

LABUAN FINANCIAL SERVICES AUTHORITY
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

Circular no.: 125/2011/ALTC

7 July 2011

Mr. Colin Paul Seah
Chairman
Association of Labuan Trust Companies (ALTC)

Dear Sir,

PROFESSIONAL INDEMNITY INSURANCE POLICY FOR LABUAN TRUST COMPANIES

Professional Indemnity Insurance (PII) forms an integral part of the regulatory requirement to safeguard the operation of the Labuan Trust Companies (LTCs). It helps to insulate LTCs from any claims made by clients in the course of providing professional advice and services and is recognised internationally.

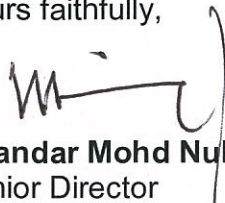
2. In this regard, we wish to inform that, effective immediately, all new applicants for a Labuan trust company licence (excluding Labuan Managed Trust Company and Labuan Private Trust Company) must have a PII policy with a coverage of not less than RM1 million or its equivalent in any foreign currency and remain indemnified throughout their operations pursuant to Section 62(3) of Labuan Financial Services and Securities Act 2010.

3. Nonetheless, the existing LTCs and applications submitted prior to the issuance of this Circular may opt either to have PII policy as per Paragraph 2 above or placement of security deposit amounting to RM100,000 (or its equivalent in any foreign currency) with Labuan FSA.

Kindly advise your members and distribute the Circular accordingly.

With kindest regards.

Yours faithfully,



Iskandar Mohd Nuli
Senior Director
Business Operations Department
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