



# **LABUAN IBFC:** **ASIA WHOLESale** **INTERMEDIATION CENTRE**

## Where is Labuan?

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

Located off the coast of Sabah, East Malaysia, in the center of Asia. Labuan derived its name from the word “labuhan” or a port - has naturally deep, well-sheltered harbour.

Easy access from Kuala Lumpur and Kota Kinabalu. Has a total population of about 100,000 people.

Kuala Lumpur

LABUAN

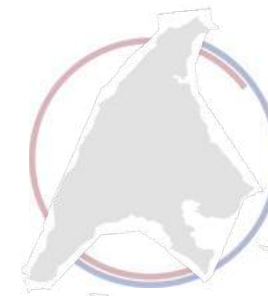
### OUR ECONOMIC DRIVERS



International Business  
& Financial Centre



Logistics



Tourism



Oil & Gas



Retail Trading

# Labuan IBFC – Gateway to Asia Pacific

## More than 30 Years of Intermediating Asia

- An international business and financial centre set up by Malaysia in 1990 to intermediate trade, finance, risk and wealth.
- A tax-efficient substance enabling **MIDSHORE** jurisdiction to facilitate businesses, trading, investments through financial services and a wide array of legal structures.
- Well-balanced legal and regulatory framework, proportionality in regulatory stance.
- Robust governing legislations passed by the Malaysian Parliament, administered by Labuan Financial Services Authority, a statutory body under the Ministry of Finance, Malaysia.
- Adheres to Malaysia's AMLCFT requirements and international standards and best practices set by multilateral global institutions.





# ORGANIZATION CHART MINISTRY OF FINANCE

**MINISTER OF FINANCE**  
YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL TENGKU ABDUL AZIZ

**DEPUTY MINISTER OF FINANCE I**  
YB DATO' INDERA MOHD SHAHAR ABDULLAH

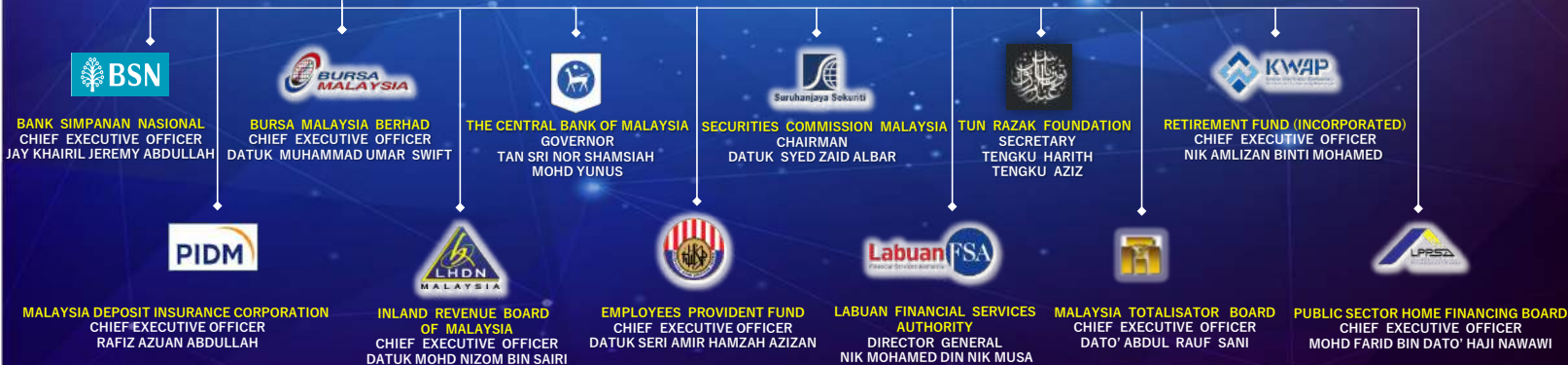
**DEPUTY MINISTER OF FINANCE II**  
YB TUAN HAJI YAMANI HAFEZ MUSA

## DEPARTMENT UNDER MINISTRY OF FINANCE

**MALAYSIA TREASURY**  
SECRETARY GENERAL OF TREASURY  
DATO' ASRI BIN HAMIDIN @ HAMIDON

- ROYAL MALAYSIAN CUSTOMS DEPARTMENT**  
DIRECTOR GENERAL  
DATO' SRI ABDUL LATIF ABDUL KADIR
- ACCOUNTANT GENERAL'S DEPARTMENT OF MALAYSIA**  
ACCOUNTANT GENERAL  
DATUK DR. YACOB MUSTAFA
- VALUATION AND PROPERTY SERVICES DEPARTMENT**  
DIRECTOR GENERAL  
DATO' SRI A'ZMI ABDUL LATIF
- LANGKAWI DEVELOPMENT AUTHORITY**  
CHIEF EXECUTIVE OFFICER  
NASARUDDIN BIN ABDUL MUTTALIB

## AGENCY UNDER MINISTRY OF FINANCE



# THE REGULATOR

Labuan Financial Services  
Authority

Labuan Financial Services  
Authority a statutory body under  
Ministry of Finance, Malaysia

## Why the Mid-shore Balance?

Labuan is part of Malaysia, one of Asia's fastest growing nations. **Labuan IBFC is thus part of all the protocols the country adheres to**, such as anti-money laundering and anti-terrorism financing regulatory requirements.

**Conformity to international standards and regulatory requirements** by international standards setting bodies such as OECD, APG, FATF, have always been key to Labuan IBFC.

Labuan IBFC has put in place relevant legislation to allow the **exchange of information** with the tax authorities of Malaysia's double tax treaty partners as well as the tax information exchange agreements signed by Malaysia.

The range of unique and bespoke structures are **cost-efficient, tax and currency neutral**.

# A Comprehensive Suite of Legislation

Adherence to International Standards and Best Practices

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## Inland Revenue Board

- i. Labuan Business Activity Tax Act 1990 (LBATA)
- ii. Income Tax Act 1967 – including relevant gazette orders
- iii. Stamp Act 1949

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## Labuan FSA

- i. Labuan Financial Services Authority Act 1996
- ii. Labuan Companies Act 1990
- iii. Labuan Financial Services and Securities Act 2010
- iv. Labuan Islamic Financial Services and Securities Act 2010
- v. Labuan Trusts Act 1996
- vi. Labuan Limited Partnerships & Limited Act 2010

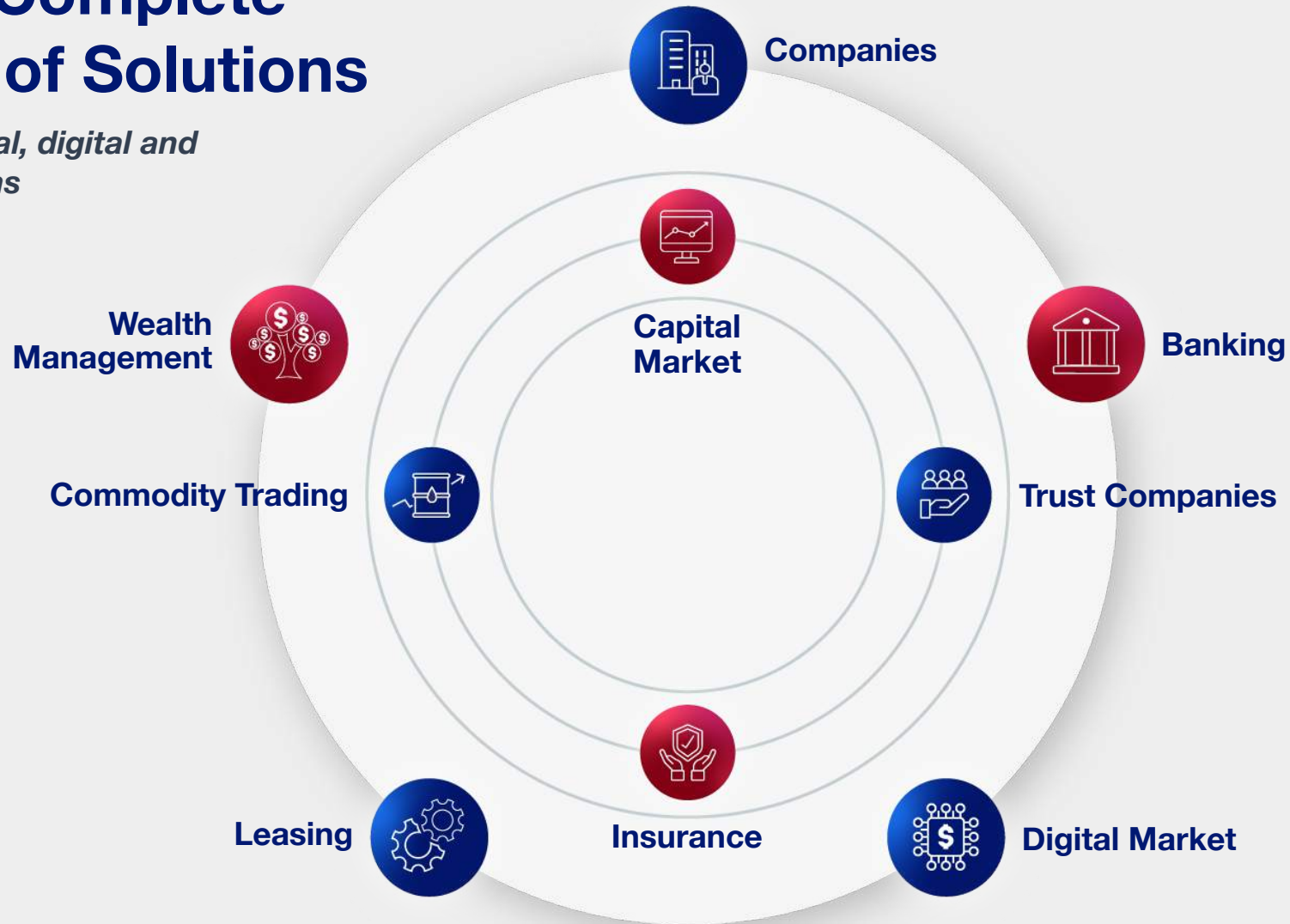
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## Acts of General Applications include

- i. Anti-Money Laundering and Anti Terrorism Financing and Proceeds of Unlawful Activities Act 2001
- ii. Mutual Assistance in Criminal Matters Act 2002
- iii. Malaysia Anti – Corruption Commission Act 2009
- iv. National Anti- Financial Crime Centre Act 2019
- v. BNM’s Foreign Exchange Notices

# 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 4<sup>th</sup> largest economy by 2050, investors and businesses can gain access to a larger marketplace into 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.



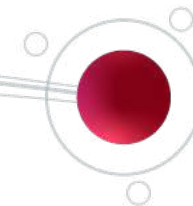
## WELL – REGULATED JURISDICTION

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

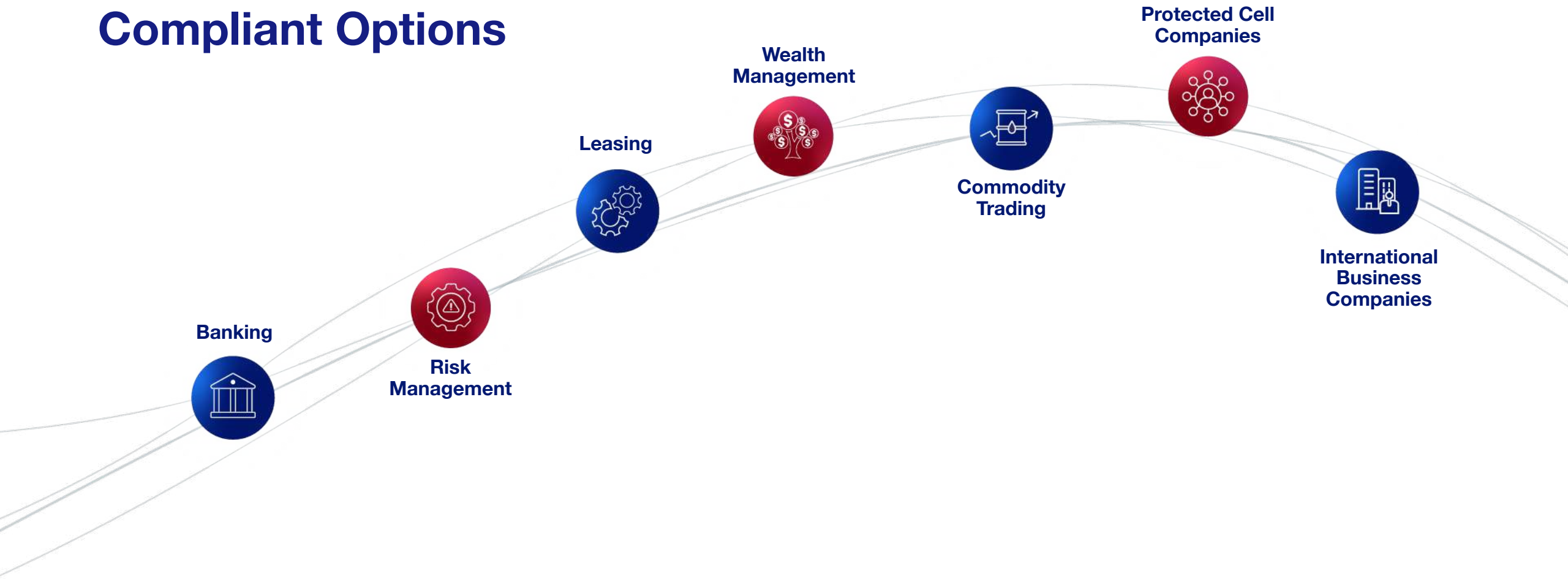


## EFFICIENT AND FLEXIBLE TAX SYSTEM

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



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



# Globally Recognised Industry Memberships and Recognitions



Established  
**1990**

**Modern and comprehensive  
legal framework**

Asia's widest range of legal and corporate structures

**> 800**  
Licensed entities

**Asia's only private  
client foundations**

(Conventional and Islamic)

**> 70**  
DTAs

**Asia's self-insurance  
centre of choice**

**One-stop  
regulator**

**Asia's only protected  
cell company**

for risk and wealth

**Adheres to  
global financial  
standards**

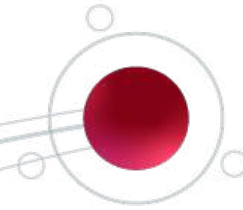
**Leader in digital financial  
services and Islamic finance**

**Asia's fastest growing  
reinsurance market**

**In Asia, By Asia, For All**



**Thank You**



**Terima Kasih**

# Disclaimer

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