



## FREQUENTLY-ASKED QUESTIONS GUIDELINES ON CLIENT MONEY FOR LABUAN TRUST COMPANIES

### A. APPLICABILITY

- 1. What are the scopes of Labuan Trust Company (LTC) services that can be provided under the Guidelines?**

The Guidelines are applicable to all LTCs as specified under paragraph 2.1 of the Guidelines. The scopes of services offered by LTCs are provided under paragraph 3.0 of the *Guidelines for the Establishment of Labuan Trust Companies*.

### B. SENIOR MANAGEMENT RESPONSIBILITIES

- 2. Do the roles and responsibilities assigned to the Compliance Officer fall within the scope of the Senior Management function?**

Yes, the duties of Compliance Officer constitute an integral part of the Senior Management function as provided under paragraph 8.0 of the Guidelines.

### C. MONEY PAID INTO CLIENT ACCOUNT

- 3. Can an LTC utilise money belonging to one client for the benefit or purposes of another client?**

Paragraph 9.17 emphasises the LTC's accountability in ensuring that client money is neither utilised for unrelated customers nor diverted for the company's self-interest.

## **D. WITHDRAWAL OF CLIENT MONEY FROM CLIENT MONEY ACCOUNT**

### **4. Are all withdrawals of client money subject to dual authorisation requirement?**

The Guidelines require LTCs to implement dual authorisation for client money withdrawals as part of the internal control measures to prevent misappropriation and mishandling of client money by LTCs. This requirement is also applicable to Labuan Managed Trust Companies.

### **5. What are the types of client money that can be withdrawn from client money account?**

The types of client money that can be withdrawn from the client money account by the LTC include money:

- (i) required for a payment to or on behalf of its client such as statutory fees due to Authority;
- (ii) for payment of debts due to the LTC from the client or in reimbursement of money expended by the LTC on behalf of the client;
- (iii) required for or towards payment of the LTC's costs where an invoice or other written intimation of the amount of the costs incurred has been delivered to the client and the client has been notified that money held for him will be applied towards or in satisfaction of such costs;
- (iv) consented to be withdrawn by client; and
- (v) which by mistake or accident have been deposited into the client money account.