



35 Years of
Excellence

Overview

In 2025, Labuan IBFC celebrates 35 years as Asia's rapidly growing leading international business and financial centre (IBFC). Over 30 years, it has been one of the key drivers of Labuan island's economic growth, contributing 53% to its GDP and serving as its largest employer.

With a diverse range of business, investment and wealth management structures, Labuan IBFC hosts nearly 5,000 operating entities. These span key sectors including insurance, Islamic finance, banking, wealth management, and digital financial services (DFS).

Among its recent milestones, in the DFS space, Labuan IBFC has seen the successful listing and issuance of 18 Shariah-compliant security tokens valued at over US\$ 1 billion. The jurisdiction also retains its position as the Asia's second-largest captive insurance hub, underwriting premiums of US\$ 677.4 million in 2024 with 71 licensed captives inclusive of 31 cells.

Underpinned by a robust, internationally recognised, and business-conducive legal and regulatory framework, Labuan IBFC operates with clear and comprehensive legislation and regulations. Regulatory and supervisory oversight is carried out by a single regulatory body, which is the Labuan Financial Services Authority (Labuan FSA) as a statutory body under the purview of Malaysia's Ministry of Finance.

Jurisdictional Focus



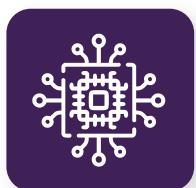
Innovation

Innovation is a key driver of growth in Labuan IBFC, where a progressive regulatory environment supports the development of cutting-edge financial solutions. Labuan FSA encourages innovation across sectors such as fintech, Islamic finance, and digital assets, positioning the jurisdiction as a forward-looking and innovative IBFC. By fostering agility and openness to emerging trends, Labuan IBFC continues to attract market participants seeking a secure, regulated, and innovation-friendly environment.



Regulatory Compliance

Malaysia (including Labuan IBFC) is currently undergoing the 2024/2025 FATF Mutual Evaluation to showcase the country's effectiveness in combating money laundering and terrorist financing. Labuan FSA as the regulator for Labuan IBFC has continuously put in place measures including updating its AML/CFT requirements, upscaling its legal and regulatory framework with strengthened prudential, market conduct and digital regulations, complemented by a modernised, SupTech-driven supervisory approach aimed at enhancing financial system resilience and improving regulatory efficiency.



Digitalisation

The Labuan IBFC Strategic Roadmap 2022–2026 aims to position the jurisdiction as Asia's leading digital financial hub. Labuan IBFC continues to embrace digital innovation across key sectors, while Labuan FSA has reinforced AML/CFT measures within the digital financial ecosystem to prevent the misuse of digital platforms for illicit financial activities.

35 YEARS OF INSPIRATION,

1990
-
2006

1990

- Labuan declared an international offshore financial centre (IOFC) on 1 Oct via five Acts passed by the Malaysian Parliament

1996

- Financial Park Complex opened, providing infrastructure for Labuan to operate as an IOFC
- Labuan Offshore Financial Services Authority (LOFSA) established as the sole regulatory authority in Labuan IOFC

1997

- World's First Islamic Murabaha financing issued out of Labuan IOFC

2000

- The Labuan International Financial Exchange (LFX) launched to serve as a global exchange, providing listing of financial instruments

2002

- The world's first sovereign sukuk of US\$600m was issued by the Government of Malaysia via Labuan IOFC
- The Shariah Supervisory Council (SSC) established to review the compatibility of proposed financial instruments with Shariah requirements and to advise on the development of Islamic jurisprudence

2006

- Labuan IOFC issued the world's first Shariah-compliant investment-linked takaful product, the Takaful Lil-Istithmar, for high-net-worth individuals

2008

- Labuan IBFC Inc. Sdn Bhd, a wholly-owned subsidiary of Labuan FSA, was established to promote Labuan IBFC
- LOFSA was changed to Labuan Financial Services Authority (Labuan FSA)

2010

- Complete holistic legislative refresh rolled out, introducing new solutions and structures to meet the needs of a more progressive marketplace
- Asia's first Private Client Foundation and Protected Cell Company launched

2011

- The Global Incentive for Trading Programme (GIFT) was launched through the establishment of Labuan International Commodity Trading company
- First Islamic foundation formed under new omnibus legislation

2008
-
2015

2012

- Labuan IBFC accepted as a recognised jurisdiction by the Hong Kong Stock Exchange

2013

- Labuan FSA was selected as the representative for the Asia-Pacific region at the executive committee in the Group of International Insurance Centre Supervisors (GIICS)

2015

- Labuan IBFC recognised as the first jurisdiction to facilitate the establishment of international Waqf foundations

INNOVATION & INCLUSIVITY

2016
-
2022

2016

- Joined international membership of the Financial Action Task Force (FATF)

2017

- Inaugural edition of the Asia Captive Conference (ACC), jointly hosted with Labuan International Insurance Association
- Approved its first DFS business

2018

- Labuan IBFC won *Best Asian Domicile* at the Asia Captive Review Awards 2018
- Labuan IBFC won *Captive Insurance Jurisdiction of the Year* at the China Offshore Awards 2018
- The Labuan IBFC Transformation Plan, which outlines the jurisdiction as a key economic driver for Labuan island as part of the Labuan Development Blueprint 2030, was unveiled

2019

- Hosted inaugural digital conference - Connecting Digital Ecosystems Asia 2019 (CoDE Asia 2019)
- Licensed Asia's first digital asset securities exchange
- Modernised Labuan tax framework in line with OECD standards

2020

- Labuan IBFC won *Highly Commended International Domicile* at the European Captive Review Awards

2022

- Launch of Labuan IBFC Strategic Roadmap 2022 – 2026
- Launch of Islamic Digital Asset Center (IDAC) initiative
- Establishment of world's first Shariah and ESG-compliant digital asset exchange
- Labuan IBFC won *Highly Commended International Domicile* at the European Captive Review Awards
- Labuan FSA won the *BrandLaureate e-Branding BestBrand award for Fintech Islamic Financial Services* at the Brand of the Year Awards

2023

- Global recognitions for Labuan captive – Labuan IBFC won *Highly Commended International Domicile* at the European Captive Review Awards & ranked as *Top 10 Captive Growth in World Domicile Update 2023* by Captive Review
- Listed world's first Islamic digital securities tokens

2024

- Labuan IBFC China Desk was established to support bilateral trade and investment between both countries
- Labuan FSA unveiled the world's first Shariah-compliant blockchain hub master plan
- Labuan IBFC won the *Best International Jurisdiction for Islamic Banking and Finance 2024* award at the 14th Global Islamic Finance Awards
- Labuan IBFC named the *Leading International Financial Centre – Asia-Pacific* in the banking/finance sector at the Global Brand Awards 2024

2023
-
2025

2025

- Labuan IBFC participates in Malaysia's 2024/2025 Mutual Evaluation by FATF

Labuan IBFC Strategic Roadmap 2022-2026

Built on the Centre's strengths, emerging opportunities, and anticipated regional challenges, supported by five strategic thrusts:



Spurring Market Innovations & Vibrancy

- Transforming into a Digital Financial Hub
- Intensifying Labuan 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 OECD's new requirements and BEPS 2.0



Effecting Pre-Emptive Supervision & Enforcement

- Intensifying and modernising supervisory approach and cross-border engagements

Key Segments

Asia's Premier International Financial Business Hub - Labuan IBFC offers a wide range of solutions and structures designed to support cross-border financial transactions, business operations, risk management, and wealth management.

These services are available in conventional, digital, and Shariah-compliant formats to meet a variety of needs.

Banking

Labuan IBFC offers a complete cross-border financial platform for banks aiming to set up operations in a region at the centre of global economic growth. Banking is the largest sector within Labuan IBFC and plays a crucial role in facilitating international investments and trade. Banks benefit from the jurisdiction's currency and tax neutrality, which helps facilitate financial services and global transactions.

Capital Markets

Capital market solutions involve various intermediaries like fund managers, fund administrators, custodians, and securities licenses as well as mutual fund structures that can be structured using unique structures such as protected cell company (PCC). With the new Securities Token Offerings (STOs) guidelines issued in 2023 and a focus on digital growth in its 2022-2026 Strategic Roadmap, Labuan IBFC aims to strengthen its role as a leading financial centre that supports innovation and growth for capital market players.

Corporate Structures

Labuan IBFC's comprehensive legal framework provides a diverse range of legal entities such as international business companies, private trusts, PCCs, private funds and limited liability partnerships that can be structured in conventional and Shariah-compliant options.

Digital Facilitation

Labuan IBFC's digital ecosystem comprises three main pillars - digital financial institutions, digital service providers as well as digital platforms. Labuan IBFC's wide range of operating structures, along with recently issued guidelines for securities and credit tokens as well as enhancement of money broking businesses provide a wide range of business opportunities for both upcoming start-ups and legacy entities looking to venture into the digital realm.

One-Stop Regulatory Authority

Labuan FSA, as the central regulatory authority of Labuan IBFC, takes a robust yet pragmatic approach to overseeing banking, insurance, and capital market intermediaries, aligning with global standards. As a statutory body under Malaysia's Ministry of Finance, it also regulates licensed companies, continuously reviewing and refining its regulatory framework to support the jurisdiction's development and ensure market stability.

Insurance

Labuan IBFC is one of Asia's fastest-growing reinsurance hub, home to over 200 (re)insurers and intermediaries. It offers a complete insurance ecosystem, including cost-efficient self-insurance solutions like captives structured as PCCs, all while ensuring compliance with global regulatory standards and best practices. The jurisdiction is recognised as a regional hub for captive insurance.

Islamic Finance

Labuan IBFC is globally recognised as a leading financial centre for Shariah-compliant solutions. It is home to the world's first Islamic bond and offers an extensive array of Shariah-compliant financial services, all governed by a global Shariah Supervisory Council (SSC). Key features include Shariah-compliant structures, effective regulatory standards, and a business-friendly environment.

Professional Service Provider

Professional service providers are the backbone of the Labuan IBFC jurisdiction, acting as key enablers of business and economic growth. Serving as the primary gateway to all things related to Labuan IBFC, they offer a comprehensive and integrated suite of services inclusive of company secretary and legal services, among others. These services help and support Labuan IBFC as a dynamic international business hub.

Wealth Management

Labuan IBFC stands at the forefront of international wealth planning and intermediation, offering high-net-worth individuals and families the flexibility to tailor bespoke wealth preservation solutions to their unique needs. Labuan IBFC's diverse range of services, including private foundations, PCCs, and purpose trusts, provides robust structures designed to preserve and grow wealth across generations.



For more information, log on to 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
FAX +6 03 2780 2077
EMAIL info@libfc.com

@LabuanIBFC
 Labuan IBFC



Labuan IBFC Incorporated Sdn Bhd, the official promotion and marketing agency for Labuan International Business and Financial Centre, Malaysia.

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Date of publication: September 2025