



# BoardRoom

Smart Business Solutions

Beyond Compliance: Proactive Tax Planning  
in Asia Amid U.S. Tariff Changes

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# Beyond Compliance: Proactive Tax Planning in Asia Amid U.S. Tariff Changes

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On 2 April 2025, Donald Trump introduced a significant shift in U.S. trade policy with the announcement of “**reciprocal tariffs**”. This new measure imposes a **baseline tariff of 10%** on imports into the United States, with certain goods facing even steeper rates.

For businesses worldwide, particularly in Asia, the ripple effects are expected to be substantial, presenting both new challenges and opportunities. Trade-dependent economies like Singapore, Malaysia, and others in Asia are especially vulnerable to these new tariffs. The region’s supply chains are deeply integrated into U.S. markets, with manufacturers, logistics providers, and export-import businesses facing an uncertain operational and financial future.

In this evolving landscape, businesses must remain agile—not only in their operations but also in their financial and tax strategies.

## Indirect Tax Considerations: Adapting to Changing Trade Flows

**Impact:** From an indirect tax perspective, reciprocal tariffs will undoubtedly affect supply chains, trade flows, and cost structures, making it crucial for businesses to reassess their VAT/GST compliance frameworks.

**Strategy:** The shifting dynamics of regional and global trade may require a re-evaluation of sourcing strategies to mitigate the impact of higher tariffs. Businesses can explore opportunities for local or regional sourcing to minimise exposure to U.S. tariffs while ensuring tax compliance.

Our BoardRoom team can assist in reviewing your existing tax structures, ensuring that your business remains compliant while exploring new opportunities to optimise your indirect tax efficiency.

## Direct Tax Considerations: Rethinking Cross-Border Transfer Pricing

**Impact:** On the direct tax front, the introduction of reciprocal tariffs may necessitate a fresh approach to transfer pricing arrangements. As multinational businesses engage in cross-border operations, the changing economic landscape will likely impact the pricing of intercompany transactions.

**Strategy:** With the intensification of scrutiny from tax authorities, businesses must ensure that their transfer pricing policies remain defensible and aligned with the evolving regulatory environment.

Our BoardRoom team is here to help you navigate the complexities of this new environment. We can provide tailored solutions to ensure your transfer pricing policies are compliant and well-positioned to withstand increased scrutiny.

## Proactive Tax Planning for Long-Term Resilience

**Impact:** The introduction of reciprocal tariffs introduces long-term uncertainty for Asia-based businesses, affecting global operating structures, investment decisions, and overall tax efficiency. Without strategic planning, businesses risk diminished competitiveness and financial strain.

**Strategy:** Proactive tax planning enables businesses to adapt and thrive amid disruption. Businesses must go beyond basic compliance by reassessing global operating structures, evaluating the tax impact of new investments, and exploring available incentives and treaty benefits. Strategic, forward-looking tax planning is essential to build financial resilience and sustain growth.

Our BoardRoom team works closely with clients to design and implement proactive tax strategies to mitigate the adverse effects of the tariffs. From structural reviews to incentive planning, we help businesses mitigate risks, enhance tax efficiency, and work alongside your team to build resilience and protect your bottom line.

As these tariff measures evolve, your business needs to stay ahead of the curve. With the right strategies in place, you can transform these challenges into opportunities for growth and long-term success.

## Conclusion: Navigating a Changing Trade Landscape with Proactive Tax Planning

While the introduction of U.S. reciprocal tariffs presents considerable challenges, it also highlights the importance of proactive tax planning and informed decision-making in today's global trade environment.

At BoardRoom, we are committed to supporting you in navigating this complex landscape. Our integrated team of indirect tax, corporate tax, and transfer pricing specialists across Asia is ready to collaborate with your teams to minimise disruption and position your business for resilience in an ever-evolving global trade environment.

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# How we can help

Embracing a client-centric approach, our Regional Accounting and Tax Teams are committed to delivering strategic accounting, tax and transfer pricing solutions, ensuring compliance and maximising opportunities for our clients across diverse tax jurisdictions.

Contact us! We look forward to assisting you in navigating the complexities of accounting and taxation in today's dynamic business landscape, driving financial success and building lasting partnerships.

## Meet our Regional Tax & Accounting Team:



**Eunice Hooi**  
Managing Director Asia



**Ade Teo, Tax**  
BoardRoom Singapore



**Victor Cheow, Tax**  
BoardRoom Malaysia



**Candice Ng, Tax**  
BoardRoom Hong Kong & China



**Yang Shuzhen, Regional Accounting**  
BoardRoom Singapore



**Chan Ken Fai, Accounting**  
BoardRoom Malaysia



**Joshua Shen, Accounting & Tax**  
BoardRoom China

## About BoardRoom

BoardRoom is Asia Pacific's leader in Corporate and Advisory Services with a strong and reputable 50-year track record. Headquartered in Singapore we are ranked amongst Forbes Asia's Top 200 Companies under a Billion. With our strong presence in the region, and a direct office presence in Singapore, Malaysia, Hong Kong, China and Australia, we are well positioned to support you.

Our smart business solution suite comprises of the following services:



Global Tax & Accounting



Regional Payroll



Corporate Secretarial



ESG Services



Share Registry



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