



## CLARIFICATION NOTE FOR GUIDELINES ON WORK PERMIT APPLICATION IN LABUAN IBFC FOR LICENSED AND NON-LICENSED ENTITY

### 1.0 Preamble

1.1 This Clarification Note is issued pursuant to section 4A of the Labuan Financial Services Authority Act 1996 to clarify on several requirements pertaining to the revised *Guidelines on Work Permit Application in Labuan IBFC for Licensed Entity* and *Guidelines on Work Permit Application in Labuan IBFC for Non-Licensed Entity* (the revised Guidelines) issued on 25 February 2015.

### 2.0 Clarification for Licensed and Non-licensed Entities

#### 2.1 Transitional Period for Existing Work Permit Holders

The Guidelines on Work Permit Application in Labuan IBFC dated 6 July 2011 will be applicable for:

- i) work permit applications **received by Labuan Financial Services Authority (Labuan FSA) before 1 March 2015;**
- ii) work permit applications which have been **received by Labuan trust companies and are still being processed by them prior to 1 March 2015** provided that:
  - a) the submission is accompanied by sufficient **evidence** on the date of the receipt of the application (whether for new or renewal application) by the Labuan trust company; and
  - b) the application is received by Labuan FSA **on or before 1 April 2015;** and
- iii) Labuan entities which have **been incorporated, registered or licensed with Labuan FSA in January and February 2015** provided that the work permit applications are received by Labuan FSA **on or before 1 April 2015.**

#### 2.2 New Work Permit Applications

All new work permit applications received by Labuan FSA **on or after 1 March 2015 are subjected to the revised Guidelines.**

### 2.3 Minimum Salary Requirement of RM10,000

- i) The term “salary” is replaced by the term “income” which is defined as follows:
  - a) Basic salary;
  - b) Cash allowances e.g. perquisites, meal, transportation, housing etc;
  - c) Benefits-in-kind;
  - d) Value of living accommodation; and
  - e) Other fees and commissions.
- ii) Existing work permit holders whose work permits are expiring on a date falling within the period from **1 March 2015 to 31 December 2015** are **exempted** from the minimum income requirement.
- iii) Existing work permit holders whose work permits are expiring **on or after 1 January 2016** are required **to comply** with the minimum income requirement.

### 2.4 Permissible Positions

In relation to the allowable positions to be filled in by the work permit holders, the Top Management category includes **any members of the Board** of the Labuan entities.

### 2.5 Translation of Documents

The documents which are not in the national language of Malaysia or in English must be **translated by a qualified translator**, certified and notarised in the applicant’s country of residence or in Malaysia by either:

- i) The employer;
- ii) Notary Public;
- iii) Magistrate interpreter;
- iv) Recognised language interpreter centre;
- v) Malaysian embassy or consulate office in the applicant’s country of residence or applicant’s country’s embassy or consulate office in Malaysia;  
or
- vi) Equivalent government authority in the applicant’s country of residence.

## 2.6 Certificate of Good Conduct Requirement

The submission of the Certificate of Good Conduct issued by the Ministry of Foreign Affairs Malaysia which is required to be submitted with the renewal applications under the revised Guidelines<sup>1</sup> is **no longer applicable**. However, applicant must comply with the fit and proper requirements at all times as specified in the revised Guidelines.

## 2.7 Letter from Inland Revenue Board (IRB) for Renewal Application

As an alternative to the letter from IRB on the verification of tax reference number and submission of tax return by the applicant, Labuan FSA may consider a certified true copy of the EA form (annual gross employment income) stating the following information to be submitted to Labuan FSA for renewal application:

- i) the employer's income tax reference number (E....); and
- ii) the employee's income tax reference number (E....).

## 3.0 **Additional Clarification for Non-licensed Entity**

### 3.1 Minimum Paid-up Capital Requirement of RM250,000

- i) **Commencing 1 January 2016**, all companies with work permit holders are **required to have a minimum paid-up capital requirement of RM250,000** or its equivalent in any foreign currency.
- ii) Existing companies (which are incorporated or registered before 1 March 2015) with work permit holders, which are unable to comply with the minimum paid-up capital requirement of RM250,000 **by 1 January 2016**, are restricted to **a maximum of two (2) work permit holders only**.

---

<sup>1</sup> Non-licensed Entity – Non-applicability of paragraph 6.5.2 of the Guidelines on Work Permit Application in Labuan IBFC for Non-Licensed Entity.

Licensed Entity - Non-applicability of paragraph 6.4.2 of Guidelines on Work Permit Application in Labuan IBFC for Licensed Entity.

### 3.2 Banker's Certificate and Bank Account Number

The requirement for the submission of the banker's certificate and bank account number as required under paragraphs 6.2.3 and 6.2.4 of the *Guidelines on Work Permit Application in Labuan IBFC for Non-Licensed Entity* is **no longer applicable**. However, the applicant is **required to submit Form 13** of the Labuan Companies Regulations 2010 **as evidence of its paid up capital**.

Labuan Financial Services Authority  
13 March 2015

178/2015/ALL