



WHY LABUAN IBFC FOR FUND MANAGERS?

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An ideal Tax-Neutral Jurisdiction for Fund Management

Labuan International Business and Financial Centre (Labuan IBFC) provides an internationally recognised regulatory regime in a business-conducive environment for fund managers with a wide range of fund structures and wealth management solutions, including but not limited to private funds and umbrella funds via the protected cell company vehicle.

The fund itself together with the fund management operations can also be managed in accordance with Shariah principles or using a digital platform as Labuan IBFC is a digitally facilitative jurisdiction.

Labuan IBFC allows fund managers located both within and outside of Labuan IBFC to establish funds within its jurisdiction, in addition, fund managers are able to manage, promote and distribute both Labuan and non-Labuan funds.

“ Labuan IBFC is also known as an attractive back office fund management and administrative centre, due to our operational cost efficiencies and multilingual talent base.”

Indeed, Labuan IBFC is known to be one of the key centres for global fund administration services through our various trust and corporate services entities.

Labuan Fund Management activities

A Labuan company that is incorporated for the purpose of fund management, and in most instances for mutual fund management, is licensed under Section 40 of Labuan Financial Services and Securities (Amendment) Act 2022 or Section 45 of Labuan Islamic Financial Services and Securities (Amendment) Act 2022, and may perform the following:



Management services

- Acting or offering to act as a portfolio manager on behalf of clients with a portfolio of securities that include foreign funds.
- Managing activities related to the acquisition or disposal of a portfolio of securities including funds.
- Managing clients' discretionary accounts including but not limited to Labuan private funds.



Investment services

- Conducting securities analysis and making investment recommendations based on stated investment objectives.
- Providing advice concerning securities including the issuance or promulgation of research report and analysis.
- Providing consultancy and advisory services relating to corporate finance and financial planning matters for corporate clients.



Administrative services

- Making submissions on behalf of clients to Labuan Financial Services Authority in respect of securities including any other reporting requirements.
- Issuing any documents which are deemed to be a prospectus.



Dealing in securities

- Quoting two-way prices and dealing in securities.
- Arranging for the sale or purchase of securities including those that are not listed on a stock market of a stock exchange, issued by, belonging to or on behalf of clients.
- Underwriting of securities and placement out of such underwritten securities.

Key Benefits to setting up in Labuan IBFC



Regulated and supervised under a robust and internationally recognised and business-friendly legal framework enacted via Malaysian Acts of Parliament



Neutrality: a cost-efficient tax neutral jurisdiction ideal for substance creation



Allows for legal neutrality via the choice of dispute settlement mechanism, including but not limited to Alternative Dispute Resolution



Currency neutrality – all transactions in Labuan IBFC may be transacted in any currency



Coupled with a skilled and talented workforce, Labuan IBFC operates in the same time zone with most Asian cities



A Labuan entity is deemed as a non-resident under Malaysia's foreign exchange administration rules and therefore operates in a liberal exchange control environment



Offers tax certainty and access to the majority of Malaysia's more than 70 double taxation agreements



No withholding taxes on income distributions



No stamp duty on all instruments which are executed by a Labuan entity in connection with a Labuan business activity



Able to establish a marketing office anywhere in Malaysia



No requirement for local or domestic directors or principal officers



Reasonable regulatory fees



Access to a wide array of professional service providers onshore in Kuala Lumpur, or abroad

Summary of Labuan IBFC Strategic Roadmap 2022-2026



Strategic Thrusts



Spurring Market Innovations & Vibrancy

- Transforming into a Digital Financial Hub
- Intensifying Labuan's insurance market growth
- Promoting international Islamic finance
- Revitalising niche and prospective segments



Promoting Market Facilitation & Visibility

- Upscaling Labuan IBFC's ecosystem and infrastructure
- Enhancing Labuan IBFC's visibility and branding



Strengthening Labuan IBFC's Complementary Roles to Malaysia

- Complementary capacity to Malaysia's economy



Effecting Relevant & Proportionate Regulations

- Continued prudential regulatory and legal upscaling in accordance with international standards
- Developing risk-sensitive, fit-for-purpose regulations to cater for emerging concerns
- Securing good ratings for incoming international assessments on Labuan IBFC
- Fiscal planning to meet Organisation for Economic Co-operation and Development's (OECD) new requirements and BEPS 2.0



Effecting Pre-Emptive Supervision & Enforcement

- Intensifying and modernising supervisory approach and cross-border engagements

FOR MORE INFORMATION, LOG ON TO www.labuanibfc.com

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