



LABUAN FINANCIAL SERVICES AUTHORITY (LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

Our Reference : 330/2025/ALL
Date : 1 December 2025

Association of Labuan Banks (ALB)
Labuan Investment Banks Association (LIBA)
Association of Labuan Trust Companies (ALTC)
Labuan Banks Compliance Officers' Network Group
LIIA Compliance Officers' Networking Group
ALTC Compliance Officers' Networking Group
Digital Financial Services Compliance Officers' Networking Group
Labuan Charitable Foundations

Dear Chairmen/Sir/Madam,

Updated Red Flag Indicators for Labuan IBFC

We refer to our earlier circular dated on 31 December 2024 and wish to inform you that an updated list of red flag indicators has been issued on 1 December 2025.

2. Based on recent Legal Persons Risk Assessment 2024 conducted on Labuan legal persons, Labuan FSA has identified that the potential common threats associated with these entities include fraud, corruption and tax evasion. In this regard, Labuan FSA has updated the list of red flag indicators to include new indicators specifically relating to Labuan legal persons. These new indicators are intended to complement the existing list in our effort to eliminate the potential misuse of Labuan legal persons for illicit and unlawful purposes. In this regard, the updated list can be accessed via the following link: <https://www.labuanfsa.gov.my/amlcft/guidelines-directives-circulars>.

3. It is important to note that the list of indicators is neither exhaustive nor prescriptive. Labuan entities are expected to exercise sound judgment and adopt a holistic approach when assessing suspicious activities, taking into account the combination of red flag indicators rather than relying on any single factor. The updated indicators should be incorporated into your risk management and compliance frameworks to ensure effective detection and mitigation of potential threats.

4. For further clarification or assistance on the above, please do not hesitate to contact our officers as follows:

Name	Contact No.	Email Address
Ms. Nursyafikah Ab Llah	03 – 8873 2126	nursyafikah@labuanfsa.gov.my
Ms. Dian Melissa Firdaus	03 – 8873 2043	dian@labuanfsa.gov.my
Ms. Essah Abd Manaf	03 – 8873 2073	essah@labuanfsa.gov.my

Thank you.

Yours sincerely,



ESSAH ABD MANAF

Head

AML Policy, Risk Monitoring & Surveillance

Regulatory Policy Department

For Labuan Financial Services Authority