

5th October 2023 REGULATORY BRIEF

BRIEFING SESSION ON LABUAN PROTECTED CELL COMPANIES CARRYING ON CAPTIVE INSURANCE BUSINESS

Labuan Financial Services Authority (Labuan FSA) organised a briefing session on 5th October 2023 with the following objectives:

- i) Impart understanding of:
 - Regulatory requirements & supervisory oversight on Labuan Protected Cell Companies (PCC)
 - Labuan PCC's typical business activities & operations
 - Banks' general expectations for opening of bank accounts for Labuan PCCs
- ii) Discuss issues & concerns on bank account opening.

In the briefing session with Labuan Bank Compliance Officers' Networking Group (LB-CONG) & Labuan International Insurance Association (LIIA), LB-CONG shared the minimum customer due diligence (CDD) requirements for Labuan PCCs carrying on captive insurance business when opening bank accounts with Labuan banks.

The bank will typically assess, at a minimum, the following:

- i) Confirmation that the PCC is a licensed Labuan entity.
- ii) The PCC's identity, as well as the identity of any other person acting on behalf of the PCC.
- iii) Identity of the PCC's ultimate beneficial owner.
- iv) The purpose and intended nature of the business relationship.
- v) The profile of the PCC, including its purpose, nature of transaction volume and amount, counterparties, dealing jurisdictions and full transparency of the PCC structure, both its core and cells formed.
- vi) Sanctions/AML/CFT screening of the PCC, including its shareholders, directors, and authorised signatories.

These requirements may vary slightly depending on the merits of each applicant, which also need to be aligned with the bank's internal risk tolerance and adhere to Labuan FSA's Anti-Money Laundering & Counter Terrorism Financing (AML/CFT) framework.

For details, please visit the following link:

Labuan Bank's Minimum CDD Requirements for
Labuan PCC Account Openings

[VIEW PDF](#)