an affiliate entity in Kuwait



Model 3 > Possible

Local IHB entity in Kuwait using its resident account to execute POBO an affiliate entity in Kuwait



Legend ● Kuwait ● Country A

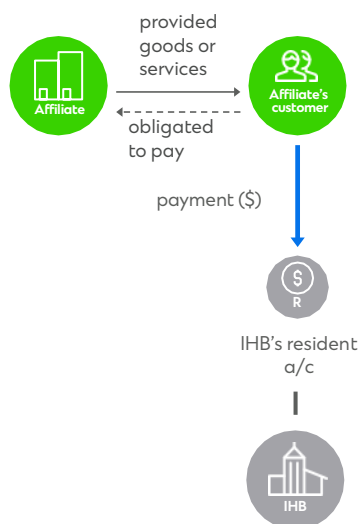
- Cross-border transactions are to be conducted in FCY as KWD is generally not available outside of Kuwait.



Receipts-on-behalf-of (ROBO)

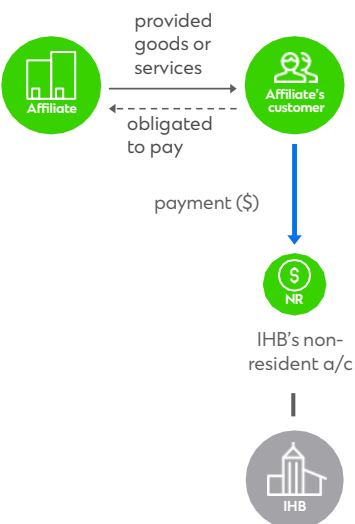
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Kuwait



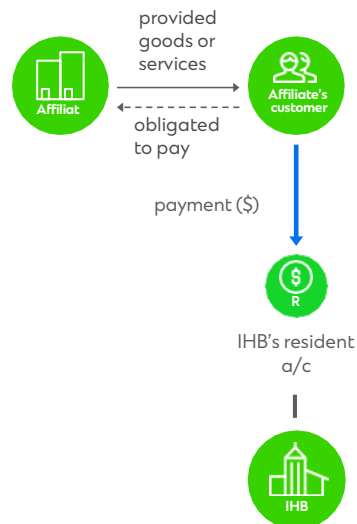
Model 2 > Possible

IHB entity using its non-resident account in Kuwait to receive and process ROBO an affiliate entity in Kuwait



Model 3 > Possible

Local IHB entity in Kuwait using its resident account to receive and process ROBO an affiliate entity in Kuwait



Legend

● Kuwait ● Country A

- Cross-border transactions are to be conducted in FCY as KWD is generally not available outside of Kuwait.



Tax considerations

Residency: A company that is incorporated in the Kuwait is considered resident, provided it can establish that:

- 1) all shares of the company are beneficially owned by residents of Kuwait; or
- 2) all or substantially all of the company's income is derived by the company from the active conduct of a trade or business other than an investment business in Kuwait; and
- 3) all or substantially all of the value of the company's property is attributable to property used in that trade or business.

Permanent Establishment (PE): A Permanent Establishment generally includes a branch, management or other fixed place of business, and presence through an agent that has and habitually exercises authority to conclude contracts on behalf of such corporation. The definitions need to be considered individually under the applicable tax decree.

Corporate tax A flat rate of 15 per cent generally applies to all income levels.	15 per cent
Treasury-related tax incentives	No
Thin capitalisation	No
Transfer pricing While Kuwait has no transfer pricing rules, Executive Rule No. 49 to the Kuwait Tax Law states that inter-company transactions should be comparable to transactions among companies that are not legally or financially associated.	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits There is no withholding tax in Kuwait. However, under the Kuwait Tax Law (KTL), all entities having contracts in Kuwait must retain 5 per cent from each payment made to beneficiaries. Retained amounts can be released only once a beneficiary presents a retention release letter from the Kuwait Tax Authority (KTA). In practice, borrowers are not applying this.	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Oman



GDP
USD114.67 billion



GDP growth
4.3 per cent



Population
4.58 million



Central bank
Central Bank of Oman



Local currency
Omani Rial (OMR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	As per market practice, current accounts are non-interest bearing, except for accounts held by government and quasi-government organisations.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N _M	N _M	As per market practice, saving accounts are generally not offered in Oman.
	FCY	N _M	N _M	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	N _M	It is not market practice for cross-border sweeping to be offered in Oman.
NR ↔ offshore	N _M	N _M	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Oman.



Currency convertibility

Local currency: LCY is convertible onshore. LCY is pegged to the USD. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	Up to LCY 20,000 per transaction
Real Time Gross Settlement (RTGS)	T	Each transaction must be LCY 20,000 and above
Wages Protection System (WPS)	T	Up to LCY 20,000 per transaction



Cross-border remittance

Inward: There are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

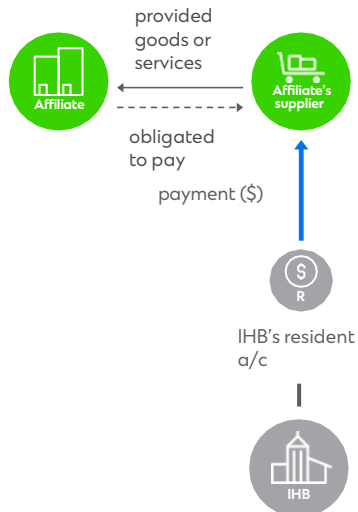
Outward: There are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

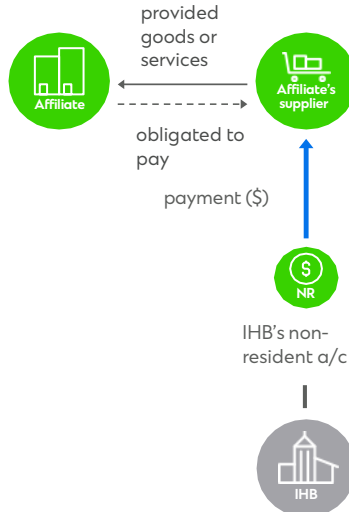
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Oman



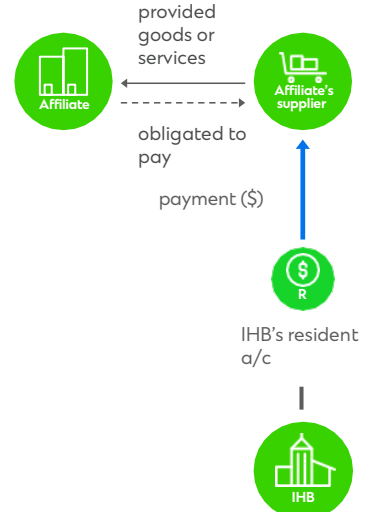
Model 2 > Possible

IHB entity using its non-resident account in Oman to execute POBO an affiliate entity in Oman



Model 3 > Possible

Local IHB entity in Oman using its resident account to execute POBO an affiliate entity in Oman



Legend ● Oman ● Country A

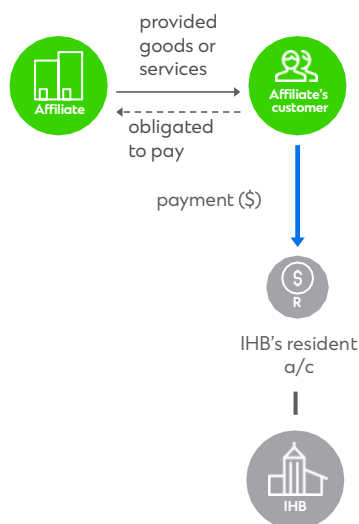
- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is feasible in FCY only as LCY is not available outside of Oman.



Receipts-on-behalf-of (ROBO)

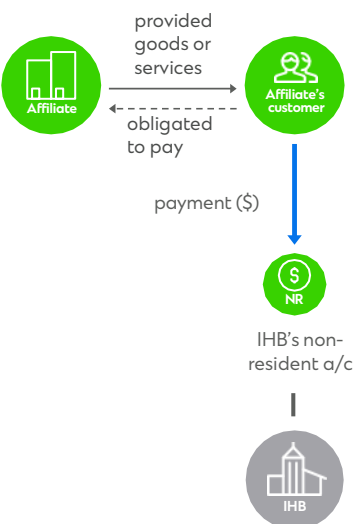
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Oman



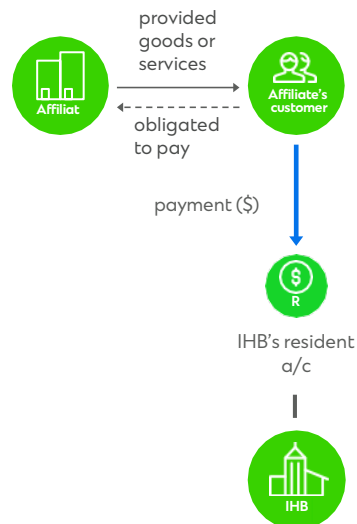
Model 2 > Possible

IHB entity using its non-resident account in Oman to receive and process ROBO an affiliate entity in Oman



Model 3 > Possible

Local IHB entity in Oman using its resident account to receive and process ROBO an affiliate entity in Oman



Legend

● Oman

● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- Model 1 is feasible in FCY only as LCY is not available outside of Oman.



Tax considerations

Residency: Not defined in tax law, but generally Omani companies and PE of foreign companies are subject to tax.

Permanent Establishment (PE): Generally, follows OECD principles i.e. a PE is a fixed place of business (with exceptions) and services lasting 90 days or more during a 12-month period.

Corporate tax

The corporate tax rate of 15 per cent applies to both Omani and non-Omani residents carrying out business in Oman.

15 per cent

A 3 per cent tax rate is applicable for small and medium enterprise (SME) taxpayers that meet certain requirements.

3 per cent

Companies in the oil sector are taxed at 55 per cent and are usually covered by special rules listed in concession agreements.

55 per cent

Pakistan



GDP
USD374.7 billion



GDP growth
4.7 per cent



Population
235.82 million



Central bank
State Bank of Pakistan



Local currency
Pakistani Rupee (PKR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	NRAN Y _{1,R} NRAR Y _{2,R}	Non-residents can open a Non-resident Rupee Account – Non-repatriable (NRAN) or a Non-resident Rupee Account – Repatriable (NRAR). NRAR can be initially deposited with up to LCY 5,000 from domestic sources, if required. There are certain restrictions on the allowable sources of funding for FCY accounts. Authorised Dealers will not grant any overdrafts in FCY on current account, without the prior approval of the Central Bank.
	FCY	Y ₂	Y ₂	
Savings account opening	LCY	Y ₂	Y ₂	Overdraft facilities can be offered to non-residents NRAN for local consumption, subject to compliance with applicable prudential regulations. There is minimum profit rate for savings accounts set by the Central Bank. Overdrafts on savings are not allowed.
	FCY	Y ₂	Y ₂	

Residents may open accounts offshore.

Interest optimisation	No	Subject to account conditions, individual account balances may contribute to balance aggregation but cannot benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	N	<p>FCY accounts are maintained for specific trade purposes and do not include sweeping arrangements.</p> <p>FCY accounts are only allowed to be opened for a select group of corporate entities. All corporate entities cannot open FCY accounts in Pakistan – whether resident or non-resident.</p> <p>Transfers of funds from NRAR to other resident accounts or NRAN is permissible.</p> <p>Transfers between NRAR accounts is possible if maintained with the same Authorised Dealer</p> <p>Automated intercompany lending via sweeping between resident entities and NRAN is generally not allowed, though they can lend or borrow from each other in LCY</p>
Same entity (NRAN)	Y	N	
Same entity (NRAR)	Y _R	N	
R ↔ R	Y	N	
R ↔ NRAN	Y	N	
NR ↔ NRAR	Y _R	N	
NRAN ↔ NRAN	Y	N	
NRAR ↔ NRAR	Y _R	N	
NRAN ↔ NRAR	Y _R	N	
X-border	LCY	FCY	Additional information
R ↔ offshore	N _M	N	<p>LCY is not a preferred international settlement currency. Therefore, cross-border LCY sweeping may not be possible.</p> <p>FCY accounts are maintained for specific trade purposes and do not include sweeping arrangements.</p>
NRAN ↔ offshore	N _M	N	
NRAR ↔ offshore	N _M	N	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling arrangements are not allowed as per local regulations. It is not market practice for notional pools to be offered in Pakistan.



Currency convertibility

Local currency: LCY is convertible to FCY onshore for permitted purposes via an application to an Authorised Dealer with supporting documentation. LCY is not a preferred international settlement currency.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Through bilateral agreements with select partner banks)	T	-
Interbank Funds Transfer (1Link)	T (real-time)	-



Cross-border remittance

Inward: Generally, there are no restrictions on receipt of remittances from abroad either in FCY or by debit to non-resident rupee accounts of bank's overseas branches or correspondents. However, registration and reporting may be required e.g., for loans sourced from overseas. Purpose of payment is mandatory along with documentary requirements which depending on the purpose of payment.

Outward: Funds for outward remittances must be approved/ allowed either by the Central Bank. LCY outward remittances and payments can be made by NRAR to the extent of balances available in the account.

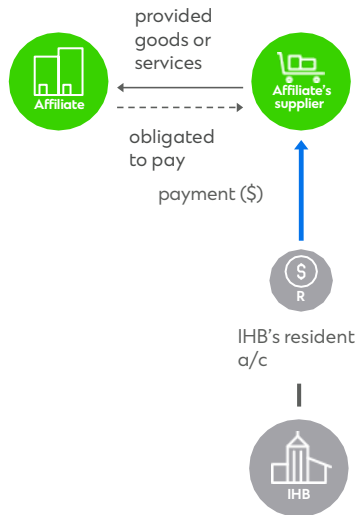
An application can be made to an Authorised Dealer in foreign exchange for the remittance of dividend, interest, royalties and technical service fees, etc. The application has to be supported with relevant documentation and purpose of payment for Central Bank approval.



Payments-on-behalf-of (POBO)

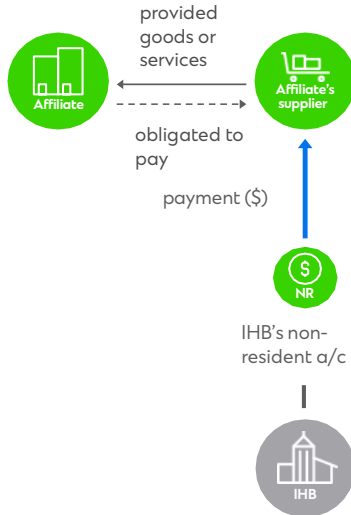
Model 1 > No

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Pakistan



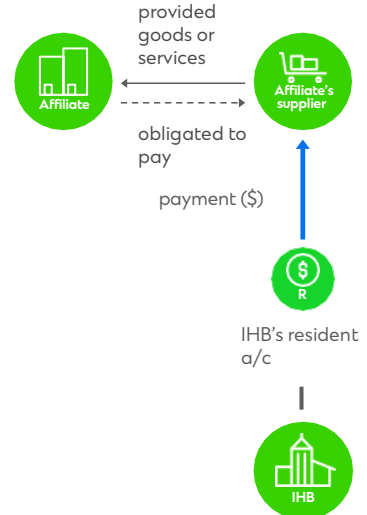
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Pakistan to execute POBO an affiliate entity in Pakistan



Model 3 > Possible with restrictions

Local IHB entity in Pakistan using its resident account to execute POBO an affiliate entity in Pakistan



Legend ● Pakistan ● Country A

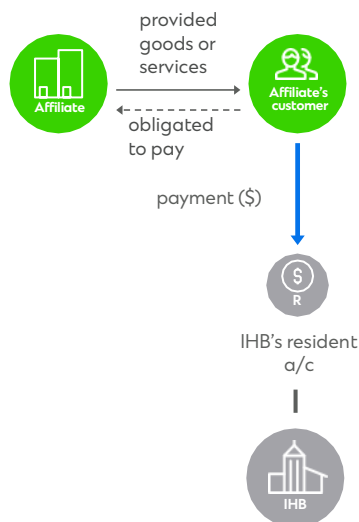
- Residents can open bank accounts in LCY and most foreign currencies. Non-residents can open bank accounts, subject to Central Bank approval.
- Model 1 is not feasible as LCY is not a preferred international settlement currency and FCY cannot be remitted offshore unless it is for permitted purposes.
- Models 2 and 3 are feasible in LCY. FCY accounts are maintained for specific trade purposes.



Receipts-on-behalf-of (ROBO)

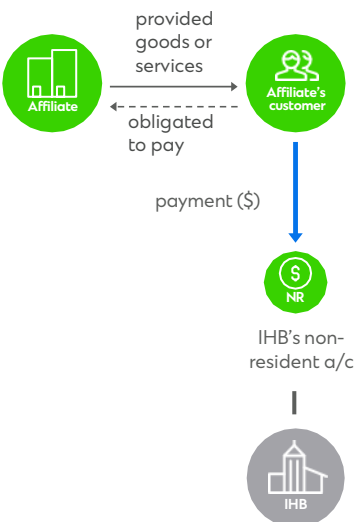
Model 1 > No

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Pakistan



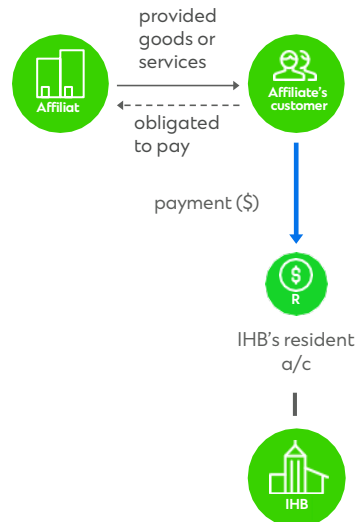
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Pakistan to receive and process ROBO an affiliate entity in Pakistan



Model 3 > Possible with restrictions

Local IHB entity in Pakistan using its resident account to receive and process ROBO an affiliate entity in Pakistan



Legend

● Pakistan ● Country A

- Residents can open bank accounts in LCY and most foreign currencies.
- Model 1 is not feasible as LCY is not a preferred international settlement currency and FCY cannot be remitted offshore unless it is for permitted purposes.
- Models 2 and 3 are feasible in LCY. FCY accounts are maintained for specific trade purposes.



Tax considerations

Residency: A company is resident in Pakistan if it is incorporated or formed by or under the law of Pakistan or if the control and management of its affairs is situated wholly in Pakistan.

Permanent Establishment (PE): A PE is a place of business through which the business of a non-resident is wholly or partly carried out.

Corporate tax The standard corporate tax rate is 29 per cent of taxable income (other than banking companies) Tax rate for small companies is 20 per cent. Additionally, super tax is also applicable as per below table: Where income does not exceed Rs.150 million Where income exceeds Rs.150 million but does not exceed Rs.200 million Where income exceeds Rs.200 million but does not exceed Rs.250 million Where income exceeds Rs.250 million but does not exceed Rs.300 million Where income exceeds Rs.300 million but does not exceed Rs.350 million Where income exceeds Rs.350 million but does not exceed Rs.400 million Where income exceeds Rs.400 million but does not exceed Rs.500 million Where income exceeds Rs.500 million	29 per cent 20 per cent No 1 per cent 2 per cent 3 per cent 4 per cent 6 per cent 8 per cent 10 per cent
Treasury-related tax incentives	No
Thin capitalisation Thin capitalisation rules apply to foreign controlled resident companies (other than a financial institution/ banking company and branches of a foreign company operating in Pakistan) regarding debts of related parties in excess of debt-to-equity ratio of 3:1 (foreign related debt to foreign equity). Interest expense will be disallowed on the part of debt that exceeds the 3:1 ratio.	Yes
Transfer pricing The Commissioner of Inland Revenue is empowered to allocate profits between related parties to reflect the arm's length principle, and documentation is required to be maintained to substantiate the arm's length claim.	Yes
Controlled foreign corporation rule Attributable incomes of CFCs that are retained and not repatriated to Pakistan will be brought to tax on the basis of the tax rate applicable to dividends (i.e., 15 per cent).	Yes

Withholding tax

Interest on bank deposits For a resident person present on the Active Taxpayer List, a rate of 15 per cent applies. For a resident person not on the Active Taxpayer List, a rate of 30 per cent applies. A WHT of 10 per cent applies on interest paid to non-residents. In order to avail reduced rate withholding, a non-resident person has to produce reduced rate certificate from Commissioner Inland Revenue, FBR.	15 per cent/ 30 per cent 10 per cent
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<p>Interest on intercompany loans</p> <p>For a resident person present on the Active Taxpayer List, a rate of 15 per cent applies on interest. For a resident person not on the Active Taxpayer List, a rate of 30 per cent applies on interest.</p> <p>A WHT of 10 per cent applies on interest paid to non-residents. In order to avail reduced rate withholding, a non-resident person has to produce reduced rate certificate from Commissioner Inland Revenue, FBR.</p>	<p>15 per cent/ 30 per cent</p> <p>10 per cent</p>
<p>Dividends</p> <p>For a person present on the Active Taxpayer List, a rate of 15 per cent applies on dividends.</p> <p>For a person not on the Active Taxpayer List, a rate of 30 per cent applies on dividends.</p>	<p>15 per cent</p> <p>30 per cent</p>
<p>Royalties</p> <p>A WHT of 15 per cent applies on royalties paid by a resident to non-residents.</p>	<p>15 per cent</p>

Qatar



GDP
USD236.26 billion



GDP growth
4.2 per cent



Population
2.7 million



Central bank
Qatar Central Bank



Local currency
Qatari Riyal (QAR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_1	$Y_{1,R}$	Non-resident accounts must not be for commercial purposes unless if they have permission from Ministry of Business and Trade to carry out business in Qatar.
	FCY	Y_1	$Y_{1,R}$	
Savings account opening	LCY	Y_1	$Y_{1,R}$	Non-resident current accounts may not be opened for entities that have not been duly licensed/set up in Qatar and which do not appear on the commercial register of the Ministry of Economy and Commerce.
	FCY	Y_1	$Y_{1,R}$	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
------------------------------	-----	--

Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y _R	Y _R	Sweeping/ intercompany lending between residents is allowed but interest on intercompany loans is generally not chargeable by regulation, unless approved by the Central Bank.
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y _R	Y _R	Interest on intercompany loans extended by residents is generally not chargeable by regulation, unless approved by the Central Bank.
NR ↔ offshore	Y _R	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pooling to be offered in Qatar.



Currency convertibility

Local currency: LCY is convertible onshore and offshore with Central Bank approval. The foreign exchange rate of the LCY is pegged to the USD.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Automated Clearing House (ACH)	T	-
Real Time Gross Settlement (RTGS)	T	-
Direct Debit (Clearing House)	T	-
Wages Protection System (WPS)	T	Up to LCY 1 million per transaction



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

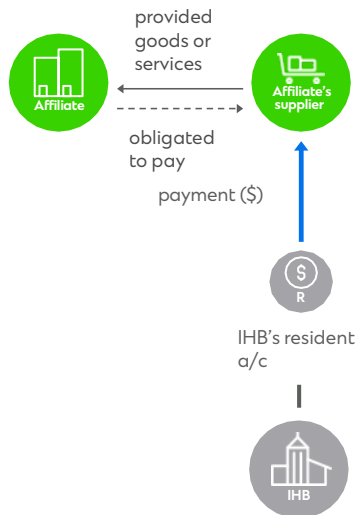
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

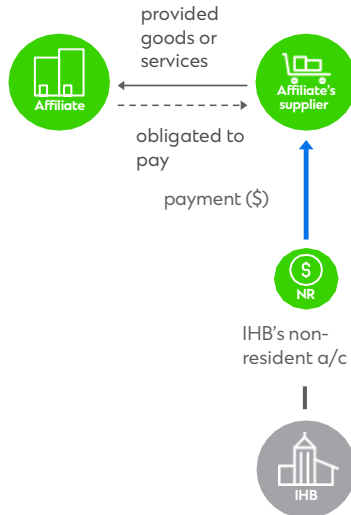
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Qatar



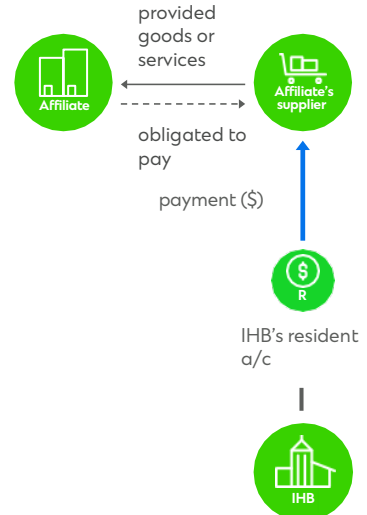
Model 2 > Possible with restrictions

IHB entity using its non-resident account in Qatar to execute POBO an affiliate entity in Qatar



Model 3 > Possible

Local IHB entity in Qatar using its resident account to execute POBO an affiliate entity in Qatar



Legend

● Qatar ● Country A

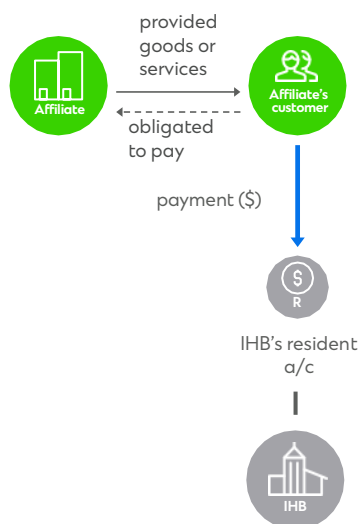
- Residents and non-residents (subject to account conditions) can open bank accounts in LCY and most foreign currencies onshore.



Receipts-on-behalf-of (ROBO)

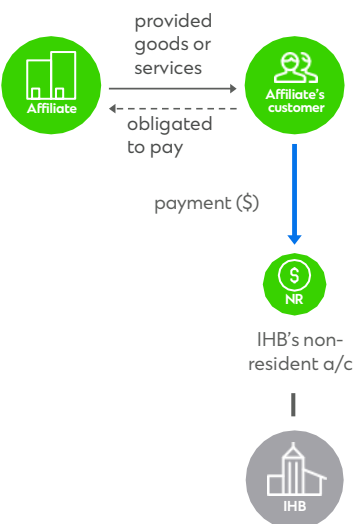
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Qatar



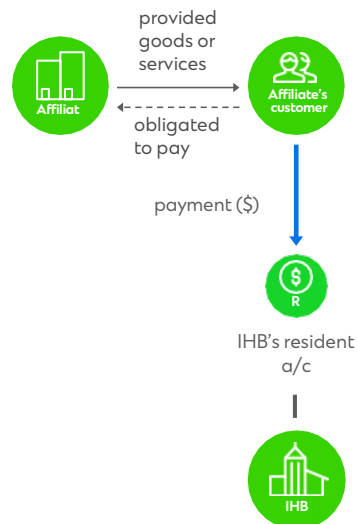
Model 2 > Possible

IHB entity using its non-resident account in Qatar to receive and process ROBO an affiliate entity in Qatar



Model 3 > Possible

Local IHB entity in Qatar using its resident account to receive and process ROBO an affiliate entity in Qatar



Legend

● Qatar

● Country A

- Residents and non-residents (subject to account conditions) can open bank accounts in LCY and most non-restricted foreign currencies.



Tax considerations

Residency: A corporate body is regarded as a resident if it meets any of the following conditions:

- it is incorporated under Qatari laws.
- its head office is situated in Qatar.
- its place of effective management is situated in Qatar.

Permanent Establishment (PE): As per Qatar tax law, a PE is defined as “having a fixed place of business” and “the realisation of profit”.

Corporate tax

The standard corporate tax rate is 10 per cent. For companies with oil and gas operations, a tax rate of not less than 35 per cent is applicable.

**10 per cent/
35 per cent**

Treasury-related tax incentives An application for a tax exemption may be made for certain projects that are considered to be strategically significant to the Qatar economy. The exemptions are generally granted for a period of 5 or 10 years. Applications for an exemption are assessed based on certain criteria set out in the Qatar tax law. Notwithstanding the fact that an exemption is granted, an entity that is exempt is still required to file a tax return under the Qatar tax law.	Yes
Thin capitalisation Interest expense should not exceed three times the equity of the entity. A safe harbour debt-to-equity ratio is set by the Qatari Financial Centre's authorities as follows: <ul style="list-style-type: none"> • Non-financial institutions: 2:1 • Financial institutions: 4:1 	Yes
Transfer pricing Transactions between related parties were expected to be undertaken on an arm's length and in accordance with the CUP method or any other OECD acceptable pricing method.	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans Qatar does not impose WHT on interest paid by a resident to another resident. A WHT of 5 per cent applies for interest paid to non-resident companies, other than financial institutions.	No 5 per cent
Dividends	No
Royalties Qatar does not impose WHT on royalties paid by a resident to another resident. There is a WHT of 5 per cent for royalty payments made to non-resident.	No 5 per cent

Saudi Arabia



GDP
USD1.11 trillion



GDP growth
8.7 per cent



Population
36.41 million



Central bank
Saudi Central Bank (SAMA)



Local currency
Saudi Riyal (SAR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _R	Bank account opening for non-Saudi and non-GCC natural persons not residing in Saudi Arabia is not allowed unless written approval is sought.
	FCY	Y ₁	Y _R	
Savings account opening	LCY	Y ₁	Y ₁	Any natural or legal person is permitted to open accounts in Saudi Arabia as long as all relevant procedures are completed, and requirements met.
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y _R	Y _R	This is subject to account opening rules. Minimum capital and liquidity requirements should be considered.
Same entity (NR)	Y _R	Y _R	
R ↔ R	Y _R	Y _R	
R ↔ NR	Y _R	Y _R	
NR ↔ NR	Y _R	Y _R	
X-border	LCY	FCY	
R ↔ offshore	Y _R	Y _R	
NR ↔ offshore	Y _R	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

FCY can generally be converted.



Domestic remittance

Domestic remittance activities (sending and receiving) shall be carried out through modern money transfer systems, such as SWIFT and the Saudi Arabian Riyal Interbank Express System (SARIE), and instantaneous money transfer systems, or through contractual agreements with reliable money transfer service providers.



Cross-border remittance

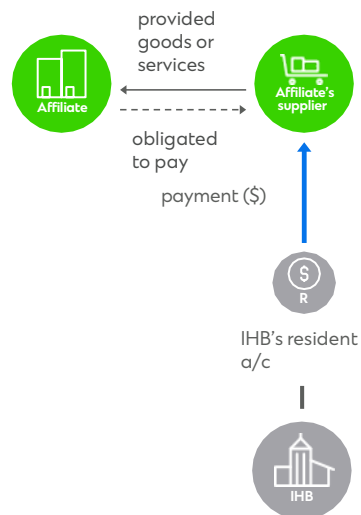
Inward and Outward: International remittance activities (sending and receiving) shall be carried out through modern money transfer systems, such as SWIFT and the Saudi Arabian Riyal Interbank Express System (SARIE), and instantaneous money transfer systems, or through contractual agreements with reliable money transfer service providers.



Payments-on-behalf-of (POBO)

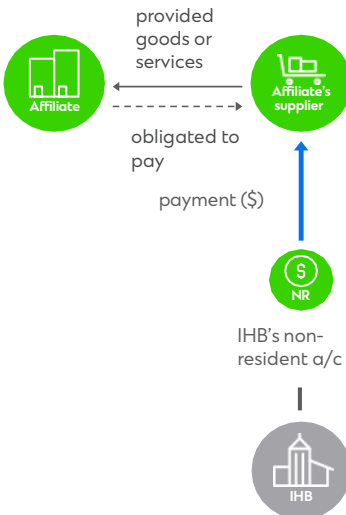
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Saudi Arabia



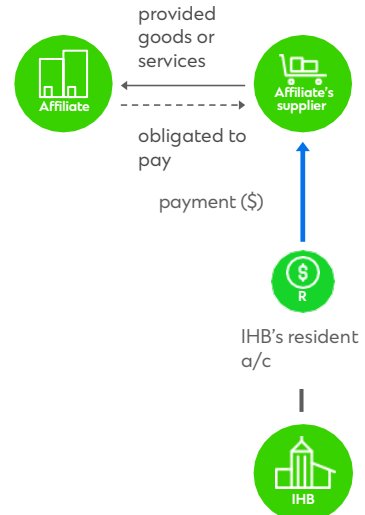
Model 2 > Possible

IHB entity using its non-resident account in Saudi Arabia to execute POBO an affiliate entity in Saudi Arabia



Model 3 > Possible

Local IHB entity in Saudi Arabia using its resident account to execute POBO an affiliate entity in Saudi Arabia



Legend ● Saudi Arabia ● Country A

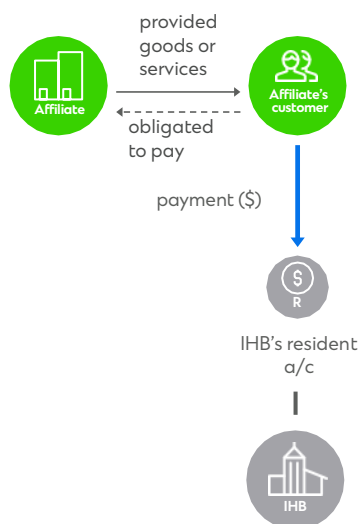
- These above transactions are subject to account opening rules.



Receipts-on-behalf-of (ROBO)

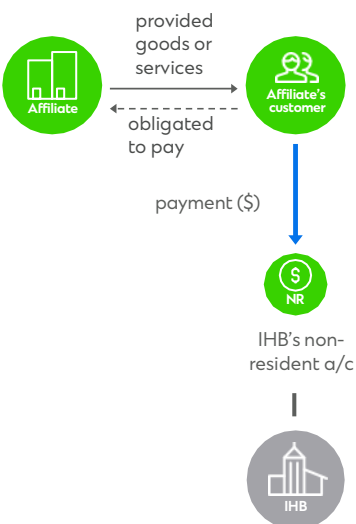
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Saudi Arabia



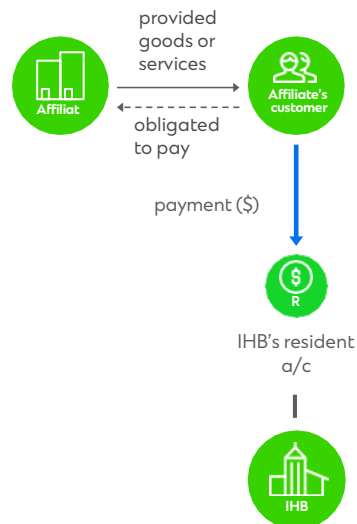
Model 2 > Possible

IHB entity using its non-resident account in Saudi Arabia to receive and process ROBO an affiliate entity in Saudi Arabia



Model 3 > Possible

Local IHB entity in Saudi Arabia using its resident account to receive and process ROBO an affiliate entity in Saudi Arabia



Legend

● Saudi Arabia ● Country A

- These above transactions are subject to account opening rules.



Tax considerations

Residency: A company is considered a resident company if it is formed under the Saudi Arabian Regulations for Companies or if its central management is in Saudi Arabia.

Permanent Establishment (PE): The definition of a Permanent Establishment generally includes a branch, management, or other fixed place of business for a non-resident company, and presence through an agent that has and habitually exercises authority to negotiate and conclude contracts on behalf of such corporation. A non-resident partner in a resident personal company is considered an owner to a PE in Saudi Arabia in the form of a share in a personal company. The definitions need to be considered individually under the applicable tax decree.

Corporate tax

The rate of income tax is 20 per cent of the net adjusted profits.

In addition, Zakat is charged on the company's Zakat base (representing the net worth of the entity) at 2.5 per cent.

20 per cent
2.5 per cent

Treasury-related tax incentives

No

Thin capitalisation	No
Transfer pricing The tax authorities require transactions made between related parties to be conducted at arm's length (i.e., to be measured by the normal and regular market value of the transactions).	Yes
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits WHT is imposed on gross interest paid by a resident to non-residents	5 per cent
Interest on intercompany loans WHT is imposed on gross interest paid by a resident to non-residents	5 per cent
Dividends WHT is imposed on dividends paid by a resident to non-resident.	5 per cent
Royalties WHT is imposed on royalties paid by a resident to non-resident.	15 per cent

United Arab Emirates



GDP

USD507.06 billion



GDP growth

7.9 per cent



Population

9.44 million



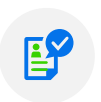
Central bank

The Central Bank of the United Arab Emirates



Local currency

United Arab Emirates Dirham (AED)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y _R	As per market practice, non-resident current accounts are not offered. In practice, some banks offer current accounts to non-residents without cheque books.
	FCY	Y ₁	Y _R	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

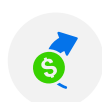
N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	Two-way sweeping or physical deposit transfers from the UAE to the DIFC and ADGM are not permitted as entities based in the DIFC are prohibited from receiving deposits from other UAE states (i.e., UAE excluding the DIFC and ADGM). Minimum capital and liquidity requirements must also be considered.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	Two-way sweeping or physical deposit transfers from the UAE to the DIFC and ADGM are not permitted as entities based in the DIFC and ADGM are prohibited from receiving deposits from other UAE states (i.e., UAE excluding the DIFC and the ADGM). Minimum capital and liquidity requirements must also be considered.
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice to offer notional pools in the UAE.



Currency convertibility

Local currency: LCY is convertible onshore and offshore (excluding DIFC and ADGM). LCY can be held offshore (excluding DIFC and ADGM). LCY is pegged to the USD.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	Payments to be made to the IBAN numbers and POP codes are mandatory
Direct Debit (Clearing House)	T	-
FAST Payment	T (Almost immediate)	Up to LCY 50,000 per transaction
Wages Protection System (WPS)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

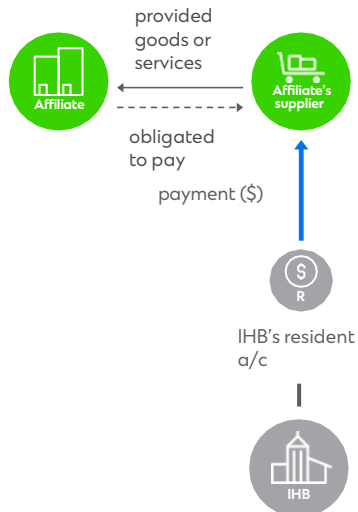
Outward: Physical transfers from the UAE to the DIFC and ADGM are not permitted as entities based in the DIFC and ADGM are prohibited from receiving deposits from other UAE states (i.e., the UAE excluding the DIFC and ADGM). Purpose of payment may be required for payments originating from the UAE. There are no documentary requirements.



Payments-on-behalf-of (POBO)

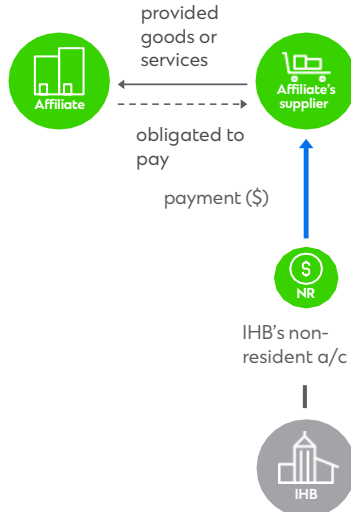
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in UAE



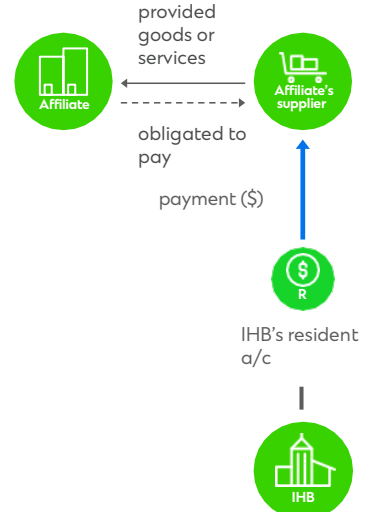
Model 2 > Possible

IHB entity using its non-resident account in UAE to execute POBO an affiliate entity in UAE



Model 3 > Possible

Local IHB entity in UAE using its resident account to execute POBO an affiliate entity in UAE



Legend ● United Arab Emirates ● Country A (outside of the DIFC, ADGM and UAE)

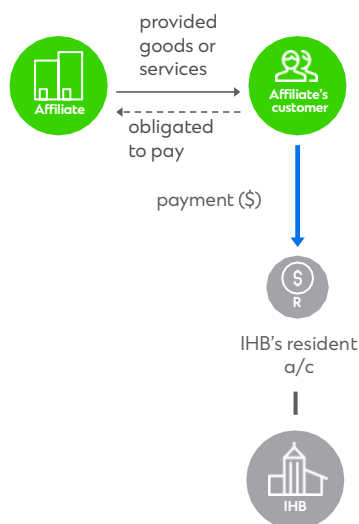
- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- LCY accounts can be opened offshore (excluding the DIFC and ADGM).



Receipts-on-behalf-of (ROBO)

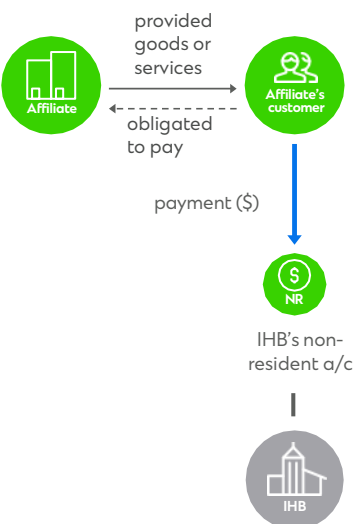
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in UAE



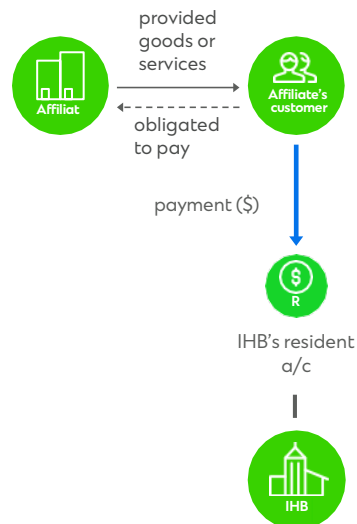
Model 2 > Possible

IHB entity using its non-resident account in UAE to receive and process ROBO an affiliate entity in UAE



Model 3 > Possible

Local IHB entity in UAE using its resident account to receive and process ROBO an affiliate entity in UAE



Legend

● United Arab Emirates ● Country A (outside of the DIFC, ADGM and UAE)

- Residents and non-residents can open bank accounts in LCY and most foreign currencies onshore.
- LCY accounts can be opened offshore (excluding the DIFC and ADGM).



Tax considerations

Residency: In practice, a company that is incorporated in the UAE is considered resident, provided it can establish that all or substantially all of the value of the company's property is attributable to property used in that trade or business and either:

- All shares of the company are beneficially owned by the UAE residents; or
- All or substantially all of the company's income is derived by the company from the active conduct of trade or business (other than an investment business) carried on in the UAE; or
- All or substantially all of the value of the company's property is attributable to property used in that trade or business.

Permanent Establishment (PE): The definition of a PE generally includes a branch, management or other fixed place of business, and presence through an agent that has and habitually exercises authority to conclude contracts on behalf of such corporation. The definitions need to be considered individually under the applicable tax decree.

Corporate tax Under the Emirates-based tax decrees, corporate tax may be imposed up to 55 per cent for all companies. However, in practice, corporate tax is currently only enforced on oil and gas companies and branches of foreign companies.	0 per cent - 55 per cent
Treasury-related tax incentives Refer to the DIFC profile.	Yes
Thin capitalisation	No
Transfer pricing	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Dubai International Finance Centre



Central bank

The Central Bank of the United Arab Emirates



Account conditions

		R	NR	Additional information
Current account opening	LCY	N	N	Entities incorporated in the UAE excluding the DIFC are not permitted to open accounts in the DIFC.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N	N	Companies are required to prepare certain documents to capture interest rate risks and foreign exchange exposures respectively.
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	N	Y	<p>LCY accounts are not permitted in the DIFC and hence sweeping in LCY is not possible.</p> <p>Two-way sweeping or physical deposit transfers from the UAE to the DIFC are not permitted as entities based in the DIFC are prohibited from receiving deposits from other UAE states (i.e., UAE excluding DIFC).</p> <p>Companies may need to prepare certain forms to capture large exposure and funding risk exposure respectively.</p>
Same entity (NR)	N	Y	
R ↔ R	N	Y	
R ↔ NR	N	Y	
NR ↔ NR	N	Y	
X-border	LCY	FCY	
R ↔ offshore	N	Y _R	
NR ↔ offshore	N	Y _R	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

FCY can be converted except to AED. AED accounts are not permitted in the DIFC.



Domestic remittance

A domestic clearing infrastructure does not exist in the DIFC.



Cross-border remittance

Inward: Generally, physical transfers from the UAE to the DIFC are not permitted as entities based in the DIFC are prohibited from receiving deposits from other UAE states (i.e., the UAE excluding the DIFC). Purpose of payment is not mandatory. There are no documentary requirements.

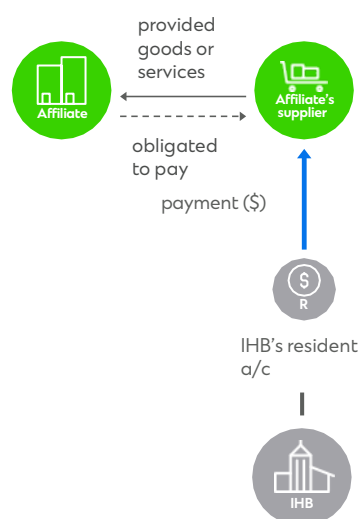
Outward: Generally, there are no foreign exchange regulatory restrictions except for the unavailability of AED accounts in the DIFC for outward remittances. Purpose of payment is mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

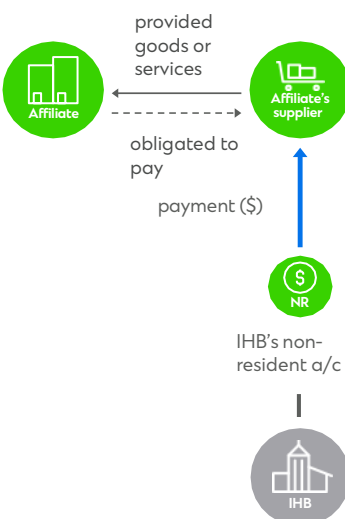
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in DIFC



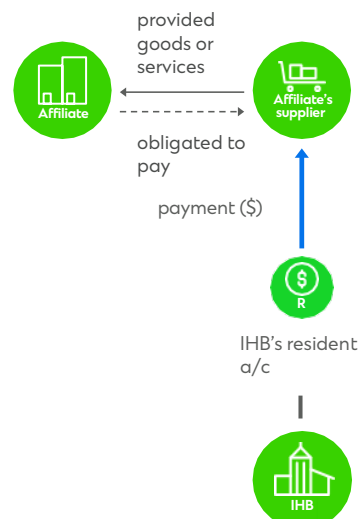
Model 2 > Possible

IHB entity using its non-resident account in DIFC to execute POBO an affiliate entity in DIFC



Model 3 > Possible

Local IHB entity in DIFC using its resident account to execute POBO an affiliate entity in DIFC



Legend

● DIFC ● Country A (outside of the DIFC, ADGM and UAE)

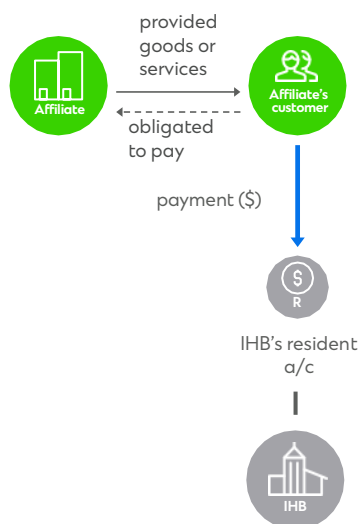
- DIFC is a USD based environment, hence no LCY accounts are permitted. Residents and non-residents can open bank accounts in most foreign currencies onshore.



Receipts-on-behalf-of (ROBO)

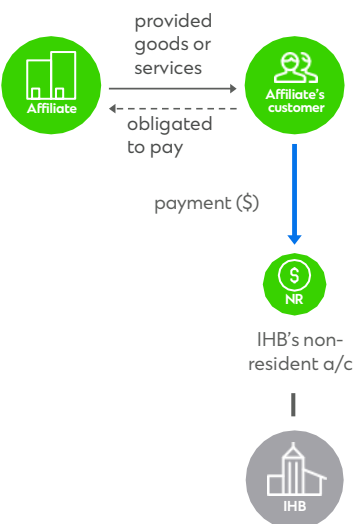
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in DIFC



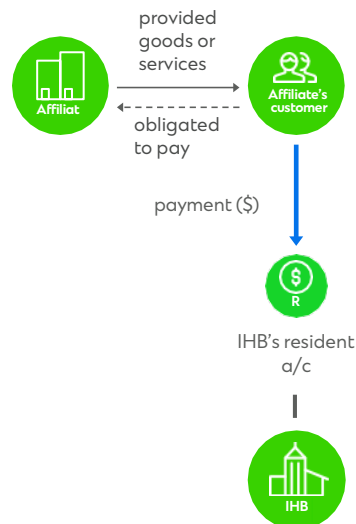
Model 2 > Possible

IHB entity using its non-resident account in DIFC to receive and process ROBO an affiliate entity in DIFC



Model 3 > Possible

Local IHB entity in DIFC using its resident account to receive and process ROBO an affiliate entity in DIFC



Legend ● DIFC ● Country A (outside of the DIFC, ADGM and UAE)

- DIFC is a USD based environment, hence no LCY accounts are permitted. Residents and non-residents can open bank accounts in most foreign currencies in DIFC.



Tax considerations

Residency and Permanent Establishment (PE): There is no definition of residency or permanent establishment in the DIFC. Corporates would need to be registered in the DIFC to qualify for relevant privileges and exemptions.

Corporate tax	0 per cent/ 9 per cent/ 15 per cent
Treasury-related tax incentives The DIFC is a “financial” free zone in the Emirate of Dubai to attract banking and other financial services providers. The DIFC provides for a zero-tax rate on income and profits for a period of 50 years from inception, allows 100 per cent foreign ownership and does not impose restrictions on foreign exchange or capital/profit repatriation.	Yes
Thin capitalisation	No
Transfer pricing	No
Controlled foreign corporation rule	No

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans	No
Dividends	No
Royalties	No

Germany



GDP
USD4.08 trillion



GDP growth
1.80 per cent



Population
83.80 million



Central bank
Deutsche Bundesbank



Local currency
Euro (EUR)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	-
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	Y ₁	Y ₁	
	FCY	Y ₁	Y ₁	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements. It is not market practice for notional pools to be offered in Germany.



Currency convertibility

Local currency: LCY is convertible onshore and offshore. LCY can be held offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS) (TARGET)	T	-
European Banking Association (Euro1/STEP1)	T	-
Automated Clearing House (SEPA CT)	T	Only available for intra SEPA payments
Direct Debit (SEPA Core and B2B)	T+1	-
Instant Payments (Target Instant Payment Settlement and SEPA Instant)	T (almost immediate)	Up to LCY 100,000 per transaction



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. Residents are required to report to the Central Bank for cross-border inward remittances from non-residents of more than EUR12,500 or equivalent, unless the remittances are made in connection with the import, export or transfer of goods or granting/ repayment of short-term loans with less than 12 months maturity.

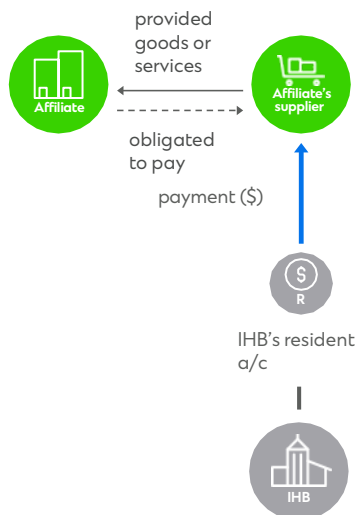
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. Residents are required to report to the Central Bank for cross-border outward remittances to non-residents of more than EUR12,500 or equivalent, unless the remittances are made in connection with the import, export or transfer of goods or granting/ repayment of short-term loans with less than 12 months maturity.



Payments-on-behalf-of (POBO)

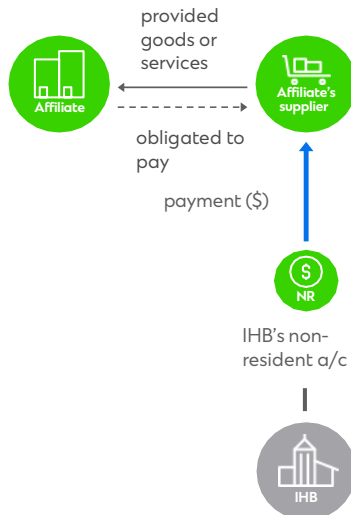
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in Germany



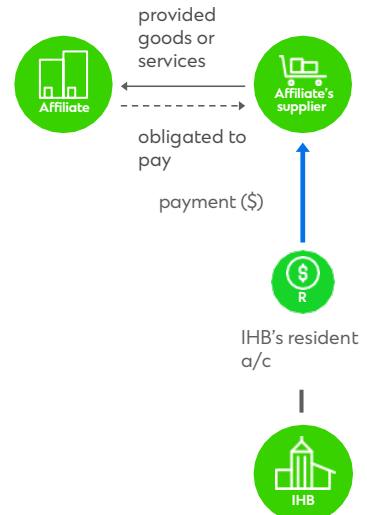
Model 2 > Possible

IHB entity using its non-resident account in Germany to execute POBO an affiliate entity in Germany



Model 3 > Possible

Local IHB entity in Germany using its resident account to execute POBO an affiliate entity in Germany



Legend ● Germany ● Country A

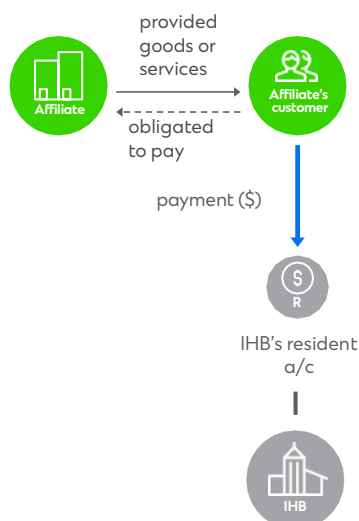
- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Several regulatory requirements are required to be met. Otherwise, a license will be required.



Receipts-on-behalf-of (ROBO)

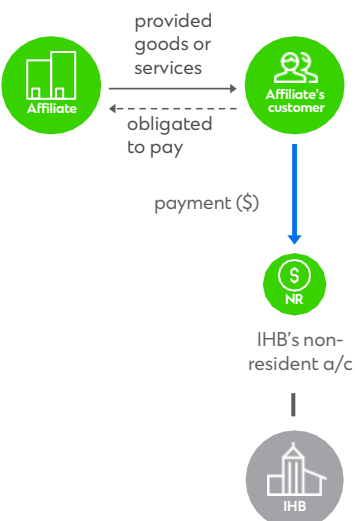
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in Germany



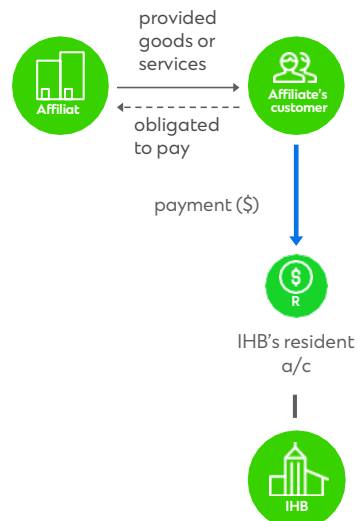
Model 2 > Possible

IHB entity using its non-resident account in Germany to receive and process ROBO an affiliate entity in Germany



Model 3 > Possible

Local IHB entity in Germany using its resident account to receive and process ROBO an affiliate entity in Germany



Legend ● Germany ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.
- Several regulatory requirements are required to be met, Otherwise, a license will be required.



Tax considerations

Residency: A company is considered a tax resident of Germany if it is incorporated in Germany or if the company is managed and controlled in Germany.

Permanent Establishment (PE): The domestic law defines a PE as any fixed place of business or an agent who habitually deals on behalf of the principal acting on the principal's instructions. Germany generally adopts the PE concept under the OECD model for treaty purposes.

Corporate tax CIT rate is 15 per cent (excluding a 5.5 per cent solidarity surcharge). Municipal trade tax is imposed at rates between 14 per cent and 17 per cent. The combined rate (i.e., corporate income tax, trade tax, solidarity surcharge) is approximately 30 to 33 per cent.	~30 to 33 per cent
Treasury-related tax incentives	No

Thin capitalisation There are no thin capitalisation rules in Germany. However, the deductibility of interest expense is restricted to 30 per cent of tax EBITDA.	No
Transfer pricing Intercompany business transactions should be priced at arm's length. Specific transfer pricing rules apply to cross-border intercompany transactions. Germany generally adopts the OECD approach on transfer pricing.	Yes
Controlled foreign corporation rule Passive income of subsidiaries in low-tax or no-tax jurisdictions will be attributed to the German shareholder that holds, directly or indirectly, more than 50 per cent of the subsidiary.	Yes

Withholding tax

Interest on bank deposits A WHT of 25 per cent plus a solidarity surcharge of 5.5 per cent applies for interest paid to residents. Germany does not impose WHT on interest paid to non-residents.	26.375 per cent No
Interest on intercompany loans	No
Dividends A WHT of 25 per cent plus a solidarity surcharge of 5.5 per cent applies on dividends paid to residents and non-residents. Non-resident corporates can apply for a 40 per cent refund, reducing the effective rate to 15.825 per cent.	26.375 per cent / 15.825 per cent
Royalties Germany does not impose WHT on royalties paid by a resident to another resident. A WHT of 15 per cent plus a solidarity surcharge of 5.5 per cent applies on royalties paid to non-residents.	No 15.825 per cent

United Kingdom



GDP
USD3.09 trillion



GDP growth
4.3 per cent



Population
66.97 million



Central bank
Bank of England



Local currency
Pound Sterling (GBP)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y ₁	Y ₁	Saving accounts are not typically offered to Corporates as Current accounts may be interest bearing.
	FCY	Y ₁	Y ₁	
Savings account opening	LCY	N _M	N _M	
	FCY	N _M	N _M	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	-
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	-
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

There are no specific regulatory restrictions on notional pooling arrangements.



Currency convertibility

Local currency: LCY is convertible onshore and offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	-
Automated Clearing House (Bankers Automated Clearing Services)	T+2	Up to GBP20 million per transaction
Direct Debit (Clearing House)	T+2	Up to GBP20 million per transaction
Faster Payments Service (FPS)	Less than 2 hours	Up to GBP1 million per transaction
Single Euro Payment Area Credit Transfer (SEPA SCT)	T	Up to EUR999,999,999 per transaction
Single Euro Payment Area Instant Credit Transfer (SEPA SCTinst)	<20 seconds	Up to EUR100,000 per transaction



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

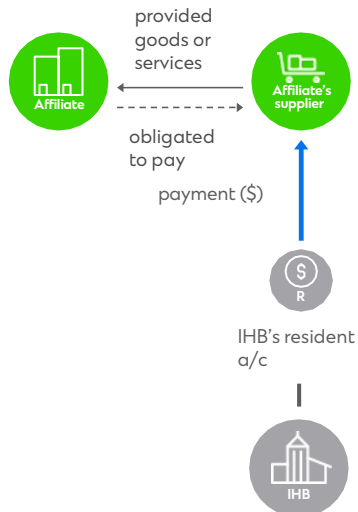
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

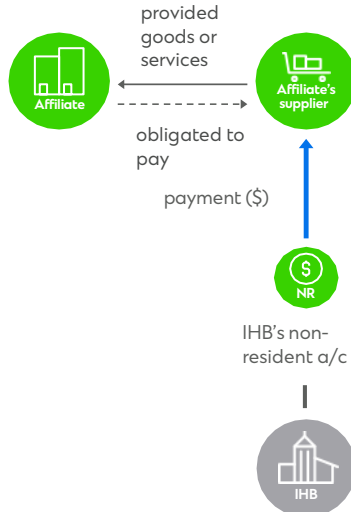
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in the United Kingdom



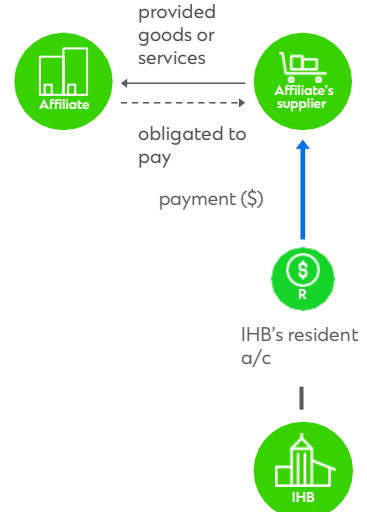
Model 2 > Possible

IHB entity using its non-resident account in the United Kingdom to execute POBO an affiliate entity in the United Kingdom



Model 3 > Possible

Local IHB entity in the United Kingdom using its resident account to execute POBO an affiliate entity in the United Kingdom



Legend ● United Kingdom ● Country A

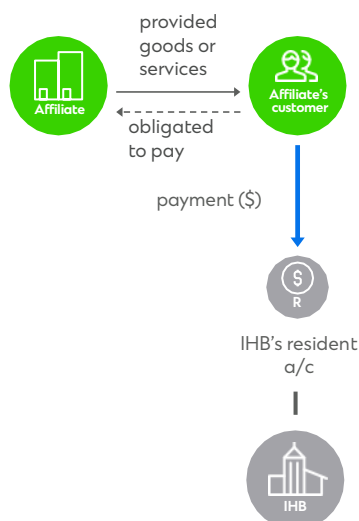
- Residents and non-residents can open bank accounts in LCY and foreign currencies.



Receipts-on-behalf-of (ROBO)

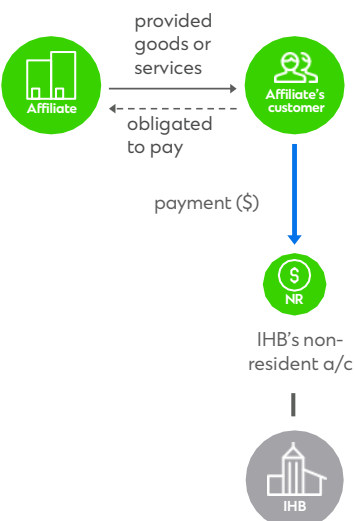
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in the United Kingdom



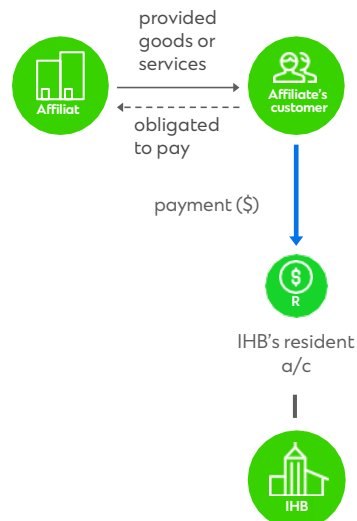
Model 2 > Possible

IHB entity using its non-resident account in the United Kingdom to receive and process ROBO an affiliate entity in the United Kingdom



Model 3 > Possible

Local IHB entity in the United Kingdom using its resident account to receive and process ROBO an affiliate entity in the United Kingdom



Legend ● United Kingdom ● Country A

- Residents and non-residents can open bank accounts in LCY and most foreign currencies.



Tax considerations

Residency: A company is considered a tax resident of the United Kingdom if it is incorporated in the United Kingdom or if it is managed and controlled in the United Kingdom.

Permanent Establishment (PE): The definition of domestic law PE is largely similar to and has the same effect as the OECD model.

Corporate tax The main rate of corporate tax rate is 25 per cent	25 per cent
Treasury-related tax incentives	No
Thin capitalisation The thin capitalisation legislation is included as part of the transfer pricing regime. Deductibility of interest expenses may be limited to the higher of a fixed ratio of 30 per cent EBITDA and a debt cap based on worldwide net external interest.	Yes

Transfer pricing The United Kingdom applies transfer pricing rules to related party transactions where a tax advantage arises from a non-arm's length provision.	Yes
Controlled foreign corporation rule The United Kingdom CFC regime applies to companies outside the United Kingdom that are controlled by United Kingdom residents. Profits that pass through a CFC charge gateway are taxed where the company does not have the conditions for exemption.	Yes

Withholding tax

Interest on bank deposits	No
Interest on intercompany loans WHT is not applicable on interest paid to residents provided the resident is chargeable to tax on the interest. A WHT of 20 per cent applies on interest paid to non-residents.	No 20 per cent
Dividends	No
Royalties WHT is not applicable on royalties paid to residents provided the resident is chargeable to tax on the royalty. A WHT of 20 per cent is applicable on royalties paid to non-residents.	No 20 per cent

United States of America



GDP
USD 25.74 trillion



GDP growth
1.9 per cent



Population
333.3 million



Central bank
Federal Reserve



Local currency
United States Dollar (USD)



Account conditions

		R	NR	Additional information
Current account opening	LCY	Y_1	Y_1	-
	FCY	Y_1	Y_1	
Savings account opening	LCY	Y_2	Y_2	
	FCY	Y_2	Y_2	

Residents may open accounts offshore.

Interest optimisation	Yes	Subject to account conditions, individual account balances may contribute to balance aggregation and benefit from interest rate enhancement.
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Y₁: Interest – Y, Overdraft – Y

Y₃: Interest – N, Overdraft – Y

N: Not available

Y₂: Interest – Y, Overdraft – N

Y₄: Interest – N, Overdraft – N

N_M: Not offered in the market

Y_R: Restrictions apply



Sweeping/ intercompany lending

Domestic	LCY	FCY	Additional information
Same entity (R)	Y	Y	In the case of sweeping from a US parent or holding company to a non-resident entity, the US entity would need to consider the application of Subpart F which subject passive income including interest earned by foreign related companies to US tax. It would also be necessary to consider whether its payment of interest to the non-resident related entity would be considered to be a "base erosion tax benefit" and potentially subject it to the tax on base erosion payments of taxpayers with substantial gross receipts (BEAT) one of the US alternative income based taxes.
Same entity (NR)	Y	Y	
R ↔ R	Y	Y	
R ↔ NR	Y	Y	
NR ↔ NR	Y	Y	
X-border	LCY	FCY	Additional information
R ↔ offshore	Y	Y	In the case of sweeping from a US parent or holding company to a non-resident entity, the US entity would need to consider the application of Subpart F which subject passive income including interest earned by foreign related companies to US tax. It would also be necessary to consider whether its payment of interest to the non-resident related entity would be considered a "base erosion tax benefit" and potentially subject it to the tax on base erosion payments of taxpayers with substantial gross receipts (BEAT) one of the US alternative income-based taxes.
NR ↔ offshore	Y	Y	

Y: Yes, without restrictions

Y_R: Restrictions may apply

N: Not allowed

N_M: Not offered in the market



Notional pooling

Notional pooling is not offered in the United States.



Currency convertibility

Local currency: LCY is convertible onshore and offshore.

Foreign currency: FCY is convertible to LCY onshore.



Domestic remittance

Transaction type	Earliest value date	Market variants
Real Time Gross Settlement (RTGS)	T	-
Automated Clearing House (Bankers Automated Clearing Services)	T	-
Direct Debit (Clearing House)	T	-
Faster Payments Service (FPS)	T	-



Cross-border remittance

Inward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.

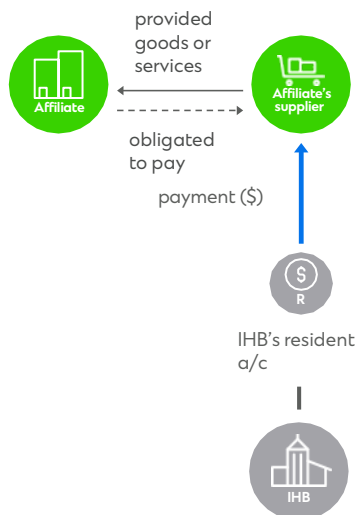
Outward: Generally, there are no foreign exchange regulatory restrictions. Purpose of payment is not mandatory. There are no documentary requirements.



Payments-on-behalf-of (POBO)

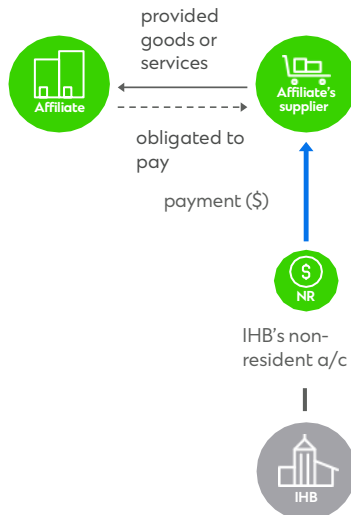
Model 1 > Possible

In-House Bank (IHB) entity using its resident account in Country A to execute POBO an affiliate entity in the United States



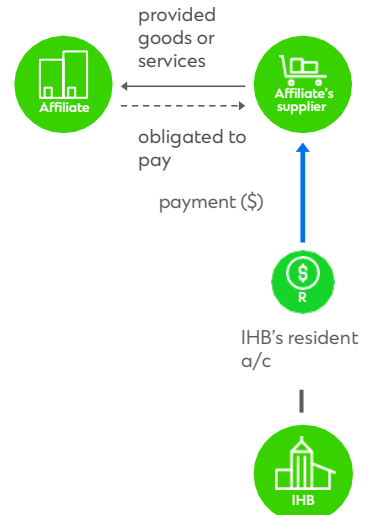
Model 2 > Possible

IHB entity using its non- resident account in the United States to execute POBO an affiliate entity in the United States



Model 3 > Possible

Local IHB entity in the United States using its resident account to execute POBO an affiliate entity in the United States



Legend ● United States ● Country A

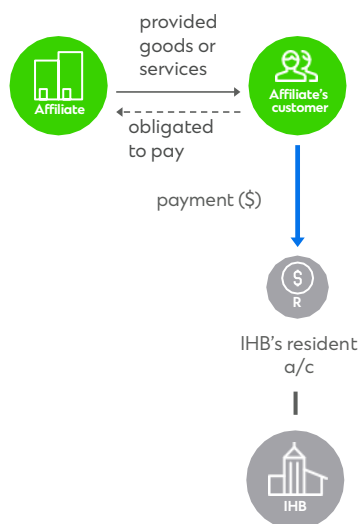
- Residents and non-residents can open bank accounts in LCY and FCY



Receipts-on-behalf-of (ROBO)

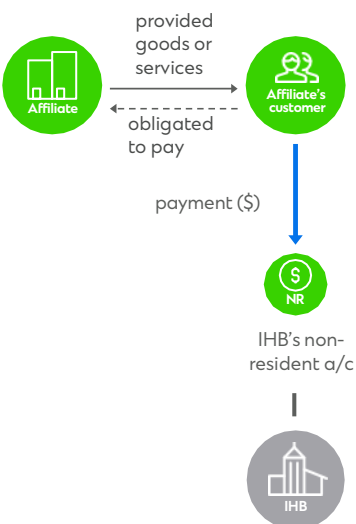
Model 1 > Possible

IHB entity using its resident account in Country A to receive and process ROBO an affiliate entity in the United States



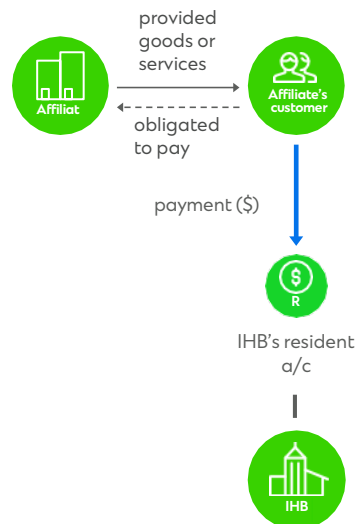
Model 2 > Possible

IHB entity using its non-resident account in the United States to receive and process ROBO an affiliate entity in the United States



Model 3 > Possible

Local IHB entity in the United States using its resident account to receive and process ROBO an affiliate entity in the United States



Legend

● United States ● Country A

- Residents and non-residents can open bank accounts in LCY and most FCY



Tax considerations

Residency: A corporation organised or created in the United States under the laws of the United States or of any state is a domestic corporation. A domestic corporation is a resident corporation even though it does not have any business or owns no property in the United States.

Permanent Establishment (PE): A fixed place of business of a foreign person individual or entity is broadly speaking what constitutes a U.S. trade or business under US domestic law and gives the US taxation jurisdiction. This is similar but not the same as what a permanent establishment does under an income tax treaty.

Corporate tax Most large corporations are subject to a federal income tax rate of 21 per cent but effective tax rates are up to 35 per cent when state and local income taxes are considered	21 per cent plus state and local taxes
Treasury-related tax incentives	Yes

Thin capitalisation Thin capitalisation rules may apply to disallow interest payments related to excess debt and to re-characterise such payments as dividends. The interest expense deduction can be limited and suspended if more than 30 per cent of the modified taxable income of a thinly capitalised corporation (with similar rules for a corporate partner in a partnership) is sheltered by interest paid to a party that is not subject to US tax on the income, regardless of whether it is related to the payor entity.	Yes
Related Parties Transaction Transfer pricing - The United States applies transfer pricing rules to related party transactions where a tax advantage arises from a non-arm's length provision. BEAT – The US has an anti-base erosion regime that imposes a tax on base erosion payments a US resident makes to a foreign related party.	Yes
Controlled foreign corporation rule A CFC is any foreign corporation with respect to which more than 50 per cent of either the voting power of all classes of stock entitled to vote or the total value of all classes of the corporation's stock is owned by US shareholders on any day during the foreign corporation's tax year. It could be triggered by US ownership of a non-US corporation at any level. The US has two anti-deferral regimes that apply to the shareholders of a CFC (Subpart F and GILTI) that can cause the shareholders to recognise currently their pro-rata shares in CFC's passive earnings before distribution.	Yes

Withholding tax

Interest on bank deposits	No (with a valid US tax form)
Interest on intercompany loans WHT is not applicable to intercompany interest paid to residents. WHT of 30 per cent is applicable to intercompany interest paid to non-residents.	No 30 per cent
Dividends A WHT of 30 per cent is applicable on dividends paid to non-residents.	30 per cent
Royalties WHT is not applicable on royalties paid to residents provided the resident is chargeable to tax on the royalty. A WHT of 30 per cent is applicable on royalties paid to non-residents.	No 30 per cent

Appendix

ACH	Automated Clearing House
ADGM	Abu Dhabi Global Market
ATM	Automated Teller Machine
B2B	Business-to-Business
BEAT	Base Erosion and Anti-Abuse Tax
BEPS	Base Erosion & Profit Shifting (Hong Kong/ Egypt)
BIR	Bureau of Internal Revenue (Philippines)
BNM	Bank Negara Malaysia
BOI	Board of Investment (Thailand)
BOT	Bank of Thailand
BURS	Botswana Unified Revenue Services
CbCR	Country-by-country report
CCI	Certificate of Capital Importation (Nigeria)
CEFT	Common Electronic Fund Transfer (Sri Lanka)
CEMAC	Central African Economic and Monetary Community
CFC	Controlled Foreign Corporation
CIT	Corporate Income Tax
CMA	Common Monetary Area (South Africa)
CUP	Comparable Uncontrolled Price (South Korea/ Qatar)
DBU	Domestic Banking Unit (Taiwan)
DFE	Department of Foreign Exchange (Sri Lanka)
DGT	Director General of Tax (Indonesia)
DIFC	Dubai International Financial Centre
DSE	Dar es Salaam Stock Exchange (Tanzania)
DTA	Double Taxation Agreement
EA	East Africa
EAPS	East African Payment and Settlement System
EAT	East Africa Time
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation

ECB	External Commercial Borrowing (India)
EEFC	Exchange Earner's Foreign Currency account (India)
EFT	Electronic Fund Transfer
EPZ	Export Processing Zones (Bangladesh)
ESR	Earning Stripping Rules
eTin	electronic Tax Identification Number (Bangladesh)
EZ	Economic Zones (Bangladesh)
FATF	Financial Action Task Force (Botswana)
FBR	Federal Board of Revenue (Pakistan)
FCA	Foreign Currency Account
FCD	Foreign Currency Deposit (Thailand)
FCDU	Foreign Currency Deposit Unit (Philippines)
FCY	Foreign Currency
FEA	Foreign Exchange Account (Ghana)
FEA	Foreign Exchange Administration (Malaysia & Labuan)
FEMA	Foreign Exchange Management Act (India)
FPS	Faster Payment System (Hong Kong)
FPS	Faster Payments System (United Kingdom)
FPX	Financial Process Exchange (Malaysia)
FTA	Free Trade Accounts (China)
FTC	Finance and Treasury Centre (Singapore)
FTU	Free Trade Units (China)
FX	Foreign Exchange
GBL	Global Business License (Mauritius)
GDP	Gross Domestic Product
GILTI	Global Intangible Low-Taxed Income
HOFINET	Electronic Banking System (South Korea)
IBAN	International Bank Account Number
IBC	International Business Centre (Thailand)
IBPS	Internet Banking Payment System (China)
IHB	In-House Bank

IMF	International Monetary Fund (Jordan)
IMPS	Immediate Payment Service (India)
IT	Information Technology (Sri Lanka)
KRA	Kenya Revenue Authority
LCY	Local Currency
MOF	Ministry of Finance
MOSF	Ministry of Strategy and Finance
NPP	New Payments Platform (Australia)
NPS IBFT	National Payment Switch Inter Bank Fund Transfer
NR	Non-resident
NRAN	Non-resident Rupee Account – Non-repatriable (Pakistan)
NRAR	Non-resident Rupee Account – Repatriable (Pakistan)
NRBA	Non-Resident Baht Account (Thailand)
NRBS	Non-Resident Baht Account for Securities (Thailand)
OBU	Offshore Banking Unit (Taiwan)
OCS	Overseas Controlling Shareholder (South Korea)
OECD	Organisation of Economic Co-operation and Development
PBOC	People’s Bank of China
PE	Permanent Establishment
POBO	Payments-on-behalf-of
POEM	Place of Effective Management
R	Resident
RMB	Renminbi (China)
RMG	Ready-Made-Garments
ROBO	Receipts-on-behalf-of
RTGS	Real-Time Gross Settlement

SADC-RTGS	SADC Integrated Real Time Electronic Settlement System (South Africa)
SAFE	State Administration of Foreign Exchange (China)
SEPA	Single Euro Payments Area (Germany)
SEPA CT	Single Euro Payments Area Credit Transfer (Germany)
SEZ	Special Economic Zone (India)
SME	Small and Medium Enterprise
SPV	Special Purpose Vehicle
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TARGET	Trans-European Automated Real-time Gross settlement Express Transfer system (Germany)
TNMM	Transactional Net Margin Method (South Korea)
TP	Transfer Pricing
UAE	United Arab Emirates
UPI	Unified Payments Interface (India)
VAT	Value Added Tax (Angola)
WAEMU	West African Economic and Monetary Union
WHT	Withholding Tax
WPS	Wages Protection System
X-border	Cross-border
ZRA	Zambia Revenue Authority

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