

Labuan IBFC: Regional Wholesale Financial and Risk Intermediation Centre

7 September 2021

Labuan IBFC – Gateway to Asia Pacific

More than 30 Years of Intermediating Asia



- An international business and financial centre set up by Malaysia in 1990 to intermediate trade, finance, risk and wealth.
- A tax-efficient substance enabling MIDSHORE jurisdiction to facilitate businesses, trading, investments through financial services and a wide array of legal structures.
- Well-balanced legal and regulatory framework, proportionality in regulatory stance.
- Robust governing legislations passed by the Malaysian Parliament, administered by Labuan Financial Services Authority, a statutory body under the Ministry of Finance, Malaysia.
- Adheres to Malaysia's AMLCFT requirements and international standards and best practices set by multilateral global institutions.



Insurance & Risk Management Landscape

- Labuan IBFC offers a wide range of insurance, reinsurance and self-insurance structures. Boasting a comprehensive “toolbox” of self-insurance structures and solutions, both in the conventional and Shariah compliant versions.
- Provides a complete risk management ecosystem, more than 220 (re) insurers and insurance intermediaries as well as more than 50 banks, numerous underwriting and insurance managers providing a high level of advisory & management services.
- Labuan IBFC is the only Asian jurisdiction that offer PCC captive, and is now Asia’s fastest growing self insurance market.

Labuan Insurance and Risk Management Solution

INSURANCE



- Direct Insurance
- Reinsurance
- Insurance broking
- Captive Insurance
- Underwriting and insurance manager

- Labuan insurer may carry on the reinsurance of Malaysia insurance business, including making and receiving payments in Malaysian Ringgit.
- Labuan (re)insurers were accorded with right of first refusal for Malaysian risks prior to ceding outside Malaysia. Labuan IBFC serves as significant reinsurance support to Malaysia cedants.

Labuan Insurance Industry Continues to Grow for the Past 5 Years

2020 HIGHLIGHTS

221

Number of Insurance and Insurance Related Companies

55

Captives

79

Brokers

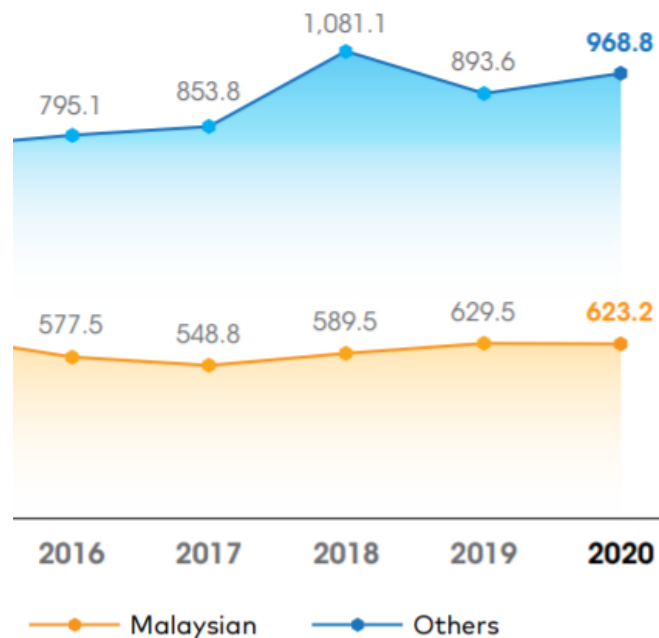
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(Re)insurers

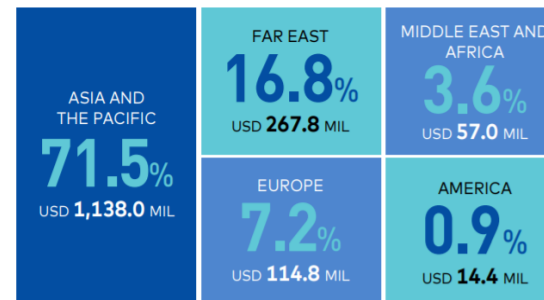
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Managers

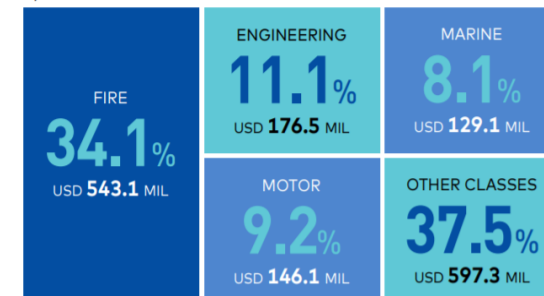
Total Gross Premium (in USD Mill)



Premium Distribution by Region

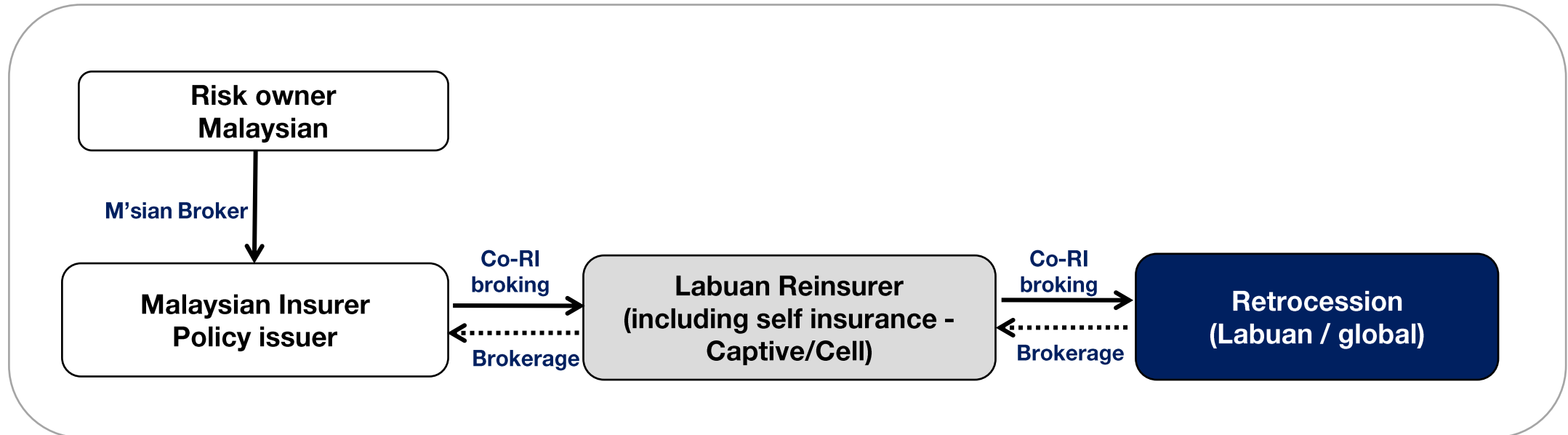


Premium Distribution by Sector



- In 2020, total gross premiums recorded a marginal growth to USD1.6 billion, mainly from (re)insurance business (60.8%).
- Foreign business continues to form the larger share of 60.9% or USD968.8 million of the total underwritten premiums.
- Fire sector remains the largest business with 34.1% market share or USD543.1 million of the total underwritten premiums.
- In 1H 2021, industry sector remains as one of the key growth areas with more than 10 new license approvals. The total number of insurance and insurance related license holders stood at 228.
- For total gross written premiums, in Q1 2021, it recorded growth of 12.6% to USD564.7 million.
- Reinsurance sector continued to dominate the market, with a share of 51.7%; focusing on underwriting of fire, marine and motor risks.

Opportunise the Growth of Labuan Insurance Industry



- **Section 127 of Financial Services Act 2013: M'sian risks must be insured by BNM licensed insurers unless approved by BNM.**
- **Labuan insurer may underwrite reinsurance of Malaysia insurance business, including transact in Malaysian Ringgit.**

Why Labuan IBFC?

- It is a robust and well-regulated midshore jurisdiction, conforming to international standards and best practices
 - Malaysia (which includes Labuan) is regarded as a “whitelist” jurisdiction by the EU.
 - The Labuan regime has been classified as “not harmful” by the OECD
- It is legislated by a common law framework, offering a comprehensive suite of legislation enabling companies to create bespoke solutions for business growth and innovation.
- Supported by a complete ecosystem with more than 200 (re)insurers and insurance intermediaries as well as more than 50 banks.
- Offer wide range of (re)insurance solutions and structures including captive/self insurance, only jurisdiction with PCC in Asia.
- Deemed as non-resident under the Malaysia foreign exchange administration rules and therefore is subject to a more liberal exchange control environment.
- Currency neutrality – operations can be in any currency supported by your bankers.
- Cost-effective, substance-enabling jurisdiction with tax efficiency. Able to access to Malaysia’s DTAs.

Let's Stay in Touch

For further questions, please contact:

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Thank You
Terima Kasih