

COMPANY MANAGEMENT BUSINESS IN LABUAN IBFC

1. Definition

Company management business means the provision of treasury processing services and such other services, and to such persons, as may be permitted by Labuan FSA. The permissible activities of the company management firms are described as follows:

- a. Treasury processing activities comprising basically back and middle office processing functions which include processing and confirming deals, preparing accounting records and reports, maintaining registers and files and custodial services;
- b. Islamic advisory services and processing function which include launching, administering, and backroom processing of collective investment schemes; consultancy, advisory and support services; and developing Islamic trusts.

2. Entry Criteria

An application can be considered for a licence to conduct company management business in Labuan if it meets the following criteria:

- a. A trust company licensed under the Labuan Financial Services and Securities Act 2010 (LFSSA);
- b. A firm engaging in company management activities licensed by the regulatory authority in the country of origin, if applicable;
- c. Ability to demonstrate successful undertakings of similar activities in other financial centres;
- d. No adverse report from any reliable sources and proven performance record with consistent returns on equity, returns on assets;
- e. A Labuan company incorporated under the Labuan Companies Act 1990 to be run by personnel with the necessary expertise and skills.

3. Licensing Requirements

Management companies must be set up under the LFSSA. Among the requirements for a licence are:

- a. The applicant company must produce a guarantee and provide a security deposit of RM50,000 with Labuan FSA to undertake any liability arising from its operations in Labuan;
- b. The Director or Chief Executive Officer of the applicant company must be fit and proper person. Prior approval of Labuan FSA must be obtained for the appointment. A signed declaration on secrecy is required;
- c. It must have favorable business plan in promoting Labuan IBFC;
- d. Applicant company who is providing Islamic company management services must engage the services of a Syariah Advisory Panel comprising of reputable Syariah law experts;
- e. A firm may not be allowed to undertake Islamic company management business unless Labuan FSA is satisfied that the applicant company has necessary expertise and experience in handling such business;
- f. The applicant company must have a minimum authorised capital of RM500,000 and paid up of RM100,000 (unimpaired by losses) or its equivalent in any foreign currency;
- g. The company must inform Labuan FSA of any changes in the shareholding structure or capital and/or any erosion of paid-up capital; and
- h. An annual licence fee of RM5,000.

4. Operations

- a. The applicant company must maintain a registered office in Labuan. All dealing must be done through this registered office in Labuan;
- b. The applicant company shall appoint an approved auditor;
- c. The applicant company must notify Labuan FSA of any amendment or alteration to any of its constituent document; and
- d. The applicant company must be active in its performance to be judged from the number of deals, projects etc. arranged in each year.