



GUIDELINES ON CO-LOCATION OF LABUAN INSURANCE AND TAKAFUL LICENSEE

1.0 Preamble

- 1.1 This Guideline is issued pursuant to section 4A of the Labuan Financial Services Authority Act 1996.
- 1.2 This Guideline provides the option to establish an office or offices in any part of Malaysia for all Labuan insurance and takaful licensee (hereinafter referred to as the "Co-located office").

2.0 Who Qualifies and Conditions Imposed

- 2.1 All Labuan insurance and takaful licensees (licensed under the Labuan Financial Services and Securities Act 2010 (LFSSA) and Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA)) except:
 - 2.1.1 Labuan Insurance manager;
 - 2.1.2 Labuan Underwriting manager;
 - 2.1.3 Labuan Takaful manager; and
 - 2.1.4 Labuan Takaful Underwriting manager.
- 2.2 The Labuan insurance and takaful licensee approved to co-locate under this Guideline must appoint a Labuan insurance manager or Labuan takaful manager or Labuan underwriting manager or Labuan takaful underwriting manager or continue to have management office in Labuan, whichever applicable.
- 2.3 Labuan insurance and takaful licensee that have marketing office may apply to convert the existing marketing office into the Co-located office.

2.4 However, those with Co-located office are not allowed to apply for marketing office under the Guidelines on the Establishment of Marketing Office in Kuala Lumpur and Iskandar Malaysia

3.0 Permitted Activities

3.1 All Labuan insurance and takaful licensees approved to co-locate **SHALL ONLY** carry out Labuan insurance and takaful business.

3.2 The Co-located office may be used to facilitate the business of Labuan insurance and takaful licensee by leveraging, among others, on the infrastructures, human capital, professional services, recreational and residential facilities that are available in the co-located cities.

3.3 Labuan insurance and takaful licensee may conduct the following activities at the Co-located office-

3.3.1 **Underwriting**

3.3.2 **Risk management**

3.3.3 **Claims adjustment, assessment and settlement**

3.3.4 **Treasury including investment**

3.3.5 **Accounting**

3.3.6 **Administration and Human Resources**

3.3.7 **Sales and marketing**

3.4 All record keeping function including accounting records and other records as specified under LFSSA and LIFSSA and other statutory compliance requirement must remain to be in Labuan.

4.0 Operational Requirements

4.1 Address of the Co-located Office

4.1.1 Labuan insurance and takaful licensee is required to inform Labuan FSA the address and contact numbers of the Co-located office prior

to the commencement of its operations and of any subsequent changes.

- 4.1.2 The Co-located office must be segregated and independent from the office of other entity/company and has its own phone line, fax machine and computer terminal separate from the other entity/company.
- 4.1.3 It must be managed by its own personnel with sufficient books and records that would explain their activities at the Co-located office.

4.2 Name and Signboard

- 4.2.1 The name of the Labuan insurance and takaful licensee must be easily legible in Romanised characters, printed on a signboard affixed at the entrance of the Co-located office and shall include the words “licensed by Labuan FSA”.
- 4.2.2 The signboard must contain the following information of Labuan insurance and takaful licensee-
 - a) Company's name;
 - b) Type of licence; and
 - c) Licence number.
- 4.2.3 In addition, the Labuan insurance and takaful licensee must comply with requirements of the relevant local authorities with regard to the signboard and the Co-located office, wherever applicable.

4.3 Others

Labuan FSA may request the Labuan insurance and takaful licensee to provide statistical information in such manner and frequency as may be determined by Labuan FSA with regard to its activities in the Co-located office.

5.0 Market Conduct and Consumer Protection

Labuan insurance and takaful licensee that co-locates under this Guideline is expected to comply with the Guidelines on Market Conduct for Labuan Insurance and Insurance-Related Companies issued by Labuan FSA on 27 September 2007.

6.0 Annual Fee

- 6.1 The annual licence fee payable is as specified under the *Labuan Financial Services and Securities (Amendment) Regulations 2022*.
- 6.2 The subsequent payment of annual fee is payable not later than 15 January of each year.

7.0 Revocation and Surrender

- 7.1 Labuan FSA reserves the right to vary, review, impose additional conditions or revoke the approval if Labuan FSA is satisfied, based on the information made available to it, that the Labuan insurance and takaful licensee has not complied with any laws or requirements in relation to the Co-located office.
- 7.2 Notwithstanding the above, the Labuan insurance and takaful licensee may surrender the approval under this Guideline by notifying Labuan FSA in writing not less than 1 (one) month from the date it intends to close the Co-located office.

8.0 How to Apply?

- 8.1 The application under this Guideline can be submitted to:

Head of Authorisation and Licensing Unit
Labuan Financial Services Authority (Labuan FSA)
17th Floor, Main Office Tower
Financial Park Complex, Jalan Merdeka
87000 Federal Territory of Labuan, Malaysia

Telephone no. : 03 8873 2000
Facsimile no. : 03 8873 2209
E-mail : bplicensing@labuanfsa.gov.my

- 8.2 The submission should include but not limited to the following-

8.2.1 Business plan that illustrates the following-

- a) Rationale or purpose of co-locating the office under this Guideline;

- b) Activities to be performed at Labuan office and at the Co-located office after the co-location; and
- c) Relocation plan of staff from Labuan to the Co-Located office (if any).

8.2.2 Organisation chart of the management office in Labuan (if any) and Co-located office and including the estimate number of staff after the co-location takes place.

8.3 Notwithstanding the above, Labuan FSA may request other information for the purpose of processing the application.

9.0 Effective Date

This Guideline shall come into effect on **1 March 2011** and would remain effective and applicable unless amended or revoked otherwise.

Labuan Financial Services Authority

20 June 2025 (Updated)

18 December 2015

1 March 2011