



**LABUAN FINANCIAL SERVICES AUTHORITY
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)**

Our Ref. : 317/2024/ALL
Date : 31 December 2024

Association of Labuan Banks (ALB)
Labuan Investment Banks Association (LIBA)
Labuan International Insurance Association (LIIA)
Association of Labuan Trust Companies (ALTC)
Labuan Banks Compliance Officers' Networking Group
LIIA Compliance Officers' Networking Group
ALTC Compliance Officers' Networking Group
Digital Financial Services Compliance Officers' Networking Group
Labuan Charitable Foundations
Labuan Charitable Trusts

Dear Chairmen/Sir/Madam,

Red Flag Indicators for Labuan IBFC

We refer to the above and wish to share a list of red flag indicators to assist Labuan entities in managing transactions and counterparties, protecting them from money laundering (ML) and terrorism financing (TF) abuses and minimising disruptions to legitimate financial activities.

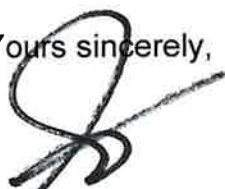
2. The Financial Action Task Force (FATF) requires member countries to conduct risk assessments to identify, assess and understand their ML/TF risk. Based on the National Risk Assessment (NRA) 2023, Labuan FSA has identified risk drivers associated with Labuan sectors. In this regard, Labuan FSA has developed a list of red flag indicators to assist Labuan entities in detecting and preventing financial crimes before they escalate. The indicators are warning signs that indicate potential illicit activities, such as ML/TF, within financial transactions. Identifying these red flags is crucial for an effective AML/CFT compliance program.

3. The attached listing of "Red Flag Indicators for Labuan IBFC" is not exhaustive nor exclusive and should not be solely referred to in determining whether a suspicious activity is linked to ML/TF. Labuan entities are to apply a risk-based approach in managing their ML/TF risks. The list of red flag indicators will serve as a holistic referencing that reinforces the earlier issuance of red flag indicators for Labuan digital financial services dated 21 June 2024. This omnibus list of indicators will be updated periodically to reflect evolving techniques and ML/TF risks across all sectors in Labuan IBFC.

4. Should there be a need for further clarification on the above, please do not hesitate to contact our officers as follows:

Name	Contact No.	Email Address
Ms. Khoo Rou Qing	03-8873 2039	khoorq@labuanfsa.gov.my
Ms. Lim Shiok Ye	03-8873 2104	limsy@labuanfsa.gov.my
Ms. Dian Melisa Firdaus	03-8873 2043	dian@labuanfsa.gov.my
Ms. Babelin Bellon	03-8873-2038	babelin@labuanfsa.gov.my

Yours sincerely,



Easah Abd Manaf

Head

AML Policy, Risk Monitoring & Surveillance

Regulatory Policy Department

For Labuan Financial Services Authority