



CLARIFICATION NOTE FOR GUIDELINES ON THE ESTABLISHMENT AND OPERATIONS OF LABUAN LEASING BUSINESS

1.0 Preamble

1.1 This note is issued to clarify on several requirements as specified under the Guidelines on the Establishment and Operations of Labuan Leasing Business (Guidelines) issued on 11 July 2013.

2.0 Clarification

2.1 Leasing transaction with non-Malaysian resident

Any person who intends to carry on leasing business and dealing with non-Malaysian residents is required to obtain prior approval from Labuan FSA for licence to carry on leasing business. However, prior approval from Labuan FSA is not required for any subsequent leasing transactions with non-Malaysian residents and that only notification to Labuan FSA is to be made within 30 days after the execution of the lease agreement. The notification must be made by submission of the following documents:

- (a) Duly completed Form LFB/2.
- (b) Certified true copy of the final lease agreement between the lessor and the lessee, duly stamped and endorsed by the collector at Stamp Duty Office of Inland Revenue Board of Malaysia.

2.2 Leasing Agreement

The lease agreement can be stamped at the Stamp Duty Office of Inland Revenue Board located in any part of Malaysia. A copy of the Stamp Duty (Exemption)(No.3) Order 2012 is enclosed in Appendix I, for your ease of reference.

2.3 Change in leased asset

Any change in the leased asset for leasing transaction with Malaysian residents requires prior approval from Labuan FSA.

2.4 Change in lessee

Any change in the lessee will be considered as a subsequent leasing transaction hence prior approval from Labuan FSA is required for transaction with Malaysian residents and notification is required for transaction with non-Malaysian residents.

2.5 Limitation of leasing transaction

The limitation of maximum five (5) leasing transactions under one Labuan leasing company as specified under the circulars on Offshore Leasing Business in Labuan issued on 1 July 2008 and 31 October 2008 have been revoked.

For further clarification, please contact Encik Abdul Salam Chandran 087 591208 (email: salam@labuanfsa.gov.my) or Puan Nazuhana Hood at 087 591333 (email: nazuhana@labuanfsa.gov.my).

Labuan Financial Services Authority
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