



**WHY LABUAN IBFC  
FOR WEALTH MANAGEMENT,  
ASSET PROTECTION AND  
SUCCESSION PLANNING?**



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## About Labuan IBFC

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Labuan IBFC is the preferred international business and financial centre in Asia. As an international business and financial centre, we offer global investors and businesses the benefits of being in a well-regulated and supervised jurisdiction, which adheres to international standards of compliance in tax transparency. We also provide fiscal neutrality and certainty in a currency neutral operating environment.

**“ Labuan IBFC’s comprehensive ecosystem includes a strong set of legislations that provides added comfort and protection for wealth management activities. The Centre also offers private clients an avenue for structuring and administering their wealth management, asset protection and estate planning needs.”**

Our legally recognised wide range of solutions and structures are available to suit investors seeking for common and civil law wealth management solutions. These vehicles can provide for a wide array of private wealth management needs and are especially suitable for family offices and wealth managers facilitating dynamic wealth transfer, dynastic planning and inheritance management. The structures can be undertaken either via conventional or Islamic means, to meet individual preference.

## Labuan Trusts

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A Labuan trust is a common-law vehicle which can be used for asset preservation, protection and income distribution, making it one of the primary vehicles for wealth management and succession planning. The creation of a Labuan trust is generally for an individual (settlor) to give specific property to a third party to be held for the benefit of others, including charities. Labuan legislation allows the creation of various types of trusts including purpose trusts, charitable trusts; spendthrift or protective trusts; and special trusts.

A Labuan trust is a highly effective vehicle for asset preservation, protection and income distribution, making it a key vehicle used to pass wealth from one generation to the next. It provides unparalleled financial control with exceptional fiscal advantages.

## Labuan Foundations

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Labuan foundations offered by the Centre provide a wealth management solution with legal certainty to cater for the needs of high-net-worth individuals (HNWIs) in the region. Labuan foundations are established either for charitable purposes or private wealth management. Charitable foundations are established for various non-profit or philanthropic purposes which include for relief of poverty, advancement of education and other socio-economic purposes to benefit the community.

Private foundations, on the other hand, are geared towards affluent individuals looking for a civil law vehicle to manage estates and assets for their beneficiaries. Labuan IBFC is the only jurisdiction in Asia which offers private client foundations.

## Labuan Private Trust Companies

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Recognising the growing population of HNWIs in the Asia Pacific region, Labuan IBFC offers the services of private trust companies to facilitate the management and administration of family wealth for the purposes of dynastic planning and wealth transfer.

A Labuan private trust company (PTC) is a Labuan company formed for the specific purpose of acting as a trustee for a group of connected persons and where each beneficiary of the trust established by the PTC is a connected person related to the settlor of the trust. In a PTC, the settlor, members of his/hers family or his/hers advisers can be appointed to the board of directors. The composition of the board can be changed from time to time to bring in members of succeeding generations and in this way, involve them in the management of family affairs.

# Labuan Protected Cell Company

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A Labuan protected cell company (PCC) is a single corporate structure that comprises several segregated cells which operate independently from each other and have separate assets and liabilities. Each cell is ring-fenced, protected from the debts and liabilities of the other cells. A family office may consider to establish a PCC as part of its investment solutions in managing the family's assets.

The PCC can hold assets or investments divided into a number of classes to cater to different objectives such as multi-currency investments or different risk profiles, while at the same time preserving the independence of each cell. It is cost-efficient with one board of director and does not require forming multiple legal setups. The family's investments are able to be managed under a common fund manager.

Wealth planning, whether it is to preserve family wealth, protect children's interests or for business succession, is a critical aspect of any wealth management strategy. Succession and intergenerational legacy planning are extremely private deliberations. Choosing a right wealth management tool and well-regulated domicile can ensure a lasting legacy and favourable impact on the lives of your existing generation and those of the future.

Labuan IBFC is also the only jurisdiction in Asia that offers private foundations as wealth management vehicles and PCC structures for investment funds. This clearly proves that Labuan IBFC is at the forefront of the wealth management industry and provides an ideal base for your wealth management needs.

**“ Labuan IBFC is at the forefront of international wealth planning and intermediation, providing HNWIs and families the flexibility to choose a bespoke wealth preservation solution for their unique circumstances such as private foundations, PCCs and purpose trusts; all of which can be offered in conventional, Islamic or digital forms.”**

# Key Benefits of choosing Labuan IBFC as your Wealth Management Domicile

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## **A robust and well-regulated jurisdiction**

Labuan IBFC's robust regulatory and supervisory framework is able to facilitate all the wealth management needs of HNWIs or families.



## **A reputable jurisdiction with a facilitative regulator**

Labuan IBFC adheres to international standards and best practices set by international standards-setting bodies such as the Organisation for Economic Co-operation and Development (OECD), Asia/Pacific Group on Money Laundering (APG) and Financial Action Task Force (FATF). The regulator, Labuan Financial Services Authority continuously reviews the jurisdiction's offerings to ensure that the increasing needs of HNWIs or families are met.



## **Comprehensive suite of wealth management structures and solutions**

Labuan IBFC offers a wide range of wealth management tools suitable for dynastic succession, estate management or wealth preservation. Labuan foundations, Labuan trusts, Labuan private trust companies and PCCs are its key wealth management structures and solutions, which can also be carried out in Shariah-compliant form. Labuan IBFC was recognised as the first jurisdiction to facilitate the establishment of international Waqf foundations.



## **A cost-efficient substance enabling international business and financial centre**

It is cost-efficient to manage your wealth via Labuan IBFC. Income derived from the management of properties, if it is limited to non-trading activities such as investment holding, will not be taxed. There is also no estate or inheritance tax in Labuan IBFC.



## **Easy access to skilled professional service providers**

Access to professional expertise and services such as wealth advisors, lawyers, accountants and tax agents from across the region and globally.

# The Labuan IBFC Wealth Management Landscape



> **200**

wealth management vehicles including private foundations and trusts have been established in Labuan IBFC.



> **60**

global banks to facilitate your banking needs.



> **200**

risk management license holders that are able to support the insurance needs of your assets.



> **60**

Labuan trust companies that play a key role in facilitating incorporations and registrations of new businesses in the jurisdiction.

# Summary of Labuan IBFC Strategic Roadmap 2022-2026

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# Strategic Thrusts

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## Spurring Market Innovations & Vibrancy

- Transforming into a Digital Financial Hub
- Intensifying Labuan's insurance market growth
- Promoting international Islamic finance
- Revitalising niche and prospective segments



## Promoting Market Facilitation & Visibility

- Upscaling Labuan IBFC's ecosystem and infrastructure
- Enhancing Labuan IBFC's visibility and branding



## Strengthening Labuan IBFC's Complementary Roles to Malaysia

- Complementary capacity to Malaysia's economy



## Effecting Relevant & Proportionate Regulations

- Continued prudential regulatory and legal upscaling in accordance with international standards
- Developing risk-sensitive, fit-for-purpose regulations to cater for emerging concerns
- Securing good ratings for incoming international assessments on Labuan IBFC
- Fiscal planning to meet Organisation for Economic Co-operation and Development's (OECD) new requirements and BEPS 2.0



## Effecting Pre-Emptive Supervision & Enforcement

- Intensifying and modernising supervisory approach and cross-border engagements



For more information, log on to [www.labuanibfc.com](http://www.labuanibfc.com)

**LABUAN IBFC INCORPORATED SDN BHD** 200801016303 (817593-D)

SUITE 3A-2, LEVEL 2 BLOCK 3A  
PLAZA SENTRAL, JALAN STESEN SENTRAL  
KL SENTRAL, 50470 KUALA LUMPUR  
MALAYSIA

TEL +6 03 2773 8977  @LabuanIBFC  
FAX +6 03 2780 2077  
EMAIL [info@libfc.com](mailto:info@libfc.com)  Labuan IBFC



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