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Case studies on Structuring Investments into Cambodia, Myanmar and Laos

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Investment Protection Agreements

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- First one signed between Germany & Pakistan, now over 2,500
- Recourse for international arbitration and not to reply on local courts
- Provides for “equitable treatment” for foreign investors in accordance with international law
- Does not cover intellectual property (IP) protection. This is covered by WTO
- Does protect from expropriation including through unfair taxation

Overview of applicable tax rates

	CIT	WHT dividends	WHT interest	WHT royalty	Capital gains
Cambodia	20%	14%	14%	14%	0% /20%
Myanmar	25%	0%	15%	20%	10%
Laos	24%	10%	10%	5%	10%

Investment Protection Agreements

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	Cambodia	Lao PDR	Myanmar
Germany	✓	✓	✗
UK	✗	✓	✗
France	✓	✓	✗
Hong Kong	✗	✗	✗
Singapore	✓/ACIA	✓/ACIA	✗/ACIA
Thailand	✓/ACIA	✓/ACIA	✓/ACIA

M&A Deals in CLM: Share Sale v Asset Deal

SHARE SALE	ASSET DEAL
• Capital gains: direct or indirect • Stamp duties: • Carry over tax liabilities • statute of limitations	• Capital gains: • Stamp duty: • VAT or Commercial tax: • Is buyer becomes responsible for seller's previous tax liabilities?

Indirect transfer

Tax shall be payable by any person under capital gains in respect of the gains realized from the sale, exchange <u>or other ways and means of transfer</u> of one or more capital assets within a year.

Singapore or Thailand – The Gateway to CLM?

Thai Intermediary Holding Co

European- Singapore Hold Co

Thank you

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Q&A

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