

September 2023 REGULATORY BRIEF



REVISED GUIDELINES ON CAPTIVE INSURANCE BUSINESS IN LABUAN INTERNATIONAL BUSINESS AND FINANCIAL CENTRE

Labuan Financial Services Authority (Labuan FSA) has issued the revised Guidelines on Captive Insurance Business in Labuan International Business and Financial Centre (Guidelines), which will be effective from 1 January 2024.

The issuance of the revised Guidelines is aimed at enhancing Labuan IBFC's captive proposition as captive insurance is one of the focus areas highlighted in Labuan IBFC's Strategic Roadmap 2022–2026.

Following are the key enhancements made under the revised Guidelines:

- i) Expansion of insurable risks of Labuan captives to include indirect insurable interest risks.
- ii) Introduction of a new rental captive structure – External Rent-A-Captive.
- iii) Formalisation of cell establishment via notification within seven days before commencement of the cell.
- iv) Provide clarity on allowance for separate cells under the same protected cell captive to conduct either general or life insurance business.
- v) Provide clarity on the roles and responsibilities of Master Rent-A-Captive,
- vi) Protected Cell Company and intermediary-owned rental captives.
Provide clarity on other captive structures and operational requirements.

A set of Frequently-Asked Questions was also issued to provide further clarity on the revised Guidelines.

For details, please visit the following links:

Revised Guidelines on Captive Insurance Business in
Labuan IBFC

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Frequently-Asked Questions: Guidelines On Captive
Insurance Business In Labuan IBFC

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