

Steps to establish your business in Labuan IBFC

01

Choose a structure based on suitable business activities



- A. Company including Protected Cell Company
- B. Partnership
- C. Foundation

Business activities permitted



Trading



Banking



Money
broking



Wealth
management



Commodity
trading



(Re)insurance and
insurance-related
(including captive)



Credit token



Capital market



Leasing



Investment
holding

These activities can be established in conventional, digital, and Syariah-compliant forms

Note:

Labuan IBFC offers a wide range of financial products & services. The above are examples of permitted activities.

02

Choose service providers



Labuan Trust
Company (LTC)



Labuan Insurance
Manager



Labuan Underwriting
Manager



Labuan Auditor

03

Choose your company secretary from any of Labuan IBFC's licensed LTC to assist with business set up



Note:

LTC shall advise the required documents and process for non-license and license applications.

04

Reservation of company name

Company name approval in 24 hours, can be reserved for 3 months



05

Labuan company incorporation or Labuan foreign company registration



06

Visa application (for foreign applicants only) if needed



07

Corporate bank account opening

Will take roughly 4 weeks



08

Business readiness compliance (to be guided by LTC)

- Economic substance
- Statutory account opening (e.g. tax file/EPF)



09

Start business operation



10

Statutory reporting and taxation obligations

- To observe statutory reporting requirements by Labuan FSA
- To comply with taxation obligations. The corporate tax rate is 3% for trading activities and 0% for non-trading activities. 24% will be taxed if the Labuan entities do not qualify to undertake Labuan business activity.
- Annual tax return needs to be filed with the Malaysian Inland Revenue Board (IRB) by 31 March or at any extended period allowed by the IRB for each year of assessment



Fact-Check

Items	Description
Regulator	Labuan Financial Services Authority - www.labuanfsa.gov.my
Type of company	Trading / Non-trading
Common or civil law jurisdictions	Common
Shelf company availability	No. Economic substance is required in Labuan island depending on the type of business activity
Taxation	0% (Labuan non-trading activities) 3% (Labuan trading activities)
Ownership	No shareholding restriction. Allowing for 100% foreign ownership
Permitted currency of capital	Any currency
Company secretary	To engage from the list of LTC licensed by Labuan FSA
Double taxation treaty access	Able to access Malaysia's 70+ double taxation agreements* * Labuan entities enjoy the benefits of most of Malaysia's tax treaties, but certain treaties have specifically excluded Labuan entities from treaty benefits

Contact Us

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