

## FREQUENTLY-ASKED QUESTIONS

### A. PREAMBLE

This Frequently-Asked Questions is issued to provide a quick guide on the work permit application by the Labuan licensed and non-licensed entities. The relevant guidelines and clarification note pertaining to work permit application in Labuan International Business and Financial Centre (Labuan IBFC) are as follows:

No	Guidelines / Clarification Note	Date of Issuance
1.	Guidelines on Work Permit Application in Labuan IBFC for Licensed Entity	25 February 2015
2.	Guidelines on Work Permit Application in Labuan IBFC for Non-licensed Entity	25 February 2015
3.	Clarification Note for Guidelines on Work Permit Application in Labuan IBFC for Licensed and Non-licensed Entity	13 March 2015

### B. INCOME REQUIREMENT

1. **Is the minimum income requirements of RM10,000 applicable to any expatriate who holds the position as top management, professional and technical experts regardless the job scope of the respective position?**

**There is circumstance where a business development manager who is a native speaker of other languages needs to be employed due to the diverse nature of the client base. Can the minimum income requirement be exempted for this kind of expatriates as they may not entitle for high salary?**

The minimum income of RM10,000 shall be applicable to all work permit applicants. In the event that the work permit applicants could not comply with the requirement, they would need to apply to Labuan Financial Services Authority (Labuan FSA) with appropriate justifications. The Authority may consider granting exemption based on merits and unique circumstances of each case.

2. **Prior to the expiry of the existing work permit (i.e. permit granted in October 2014) which will be due on October 2016, should the monthly income of the work permit holder be increased to RM10,000 as required under the new Guidelines?**

The new monthly income requirement of RM10,000 would be applicable upon the renewal of the work permit in October 2016. The new contract of employment shall state the remuneration offered and submitted together with the application.

### **C. PAID-UP CAPITAL**

**3. What is the minimum paid-up capital requirements for both licensed and non-licensed entities for work permit application?**

For non-licensed entities, the minimum paid-up capital is RM250,000.

For licensed entities, they shall comply with the minimum paid-up capital requirement of their respective licences as specified by Labuan FSA in the relevant guidelines. The guidelines are downloadable from the Labuan FSA's website ([www.labuanibfc.com](http://www.labuanibfc.com)).

**4. Is the minimum paid-up capital requirement applicable to a Labuan foundation, Labuan trust and company limited by guarantee?**

The minimum paid-up capital requirement is not applicable to a Labuan foundation, Labuan trust and company limited by guarantee. Labuan FSA will however assess the work permit applications for Labuan foundation, Labuan trust and company limited by guarantee on a case-to-case basis.

**5. If a Labuan company has just lodged Form 27 to Labuan FSA and thereafter applies for work permit for its employee, would it still be required to submit Form 13?**

The Labuan company may submit either Form 27 or Form 13, whichever reflects the latest paid-up capital of the company.

### **D. OFFICE AND RESIDENTIAL ADDRESS IN MALAYSIA**

**6. Can a Labuan entity<sup>1</sup> use the address of the Labuan trust company as its office's address? How about a Labuan entity which undertakes online business and does not require an office, can it be exempted from the office address requirement?**

All Labuan entities must have an office either it is an operational office in Labuan, marketing office or co-located office.

**7. What is the definition of operational office in Labuan?**

An operational office is a physical office which is independent from the offices of other entity/company. The office should be a conducive premise to cater for carrying out business operations and suitable to house the number of employees working for the entity/company.

The office shall have its own entrance separate from other offices and furnished with appropriate office equipments, among others, working table, chair, phone line, fax machine, and computer terminal. The premises of the operational office should strictly be used for business purposes only.

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<sup>1</sup> Includes licensed and non-licensed entities

**8. In order to minimize additional cost to establish an operational office, can a virtual office in Labuan be considered as its operational office?**

Virtual office will not be considered as an operational office.

**9. Can a work permit applicant use its domestic holding company's address as its office address?**

No. The office must be either an operational office in Labuan, marketing office or co-located office.

**10. Can the address of a Labuan entity's operational office be submitted to Labuan FSA after the work permit approval has been granted?**

The applicant may submit a proposed address of the Labuan entity's operational office in Labuan together with a letter of undertaking during its application.

Once the work permit application approved by the Immigration Department of Malaysia, the Labuan trust company, as the sponsor for the work permit holder, has to notify the actual address of the client's operational office to Labuan FSA together with a copy of the Immigration's approval sticker, within 30 working days from the date of approval.

**11. Would the operational office of a Labuan company in Labuan require a signboard at its entrance?**

Yes. The name of the entity/company must be easily legible in Romanised characters, printed on a signboard affixed at the entrance of the operational office. The signboard at the entrance must contain the following information:

- a. Name of the Labuan entity; and
- b. Incorporation/registration number.

In addition, the Labuan company must also comply with the relevant local authorities requirement with regard to the operational office, whichever applicable.

**12. What is the definition of a residential address in Labuan?**

A residential address means a place which is fit for accommodation as well as able to house sufficient number of persons. The applicant should provide evidence of place of residence in Labuan by furnishing a copy of the tenancy agreement if the place is rented or if the residence is owned by the applicant furnish a copy of sale and purchase agreement, memorandum of charge or transfer of property.

**13. Is the trust company or the client is responsible to notify Labuan FSA within 30 days in regard to the residential address?**

The trust company, as the sponsor for the work permit holder, is responsible to notify Labuan FSA on the residential address.

**14. If the Labuan entity has an operational office in Labuan, can the residential address be located outside Labuan but anywhere in Malaysia?**

Yes, if the Labuan entity has a marketing office or co-located office.

**15. If the Labuan entity only has a management office in Labuan, where must the residential address of the work permit holder be located?**

The residential address of the work-permit holder must be in Labuan.

**16. Is Labuan FSA able to accept the following in lieu of a Labuan residential address for work permit application:**

- a. Provide the office's address in Labuan; or
- b. Provide hotel/service apartment receipts / bookings for the stay periods?

The office's address could not be used as a residential address. However, if the work permit applicant's residential address is at a hotel/ service apartment, the applicant must furnish the address of the hotel and a copy of the contract/agreement between the hotel/ service apartment and the company.

**17. Can the notification of the residential address of a Labuan entity be made after 30 days?**

Labuan FSA may consider such application for extension of time subject to reasonable justification.

**E. OTHERS**

**18. Would statutory declaration be required to submit for renewal application?**

Yes. Statutory declaration is required to be submitted for all new and renewal work permit application.

**19. For certified translated documents, would notarisation still required?**

Yes, notarisation is still required.