



CLARIFICATION NOTE ON THE REQUIREMENTS OF A NATURAL PERSON TO BE APPOINTED AS A RESIDENT DIRECTOR (RD) OF A LABUAN COMPANIES PURSUANT TO SECTION 87(2)(b) OF THE LABUAN COMPANIES ACT 1990 (LCA)

1.0 PREAMBLE

1.0 This clarification note is issued to provide clarity on the requirements impose on a natural person appointed as a director of a Labuan company issued under section 87(2) of the LCA.

1.1 This clarification note is also applicable to foreign Labuan company.

2.0 CLARIFICATION

2.1 Section 87(1) of the LCA stipulates that every Labuan company shall have one or more directors at least one of whom shall be a RD.

2.2 Further, it is stated in subsection 87(2) of the LCA that that the following person can be appointed as a RD for a Labuan company-

a. a trust officer of a Labuan trust company approved by Labuan FSA under the Labuan Financial Services and Securities Act 2010 made available by the Labuan trust company to be appointed as a RD; or

b. any natural person who-

i. has attained the age of eighteen years old;

ii. has full legal capacity;

iii. has consented to the appointment as a resident director, and fulfil the following requirements-

iv. is a citizen of any country except citizen of Israel and Democratic People's Republic of Korea (North Korea);

- v. is not listed as sanctioned individuals in the United Nations Security Council Resolutions (UNSCRs) lists i.e. UNSCR 1267(1999), 1373(2001), 1988(2011), 1989(2011), 2253(2015), 1718(2006), 2231(2015) also the Ministry of Home Affairs List i.e. List of entities determined by the Minister of Home Affairs under section 66B(1) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as published in its website and any other list as Labuan FSA may adopt and issue; and
- vi. is not a disqualified person pursuant to section 90 of the LCA.

2.3 Labuan FSA reserved the right to determine such other requirement or amend any of the requirements herein as it may determine necessary from time to time.

Labuan Financial Services Authority
4 September 2023