

# LABUAN IBFC: ASIA'S PREMIER INTERNATIONAL FINANCIAL HUB



## Where is Labuan?

Labuan is part of Malaysia, a Federal Territory under the Federal Government.

It is located on the major shipping lanes and air routes of the Asia Pacific region.

The jurisdiction is easily accessible from Kuala Lumpur and Kota Kinabalu.

Kuala Lumpur

Labuan

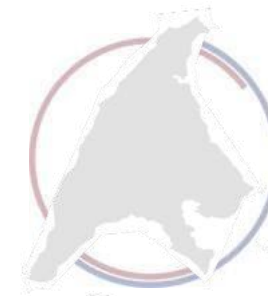
### OUR ECONOMIC DRIVERS



International Business  
& Financial Centre



Logistics



Tourism



Oil & Gas



Retail Trading



## THE REGULATOR

Labuan Financial Services Authority  
(Labuan FSA)

**Labuan FSA** a statutory body under  
the Ministry of Finance, Malaysia

# Labuan FSA - A Single Regulatory Authority

Prior 1996

Since 1996



- To promote and develop Labuan IBFC as Asia's premier international financial hub
- To act as the central regulatory, supervisory and enforcement authority of the Labuan IBFC
- To develop national objectives, policies and priorities for the orderly development and administration of the Labuan IBFC



# LABUAN IBFC INCORPORATED SDN BHD

## Official Government Promotional Agency for Labuan IBFC



Ministry of Finance, Malaysia



Labuan Financial Services  
Authority



Labuan International  
Business and Financial Centre

To promote, develop and grow the financial services industry in Labuan IBFC toward becoming Asia's premier international financial hub

### BOARD OF DIRECTORS



**Datuk Iskandar Mohd Nuli**  
Executive Chairman cum CEO  
Labuan IBFC Inc.



**Datuk Chin Chee Kee**  
Chairman,  
Association of Labuan Trust  
Companies



**Dato Howard Choo Kah Hoe**  
Chairman,  
Labuan Investment  
Banking Group

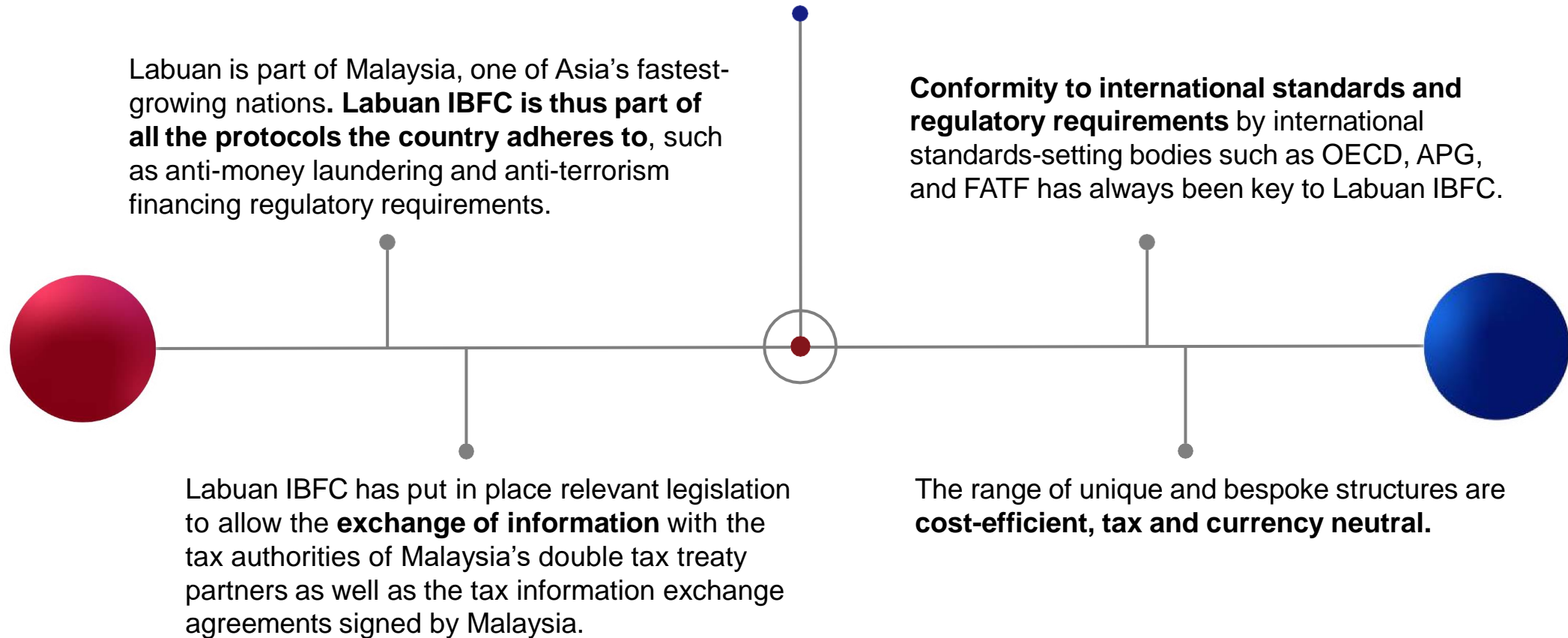


**Mr. Gerard Roy Suresh Sharma**  
Chairman,  
Labuan International  
Insurance Association



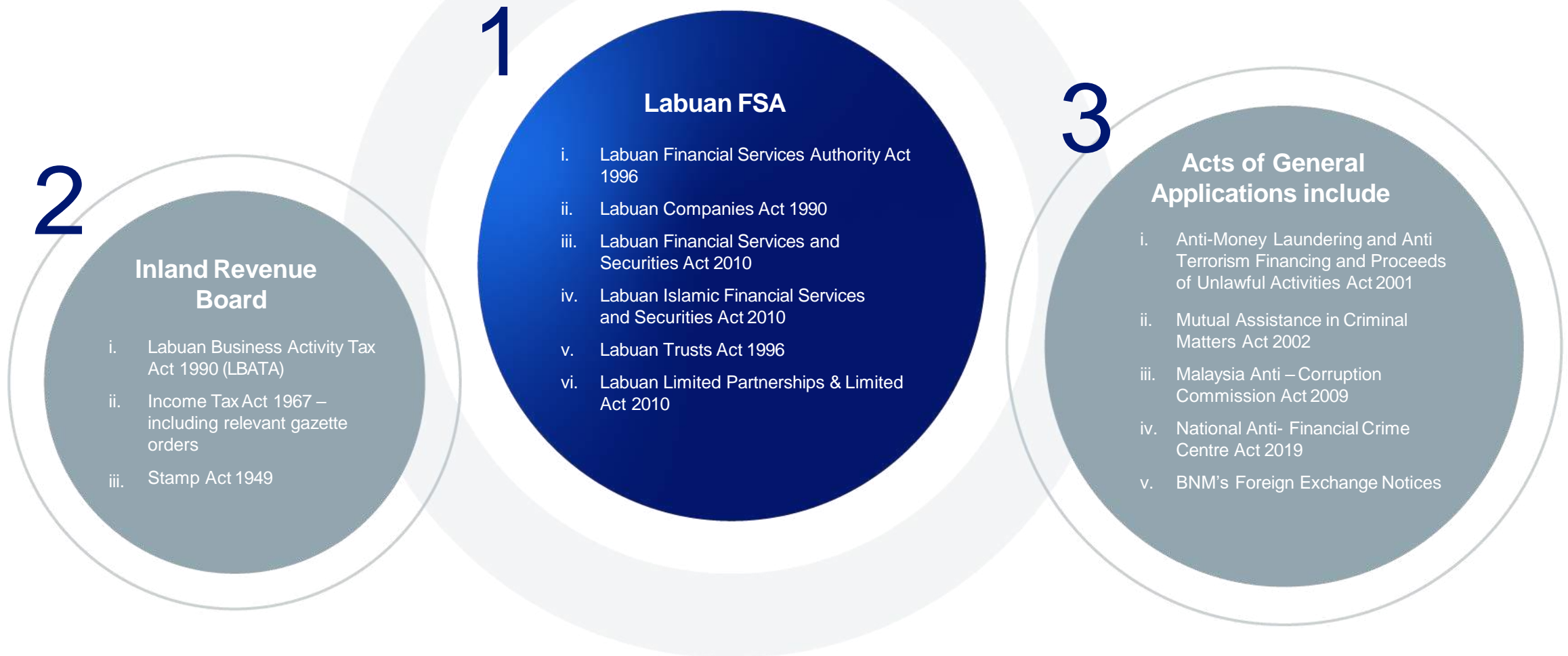
**Mr. Nor Rashidi**  
Chairman,  
Association of Labuan  
Banks

## Background



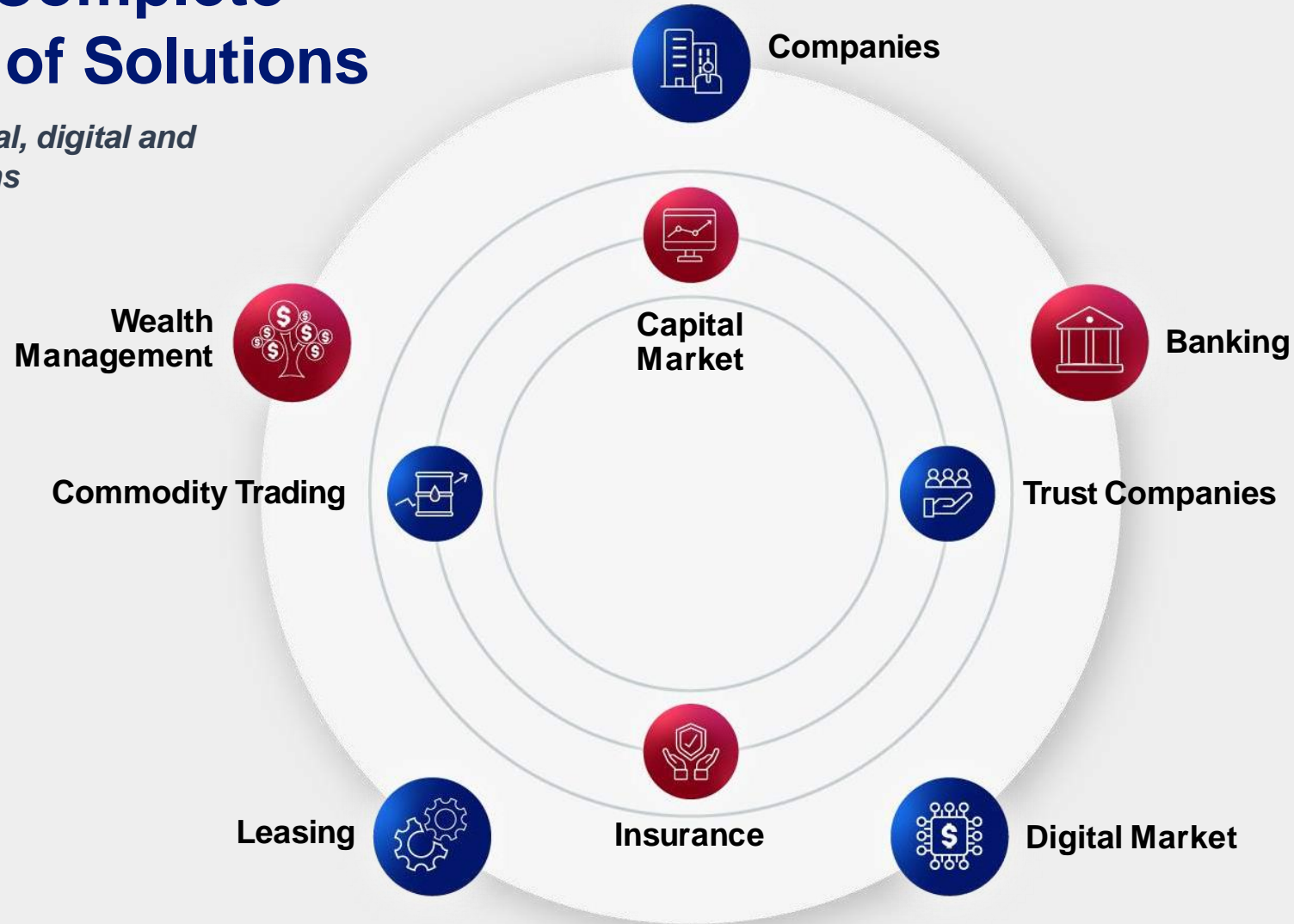
# A Comprehensive Suite of Legislation

## Adherence to International Standards and Best Practices



# Creating A Complete Ecosystem of Solutions

*Available in conventional, digital and Shariah-compliant forms*





# Fiscal Structure and Corporate Entity Benefits

## Tax Structure

- Income from Labuan trading activities (as defined) taxed at 3% of net audited profits
- Non-trading income (e.g. from investment holding activities) attracts no tax
- Clear and prescribed Substance Requirements based on business activities via a Gazette issued by Parliament of Malaysia
- Fiscal Regime is perpetual not time bound

## Other Benefits

- Exemption from withholding tax on dividends, interest, royalties, service fees and lease payments to non-residents
- Exemption from stamp duty
- Access to most of Malaysia's 70+ double taxation agreements\*
- 100% foreign ownership
- Access to live in Malaysia

*\*Labuan entities enjoy the benefits of most of Malaysia's tax treaties, but certain treaties have specifically excluded Labuan entities from treaty benefits*

## Business and Investment Activities



# Home to International Brands

## Banks



## Insurance & Captives



## Trust Companies



## Leasing



## Labuan International Trading Companies (LITCs)



## Digital Financial Services



# Why Labuan IBFC?



## **REGIONAL OPPORTUNITIES**

Southeast Asia is estimated to be the 4<sup>th</sup> largest economy by 2050, investors and businesses can gain access to the region via Labuan IBFC



## **EASE OF DOING BUSINESS**

Ease of doing business with cost-effective solutions and structures



## **SUBSTANCE CREATION AND TRANSPARENCY**

Complying with the latest global regulatory standards including requirements for transparency and substance creation



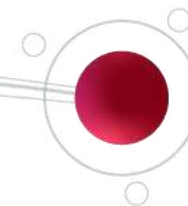
## **WELL-REGULATED JURISDICTION**

A robust regulatory framework to ensure entities remain in compliance with international best standards



## **EFFICIENT AND FLEXIBLE TAX SYSTEM**

Simple and straightforward tax system to carry out a Labuan business activity as defined by the Labuan Business Activity Tax Act 1990

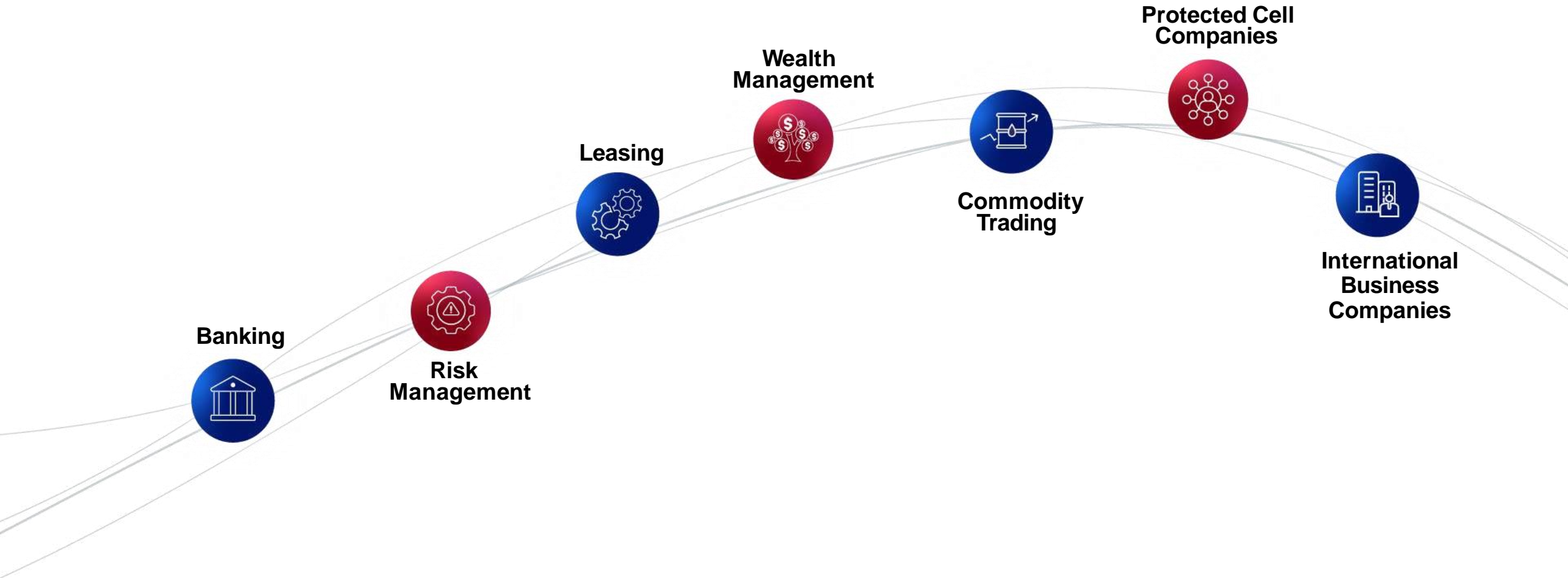


# Labuan IBFC's Key Business Characteristics





# Wide Array of Solutions and Structures Including Shariah-Compliant Options





# Globally-Recognised Industry Memberships and Recognitions



# Client Charter and Key Approving Processes: Licensing and Business Setup in Labuan IBFC

## Licensing Approval

1 Month

### Application for Licence

- Conduct due diligence on applicants
- Vetting on individual or corporate directors or shareholders – WC, KYC360, UN Sanction list
- Assessment on proposed business plan
- Compliance with Acts, G/L, core principles

### Due Diligence of HRJ

Conduct “enhanced due diligence”

### Issuance of Conditional Approval including payment of fee

Fee depending on type of licence

## Non-Licence

1 Day

### Pre-Incorporation

- Appoint a Labuan Trust Company (LTC) to act as resident secretary/agent
- Conduct due diligence on prospective client

### Reservation of Name

24 hours approval and reserved for 3 months

### Incorporation of Company

- Documents M&A
- Statutory declaration
- Consent of proposed directors
- Particulars of directors, S/H and secretaries etc.

### Payment of Fees

- Incorporation/registration fee: depending on paid-up capital
- Annual fee - RM2,600 for Labuan companies / RM5,300 for foreign company

**Conforms to international standards and best practices**

**Well-balanced legal & regulatory framework**

**Cost-efficient & substance-enabling**

**Simple tax system**

**Currency-neutral business & financial centre**

**Single regulatory authority**

**Variety of solutions & structures in conventional, Islamic and digital forms**

***Asia's Premier International Financial Hub***



# Disclaimer

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**Thank You**  
**Terima Kasih**

