



UMS Career Day 2018: DISCOVERING A CAREER IN LABUAN IBFC

8 December, 2018

Presentation Outline

- **About Labuan FSA**
- **Introduction to Labuan IBFC**
- **Labuan IBFC- Opportunity for UMS Students**
- **Preparation for Employment**
- **Key Takeaways**

About Labuan FSA



Labuan FSA - One-Stop Regulatory Authority



- To promote and develop Labuan as an international centre for business and financial services
- To act as the central regulatory, supervisory and enforcement authority of the Labuan IBFC
- To develop national objectives, policies and priorities for the orderly development and administration of the Labuan IBFC

Group Corporate Structure



100%
Labuan FSA Incorporated Sdn Bhd
(Established 1 September 1990)

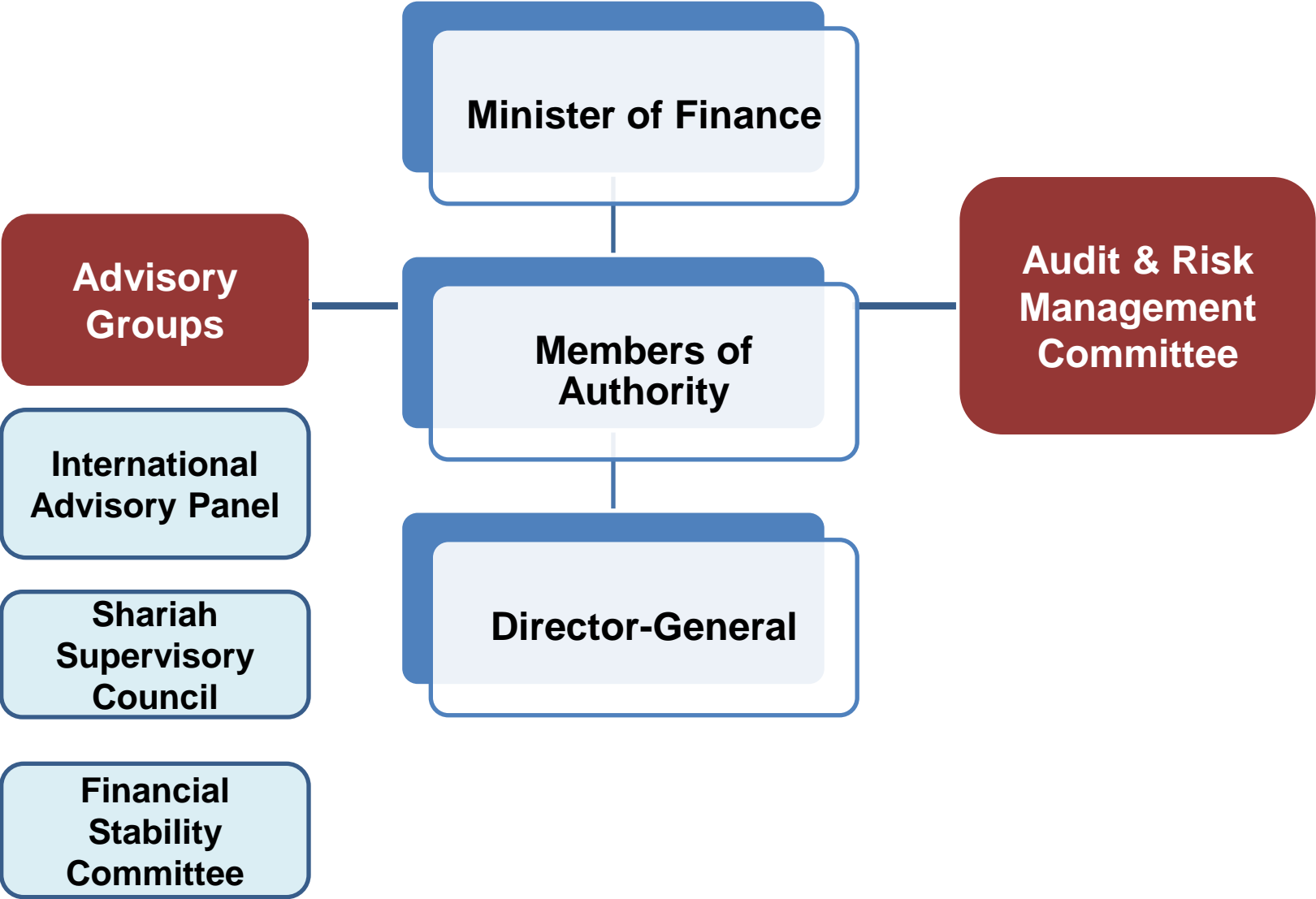
100%
Labuan IBFC Inc. Sdn Bhd
(Established 14 May 2008)

(Marketing arm)

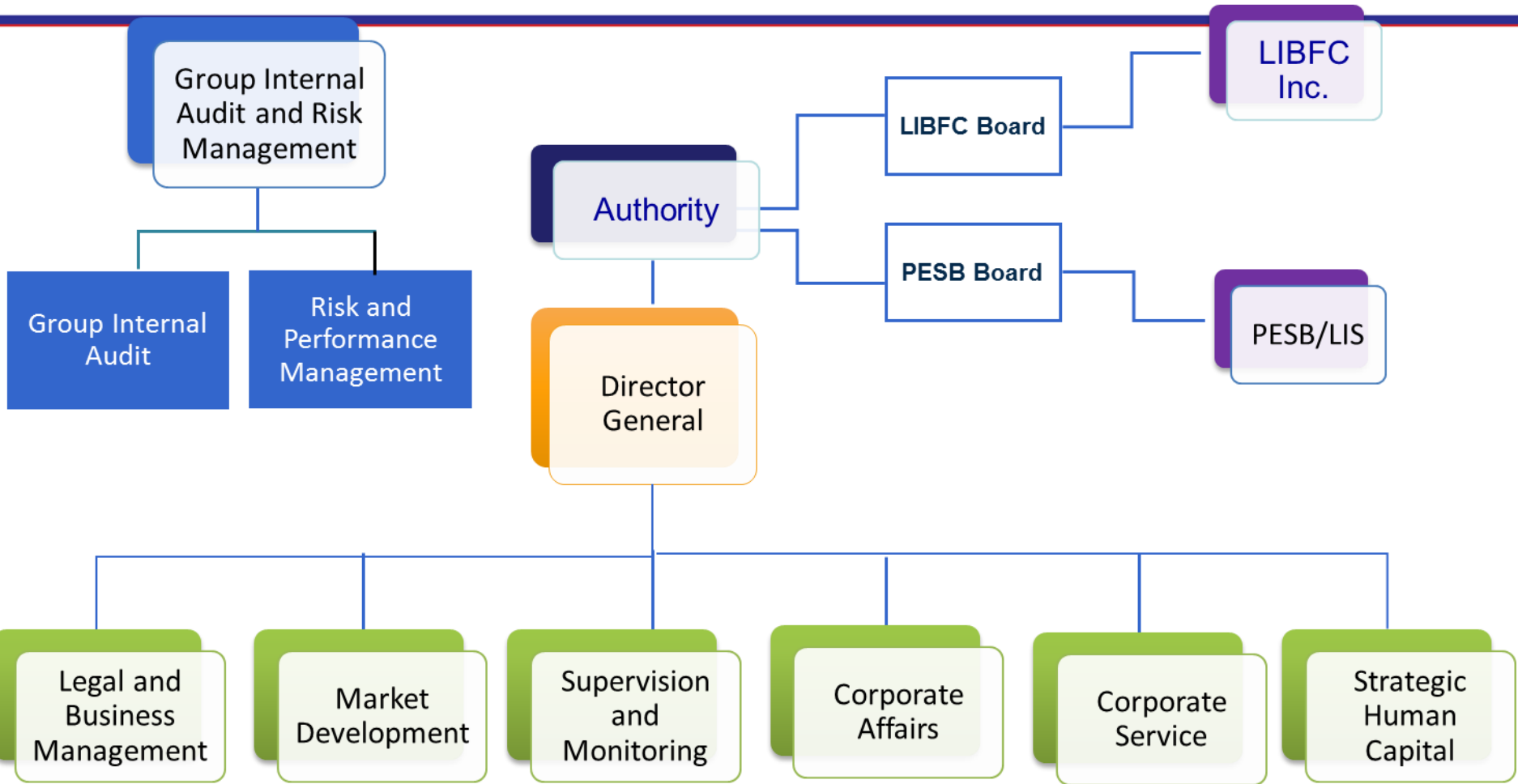
100%
Pristine Era Sdn Bhd
(Established 7 September 1995)

(Labuan International School)

Labuan FSA - Governance Structure



Organisational Structure



Total staff: 109

Male: 62

Female: 47

Peninsular: 36

Sabah: 34

Sarawak: 14

Labuan: 25

Labuan FSA's Shared Values

Labuan FSA's 5 shared values:

- Integrity, Commitment and Professionalism
- Open and Honest Communication
- Teamwork
- Business and Stakeholder Oriented
- Continuous Learning



Introduction to Labuan IBFC



LABUAN:
CONNECTING
Asia's
Economies



IBFCs Around The World



Labuan - As An IBFC

**Labuan IOFC
Established in
Oct 1990**



Rebranded in Jan 2008

Complement efforts to
make Malaysia
a regional
financial centre

Develop economy of
Labuan and
surrounding regions

Labuan IBFC - Distinctive Vis-à-Vis the Domestic Market



	Labuan IBFC	Domestic
Legislation	Separate	Domestic Law
Clientele	Mainly Non-Residents	Mainly Residents
Currency Denomination	Predominantly Non-Ringgit	Ringgit
Business Scope	Wholesale	Retail
Exchange Control	No exchange control	BNM's Foreign Exchange Administration
Regulatory Authority	Labuan FSA	Domestic Authorities – BNM, SC, SSM

Labuan IBFC Legislative Framework - Continuously Updated to Ensure Relevancy

LABUAN FINANCIAL SERVICES AUTHORITY

New Acts introduced in 2010

Labuan Financial Services And Securities Act 2010

Labuan Islamic Financial Services And Securities Act 2010

Labuan Foundations Act 2010

Labuan Limited Partnerships & Limited Liability Partnerships Act 2010

Existing Acts enhanced in 2010

Labuan Financial Services Authority Act 1996

Labuan Trusts Act 1996

Labuan Companies Act 1990

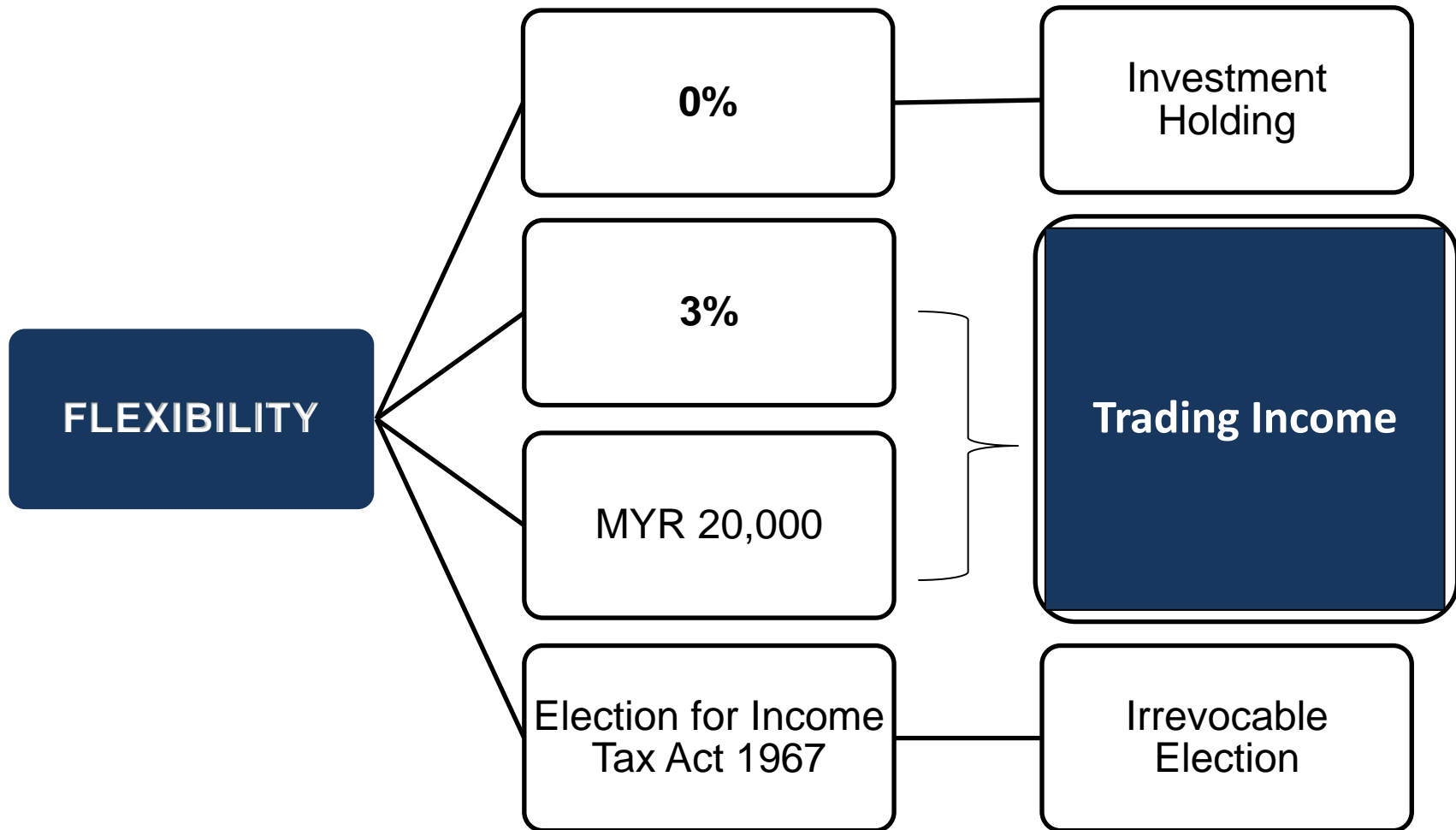
INLAND REVENUE BOARD

- i. Labuan Business Activity Tax Act 1990
- ii. Exemption Order of Income Tax Act 1967
- iii. Exemption order of Stamp Act 1949

GENERAL APPLICATION ACTS OF MALAYSIA

- i. Anti-Money Laundering and Anti Terrorism Financing and Proceeds of Unlawful Activities Act 2001
- ii. Mutual Assistance in Criminal Matters Act 2002

Labuan IBFC - Tax Framework



Labuan IBFC - International Setting Bodies Assessment

IMF and FSAP

Continuous improvements noted on Labuan FSA's standards and practices

APG Mutual Evaluation Exercise Assessment & FATF

Malaysia, including Labuan IBFC reported as well developed with strong legal & regulatory framework, exhibited & implemented Financial Action Task Force's standards against ML/FT. Accepted as a member of FATF in Feb 2016

APG

Labuan IBFC was recognized as a low risk jurisdiction in money laundering assessment in 2007

Global Forum Peer Review Assessment

Phase I

Assessed in 2011 as having legal provisions pertaining to availability and access to tax information

Phase II

Rated Largely Compliant in 2014 on availability & access of information including mechanism for exchange of info for tax purposes had been largely in place

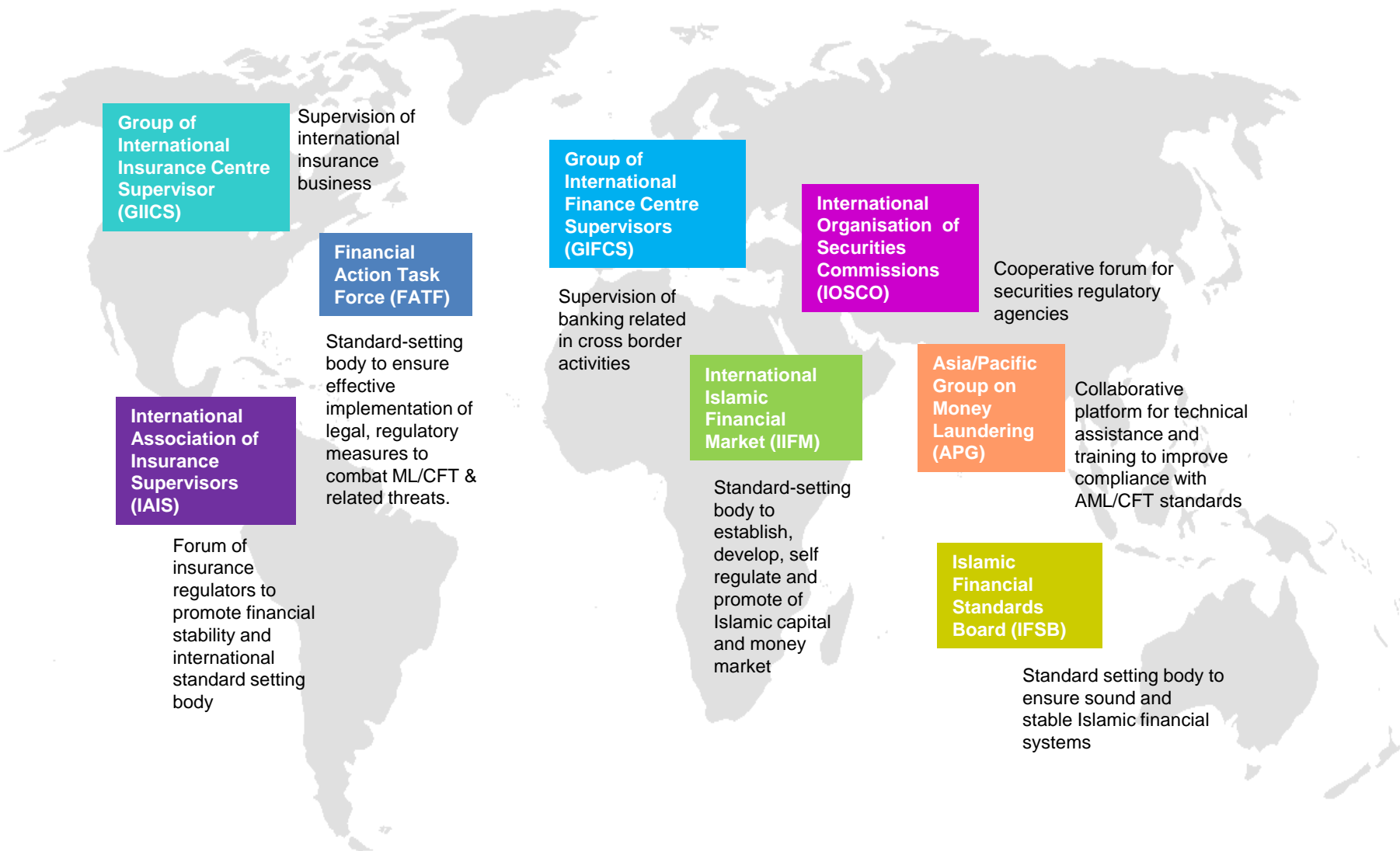
IOSCO

A full signatory to the IOSCO Multilateral Memorandum of Understanding concerning consultation and cooperation and the exchange of info since 2012

OECD - Harmful Tax Practices

Based on revision of Guidelines on Labuan Leasing Business, FHTP decided that Labuan leasing regime as "Amended". The Labuan Financial Services is reported as "In the process of being amended".

International Affiliations



Labuan IBFC - International Cooperation



- International group participation
- Exchange of Information
- Cross-border Investigative Assistance & Examination
- Enforcement
- AMLA/CFT
- Research & Development
- Training & Staff Development

Two Main Labuan IBFC Business Activities

Labuan Trading Activity

- Banking, insurance, trading, management, shipping operations, licensing or any other activity which is not a Labuan non- trading activity.

Labuan Non-Trading Activity

- Holding of investments in securities, stock, shares, loans, deposits or any other properties by a Labuan entity on its own behalf.

Financial Products and Services



Companies

- Investment holding
- Trading

Banking

- Wholesale banking
- Investment banking
- Loans/deposit
- Financial guarantees
- Trade finance

Insurance

- Life/general
- Broking
- Captives
- Re-insurance
- Manager

Leasing

- Aviation
- Shipping
- Heavy machinery

Trust Cos.

- Company incorporation
- Company administration
- Corporate secretarial
- Trustee services

Wealth Management

- Trust
- Foundations
- Private Trust Companies

Commodity Trading

- Oil and gas – Petroleum & Petroleum related business

At a Glance – Business Setup in Labuan IBFC

1

Pre-Incorporation

- Appoint a Labuan Trust Company (LTC) to act as resident secretary/agent
- Conduct due diligence on prospective client

2

Application for Licence

- Conducts due diligence on applicants
- Compliance with Acts, G/L, core principles
- Vetting on individual or corporate director or shareholders – WC, KYC260, UN Sanction list

3

Reservation of Name

- Fee MYR50
- Choose name but Registrar has discretion to reject, if its undesirable
- 24 hours approval and reserved for 3 months

4

Due Diligence of HRJ

- LTC needs to conduct “enhance due diligence”
- Interview director or S/H by Labuan FSA
- Submit business plan with application

5

Incorp. of Company

- Documents-M&A
- Statutory declaration
- Consent of proposed directors
- Particulars of directors, S/H and secretaries etc.

6

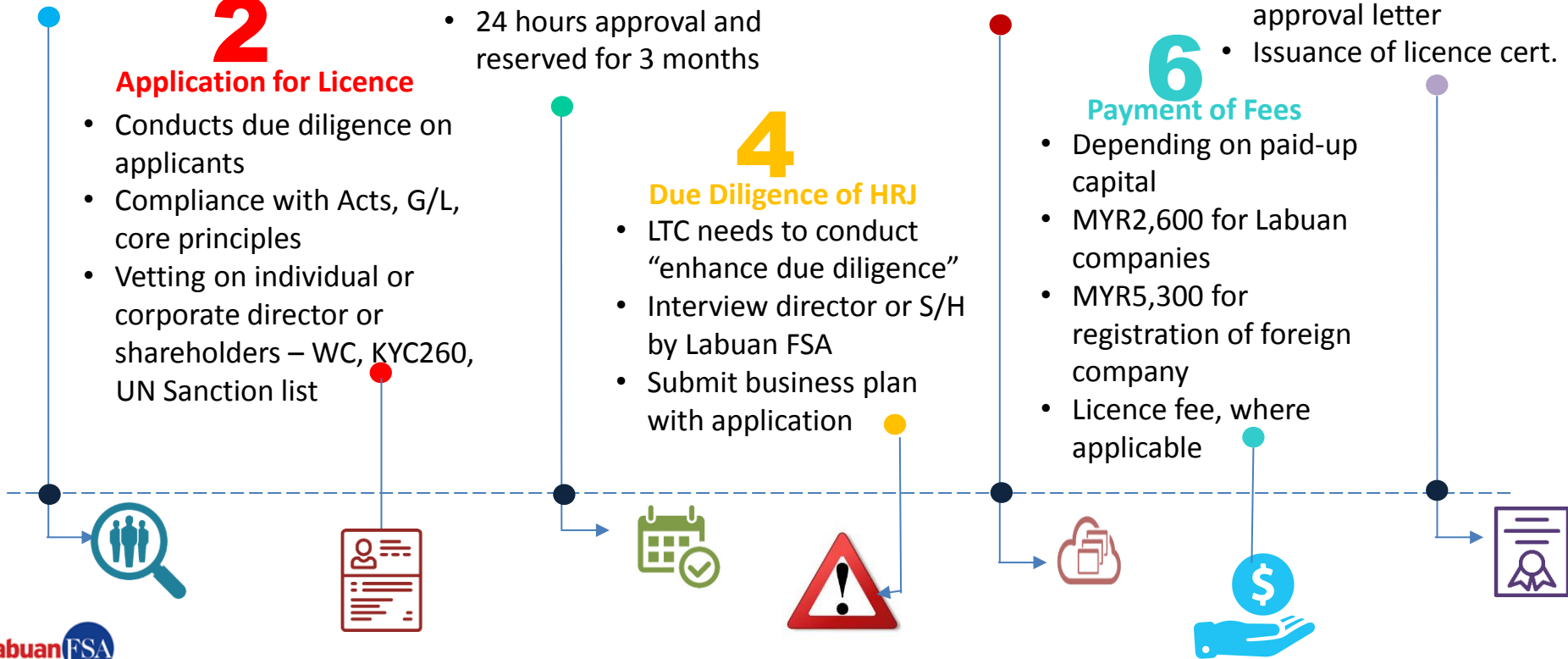
Payment of Fees

- Depending on paid-up capital
- MYR2,600 for Labuan companies
- MYR5,300 for registration of foreign company
- Licence fee, where applicable

7

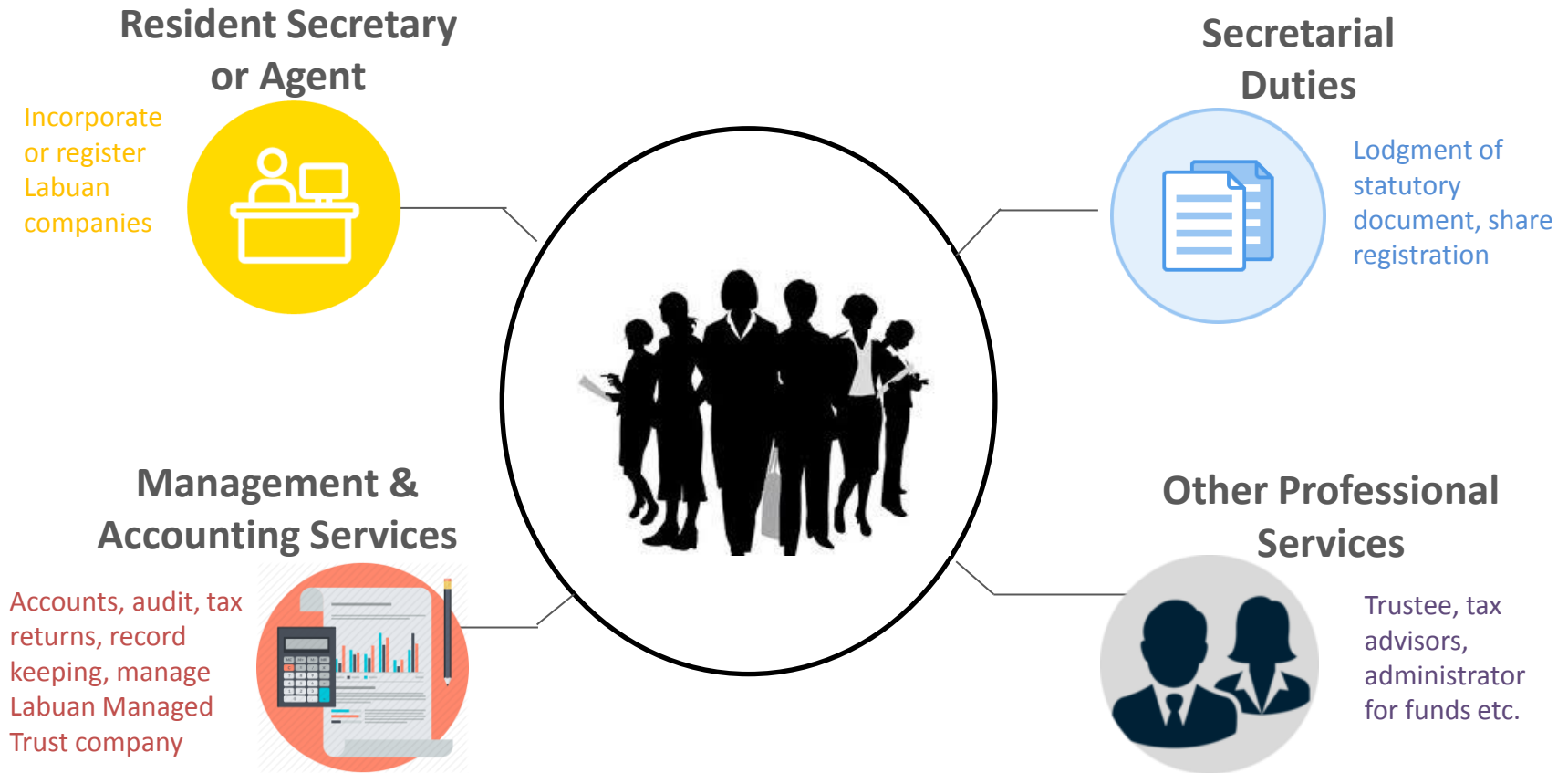
Licence Certificate

- Recommendation by CRIMCO
- Approval by DG
- Issuance of conditional approval letter
- Issuance of licence cert.



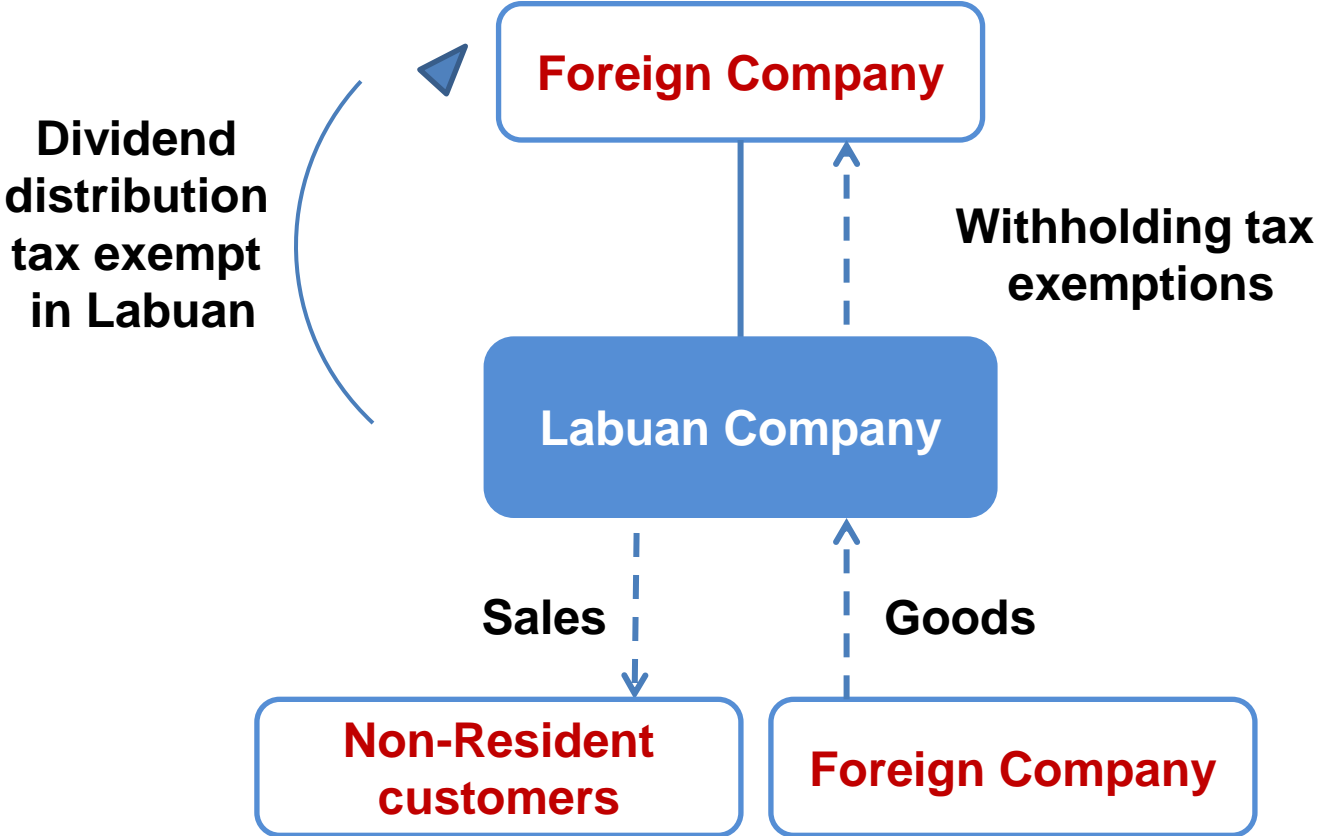
Labuan Trust Company

Labuan Trust Companies play an important role in facilitating investors to incorporate or register their establishments in Labuan IBFC



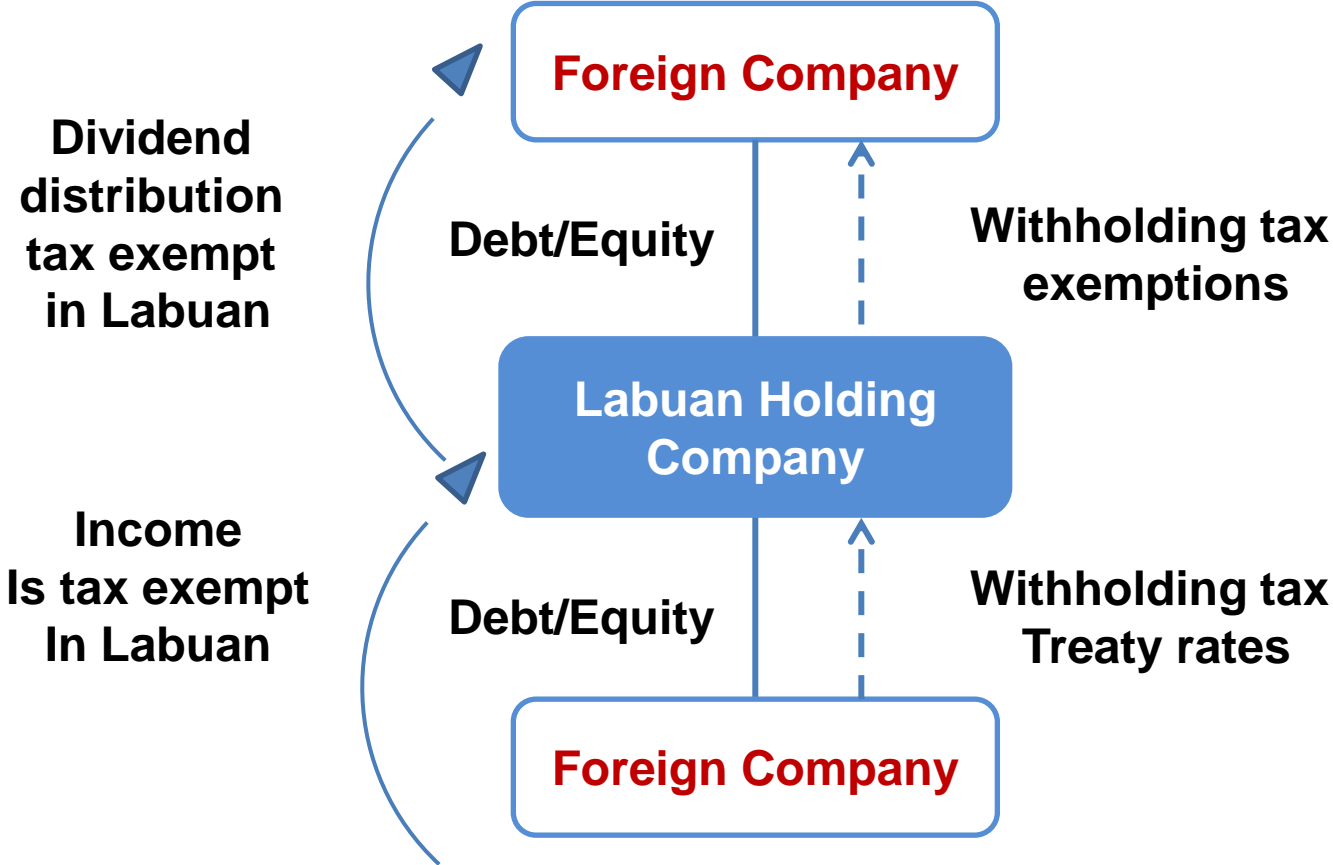
Business Structures

Labuan Trading company



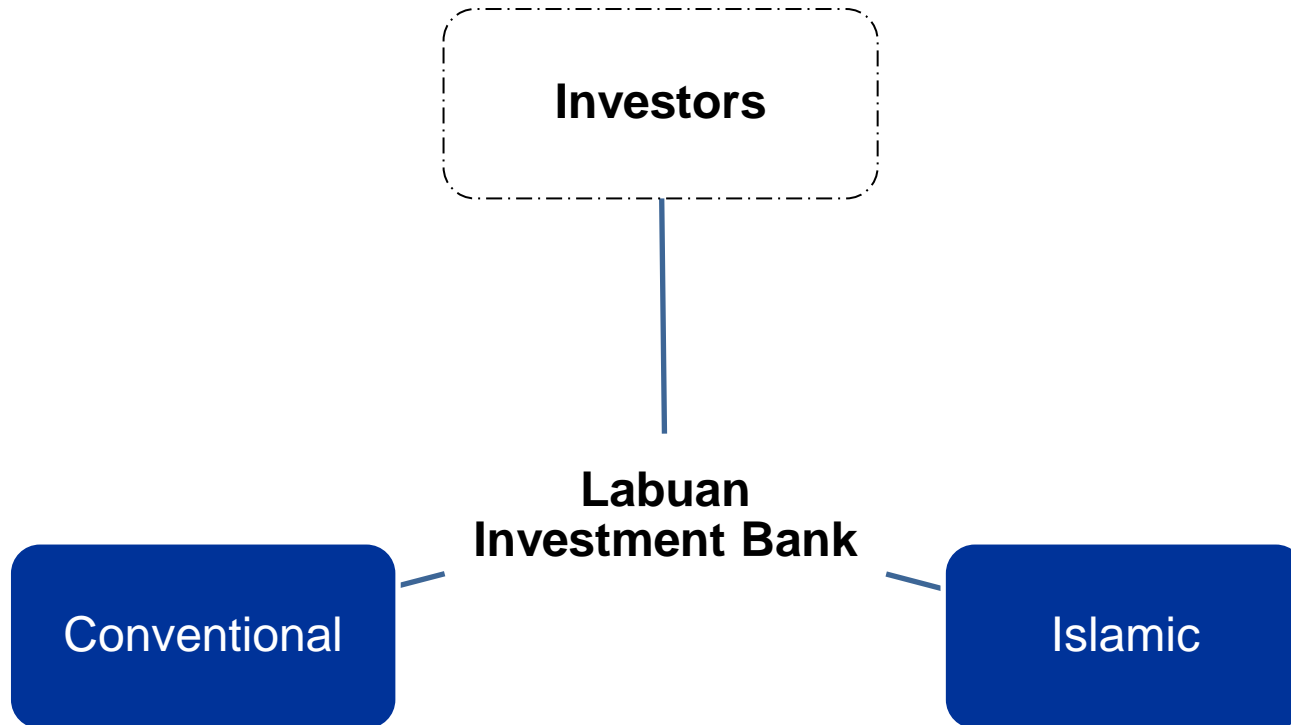
Business Structures

Labuan Holding company



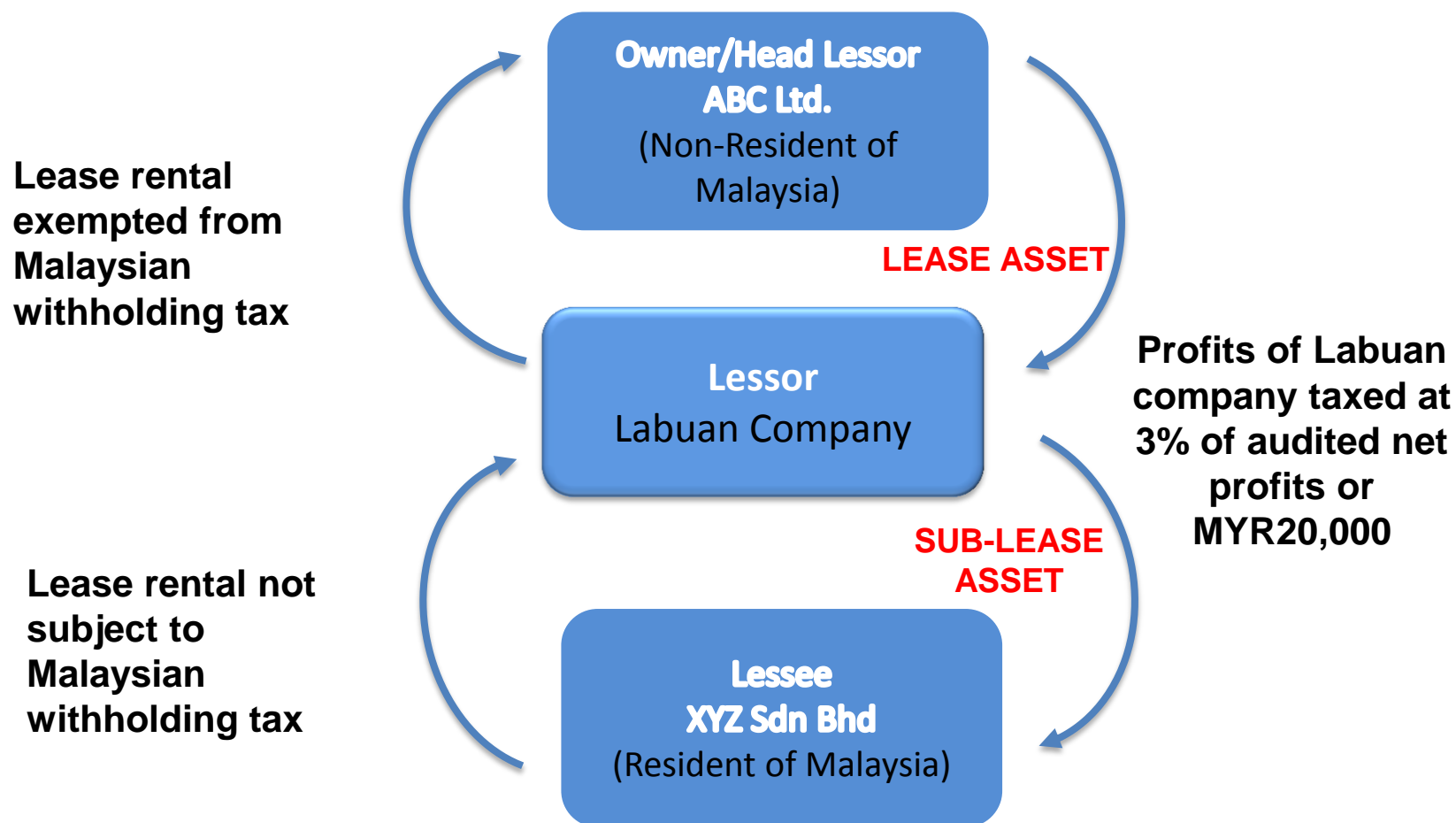
Labuan Investment Bank

- The business provides consultancy and advisory services to corporate on investment matters;
- Undertakes forex transaction, interest swaps, dealing in derivatives/financial instruments
- Labuan Islamic investment banking business



Labuan Leasing

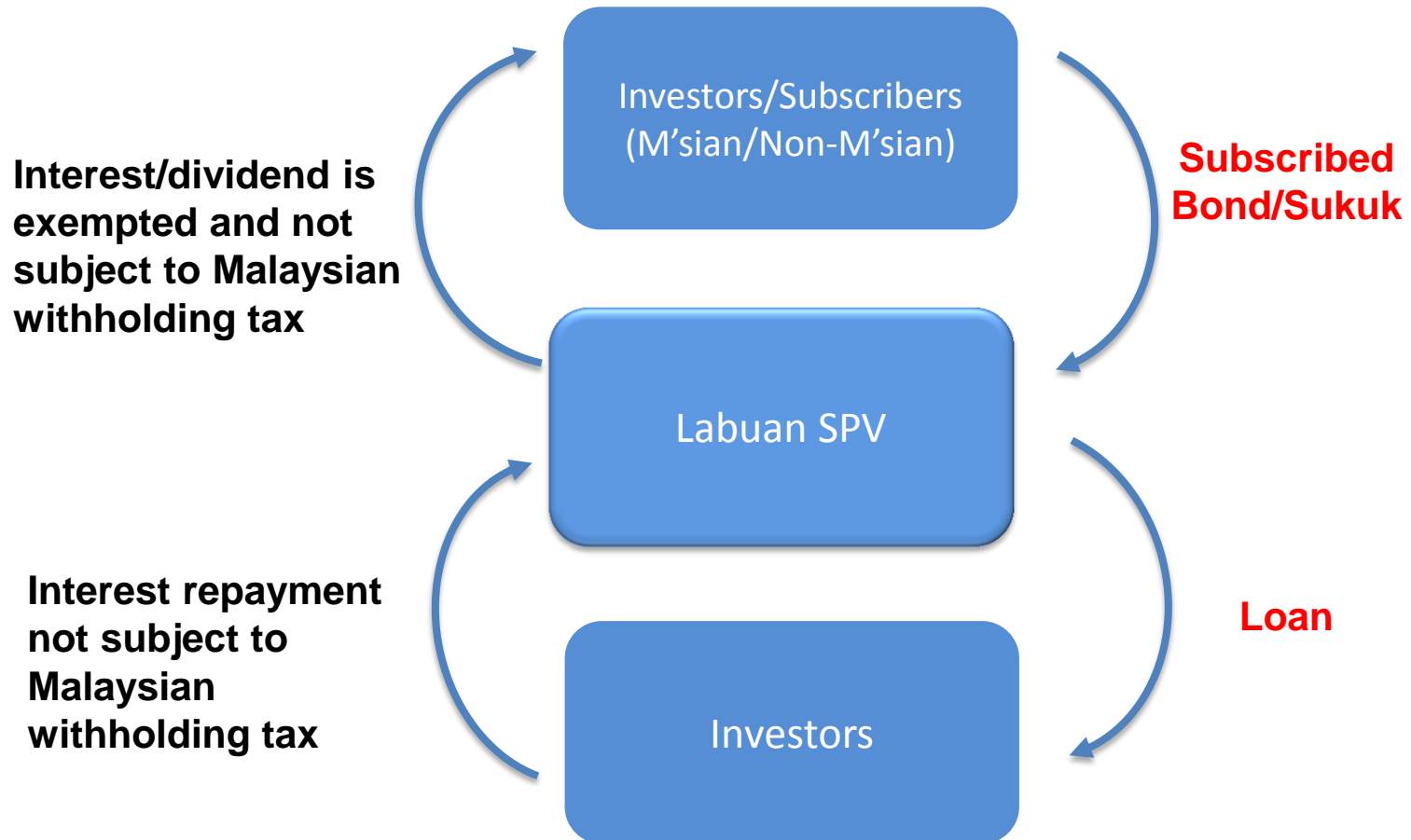
Business of letting or sub-letting property for hire for the purpose of use of such property by the hirer regardless whether the letting is with or without an option to purchase the property



Labuan SPV Fund Raising Instrument

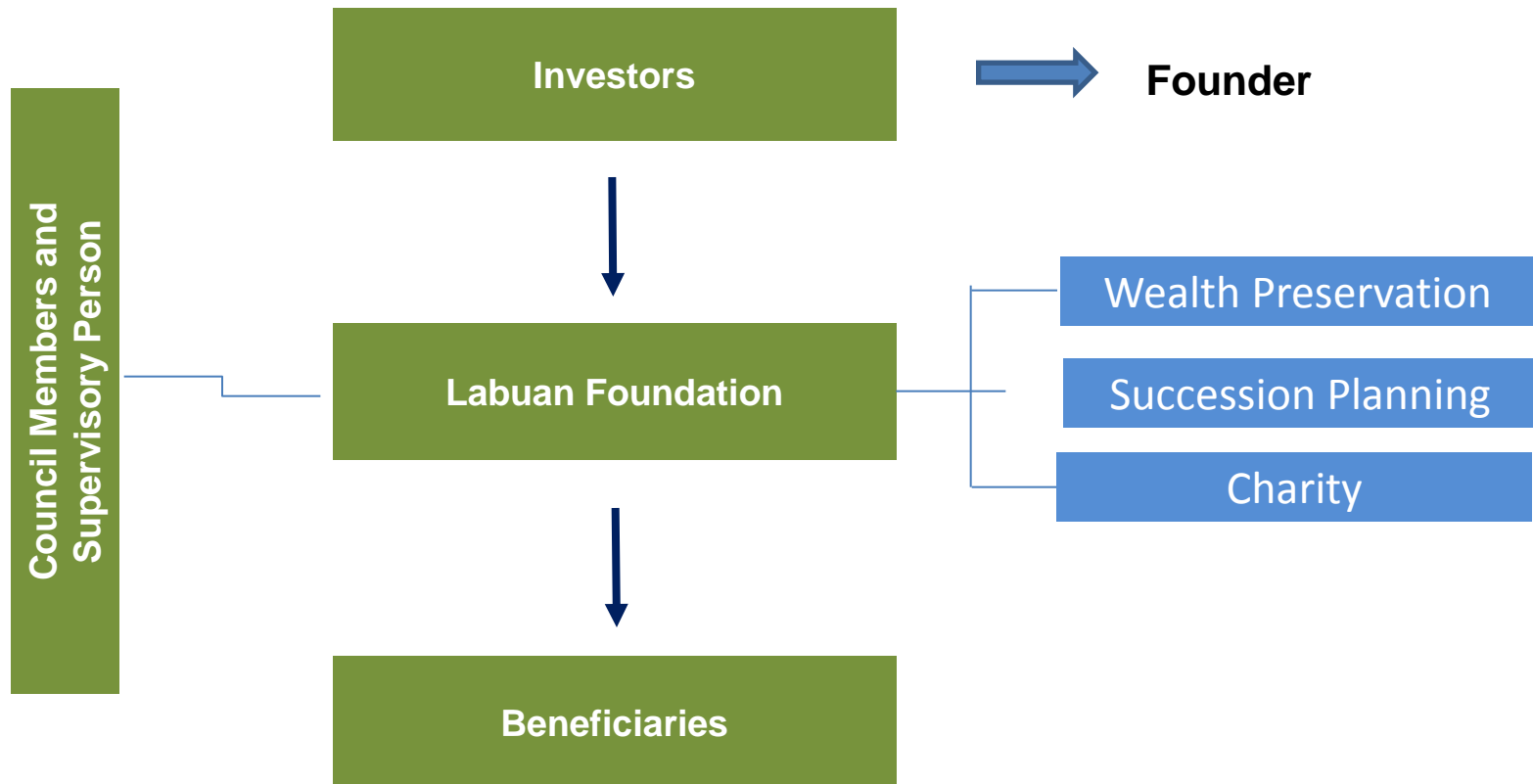
Two types of Mutual funds:

- Private funds – specific limit on number of investors
- Public funds – offer for subscription to any member of public



Labuan Foundation

A Labuan foundation may include any purpose or object which is not unlawful, immoral and such purpose or object may be charitable or non-charitable



GIFT Programme: Initiatives Undertaken to Enhance Trading Activities in Labuan IBFC

GIFT

Labuan IBFC structure

Labuan International Commodity Trading Company (LITC)



Aim at positioning Malaysia as the trading hub for petroleum and related products in Asia Pacific

Incentives

- ✓ Initial 5 years – 3% tax on audited net profits
- ✓ Qualifying criteria thereafter - 3% tax rate if LITC has achieved the qualifying criteria in its operations
 - Min annual turnover US\$100m
 - Min annual spending to Malaysian entities of MYR3m (~US\$1m)
 - Min 3 professional traders employed throughout its operations
- ✓ 50% tax exemption on gross income for foreign professional traders employed
- ✓ Registered office in Labuan, operational office anywhere in Malaysia
- ✓ Can deal with residents in trading of petroleum, petroleum related products and LNG
- ✓ Zero tax for first 3 years operation in LNG trading

Labuan IBFC - Home to International Financial Brands

BANKING

JPMorganChase BNP PARIBAS
 DBS MIZUHO ICBC Citi
 Rabobank 台中銀行 TAICHUNG BANK
 OCBC Bank

(RE)INSURANCE

RGA® LLOYD'S AIG XL CATLIN
 Allianz SCOR The Art & Science of Risk CHUBB® Kuwait Re

CAPTIVES

bgc CHALLENGE GROUP ZENITH INSURANCE
 ENERGAS INSURANCE (L) LIMITED Genting Group

LEASING

MAERSK DRILLING GE Capital ROLLS ROYCE
 BOC AVIATION Air-Asia Malindo air
 CALC malaysia airlines

INTERNATIONAL TRADING

Vitol S&D SUCDEN
 PETRONAS LNG

TRUST COMPANY

TMF GROUP PORTCULLIS
 tricolor ALPADIS

Labuan IBFC – Opportunity for UMS Students



Labuan IBFC Employment As At 31 December 2017



Total Employment Created : 5,583



Employee Profiling

61%
3,425

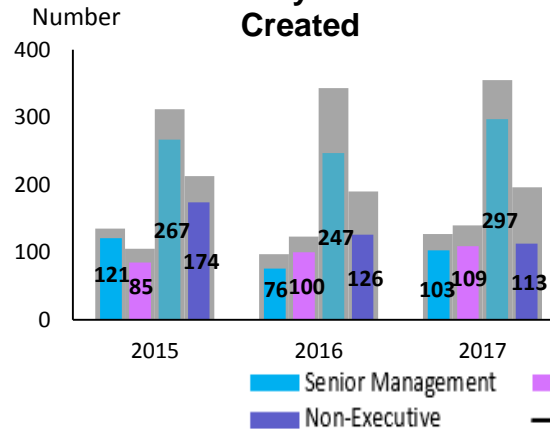


39%
2,158

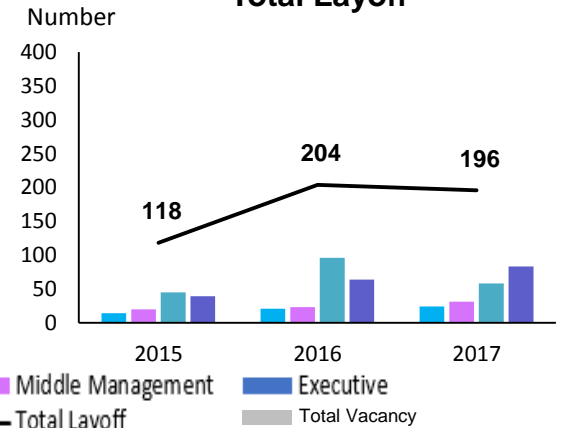
Employee Origin

70% Malaysian, 30% Foreign

Total Vacancy VS New Job Created



Total Layoff

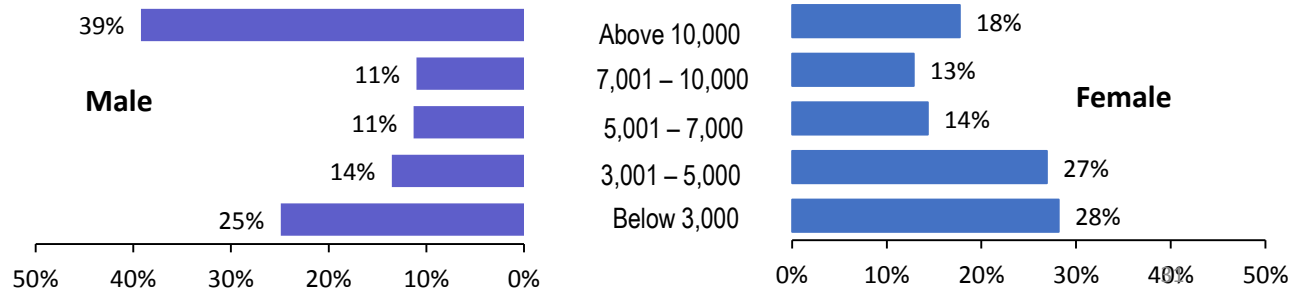


Note: Based on Labuan IBFC Employment Survey conducted in 2017



■ Middle and top income earners (>RM5,000)
■ Low income earners (<RM5,000)

Gross Monthly Income (MYR)



Opportunity in Labuan IBFC and Labuan Island

INTERNSHIP

➤ Various field of studies to expose students with work environments

MANAGEMENT TRAINEE

➤ Various field of studies
➤ On job training



- Accounting
- Economics
- Islamic Finance
- Business Management
- Banking

EMPLOYMENT

- Actuarial Science
- Human Resource Mgt
- Information Technology
- Mass Communication
- Public Relations



Banks, Insurance & insurance related companies, Trust Companies, Accounting & Auditing firms, Legal firms, O&G industry, Trading companies, Office management etc.

Preparation for Employment: CV

- Personal Information
- Qualifications
- Extra Curricular Activities
- Practical Training Information
- Work Experience (if any)
- Expected Salary
- Notice required
- Referees
- Contact info – phone, email, address



Preparation for Employment Interview

- Be prepared
 - Dress code
 - Info about company
 - Info on the post applied
- Anticipate the Qs
- Aptitude test / Assessment



Interview methods:



Key Takeaways

- Study for future and knowledge NOT for exam
- Be prepared - global development/changes
- Resourceful and Positive
- Creative and Innovative
- Cultivate Integrity

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