



LABUAN FINANCIAL SERVICES AUTHORITY
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

Circular No.: 289/2023/LIIA
Date: 29 August 2023

To Labuan Life Insurance Brokers

Revised Supplementary Guidelines on Standards of Certification for Labuan Financial Advisors under the Employment of Labuan Life Insurance Broking Companies

This Supplementary Guidelines is issued pursuant to section 4A of the Labuan Financial Services Authority Act 1996 (LFSAA) and shall form part and parcel of the Guidelines on Insurance Broker issued by Labuan FSA. This Supplementary Guidelines is also issued in accordance with the definition of Labuan insurance broker under 101(1)(c) of the Labuan Financial Services and Securities Act 2010 (LFSSA) where Labuan insurance broker is licensed to analyse the financial circumstances of another person and provides a plan to meet that other person's financial needs and objectives, whether or not a fee is charged in relation thereto. Any person who fails to comply with the Supplementary Guidelines may be guilty of an offence punishable under section 36B or section 36G of the LFSAA.

Professional Certification and Development Program

2. This Supplementary Guidelines is issued as a guidance on Professional Certification and Development Program (Program) for appointed representatives of Labuan life insurance broking companies carrying on "client advising" and/or "client facing" activities as pursuant to section 101(1)(c) of the LFSSA.

Definitions

Client Advising: The activity would involve giving advice or recommendation to a public person. This shall apply to any appointed or designated representative of a licensed Labuan insurance broking company including but not limited to financial advisor or financial consultant that has any direct contact with a prospect or client of the company shall be deemed "client advising" where the

**Supplementary Guidelines on Standards of Certification for Labuan Financial Advisors
under the Employment of Labuan Life Insurance Broking Companies**

person is providing, discussing or presenting advice and/or recommendations of services and/or product to members of the public on behalf of the firm, whether such advice and/or recommendations are generic, specific or centered upon a class of products and whether such is communicated verbally, electronically or in written form.

Client Facing: The activity would involve promoting the services of the life insurance broking company in a generic manner. This shall apply to any appointed or designated representative of a licensed Labuan insurance broking company including but not limited to business development manager or coordinator of a licensed Labuan insurance broking company that has direct contact with a prospect or client of the company where they are promoting or offering the services of the company to members of the public but the promotion or offer is generic and not product specific or centered on a class of products.

Objectives of the Program

3. The primary objectives of the Program are as follows:
 - (a) To institute professional standards of conduct and an appropriate code of ethics;
 - (b) To establish a sustainable professional learning program able to meet multi-national products and fulfil diverse client needs;
 - (c) To rationalise international qualifications under a harmonised international matrix; and
 - (d) To raise the profile of both new and existing Labuan financial advisors, which would result in enhanced consumer confidence, transparency, expertise, and valued services provided to the clients of the Labuan life broking companies.

4. The Program would focus on technical proficiencies, via examination and training, as well as maintaining professionalism through continuous professional development and recognized code of ethics. The certification standards designed for the financial advisors are as per **Appendix A**.

**Supplementary Guidelines on Standards of Certification for Labuan Financial Advisors
under the Employment of Labuan Life Insurance Broking Companies**

Participation in the Program

5. Please be reminded that all Labuan life insurance broking companies are required to comply with the Guidelines and ONLY employ financial advisors and/or business development managers/coordinators that have acceptable qualifications as per the program or equivalent credits to provide client advising or client facing activities, respectively, for and on behalf of their companies. The phases of the program are as follows:

Requirements for current financial advisors

- Must complete 35 hours certified CPD annually
- Must continue to be the Malaysian Insurance Institute (MII) or the Chartered Insurance Institute (CII) members

Requirements for new financial advisors employed

Phase 1: Upon appointment, all financial advisors:

- Must attend LLBIC
- Must be certified LFPC2 (or equivalent of 45 credits)
- Must be MII or CII members

Phase 2: Within 12 months of appointment, all financial advisors:

- Must be certified LFPC3 (or equivalent of 70 credits)
- Must continue to be MII or CII members

Annually thereafter, all financial advisors:

- Must complete 35 hours certified CPD
- Must continue to be MII or CII members

6. In addition, please also be informed that the entry level qualification and Induction Course will also be applicable to individuals that are promoting the services of the company in a generic manner.

**Supplementary Guidelines on Standards of Certification for Labuan Financial Advisors
under the Employment of Labuan Life Insurance Broking Companies**

**Requirements for new applications for business development
managers/coordinators**

All new business development managers/ coordinators:

- Must have LFPC1 (or an equivalent 15 credits)
- Must attend LLBIC within 12 months of appointment

In future, should these individuals upgrade themselves to become financial advisors, they would then be required to comply with the standards of certification.

7. Notwithstanding, please be advised that this Supplementary Guidelines will not be applicable to persons appointed by the company such as Personal Assistant, Clerks, Office Administrator whose duties are solely administrative in function and nature, and does not involve the promotion or advice or recommendation of services or products to the general public.

8. Kindly contact the LIIA for complete details on the requirements of the program for existing and new financial advisors including the modules and schedules of the examination and training.

Please be guided accordingly.

Yours sincerely,



Jaffree Ismail
Director
Business Development and Innovation Department

**Supplementary Guidelines on Standards of Certification for Labuan Financial Advisors
under the Employment of Labuan Life Insurance Broking Companies**

Appendix A

All financial advisors must fulfil the requirements with regard to the Labuan Life Broker Qualification Pathway (LFPC1 – 3)

Level 1	Entry Level qualification	Labuan Financial Planning Certificate 1 (LFPC1) or equivalent of 15 credits
Level 2	Core level qualification	Labuan Financial Planning Certificate 2 (LFPC2) or equivalent of 45 credits
Level 3	Core level qualification	Labuan Financial Planning Certificate 3 (LFPC3) or equivalent of 70 credits
	Continual Professional Development (CPD)	Type of courses which qualify for the CPD points will be drawn up by the LIIA, MII or CII, and shall include both relevant technical and non-technical courses

In addition to the above, all financial advisors are required to:

1. Become members of the MII or the CII
2. List their names on the LIIA website so as to enable potential clients to find and verify them. Any resignation of the Labuan financial advisor must be updated within seven days from the date of resignation; and
3. Attend Induction Course within 12 months from the date of appointment. The Induction Course comprises the following subjects:
 - (a) Financial Planning
 - (b) Malaysian Taxation
 - (c) Anti Money Laundering
 - (d) Ethics
 - (e) Life Insurance Products