



## GUIDELINES ON THE ESTABLISHMENT OF LABUAN MARKETING OFFICE

### 1.0 Introduction

- 1.1 The *Guidelines on the Establishment of Labuan Marketing Office* (Guidelines) provides clarification with regard to the regulatory requirements for the establishment of Labuan Marketing Office (LMO) by Labuan companies outside the Labuan Island in Malaysia, which may only undertake the following marketing activities:
- 1.1.1 Facilitate meetings with existing clients; and
  - 1.1.2 Establish contacts with potential clients.
- 1.2 LMO is expected to ensure that its premise is not used to maintain its books and records and no trading activities are undertaken through, from or in the LMO.

### 2.0 Applicability

- 2.1 The Guidelines is applicable to Labuan companies, including licensed entities<sup>1</sup>, that intend to establish an LMO and there is no restriction to the number of LMO that can be established.
- 2.2 Notwithstanding the applicability as specified under paragraph 2.1, the applicants that intend to establish an LMO under the Guidelines would not be allowed to have a Labuan Co-Located Office under the following guidelines, vice versa:
- 2.2.1 Guideline on Co-Location of Labuan Bank;
  - 2.2.2 Guideline on Co-Location of Labuan Insurance and Takaful Licensee; and
  - 2.2.3 Guideline on Co-Location of Labuan Holding Company.

### 3.0 Legal Provision

- 3.1 The Guidelines is issued pursuant to Section 4A of the Labuan Financial Services Authority Act 1996 to provide clarification to the provisions in the Labuan Companies Act 1990 (LCA), Labuan Financial Services and Securities Act 2010 (LFSSA), Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA) on the establishment of LMO of Labuan companies or licensed entities outside the Labuan Island in Malaysia.

<sup>1</sup> Labuan companies licensed under the LFSSA or the LIFSSA.

- 3.2 The Guidelines should be read in conjunction with the provisions of all Labuan laws such as the LCA, LFSSA, LIFSSA as well as written directions, guidelines and circulars that Labuan FSA may issue from time to time.
- 3.3 Any person who fails to comply with the Guidelines commits an offence upon which Labuan FSA may undertake appropriate enforcement action to the extent provided by the law.
- 3.4 Labuan FSA reserves the right to revoke the approval due to non-compliance with Labuan FSA's regulatory requirements.

#### **4.0 Effective Date**

- 4.1 The Guidelines shall come into effect immediately and would remain effective and applicable unless amended, superseded or revoked.
- 4.2 The Guidelines will supersede the *Guidelines on the Establishment of Marketing Office in Kuala Lumpur and Iskandar Malaysia* issued on 5 March 2014 by Labuan FSA.
- 4.3 All approvals, decisions, directions or exemptions granted by Labuan FSA relating to marketing office under the Guidelines mentioned in paragraph 4.2 above shall continue to remain valid unless revoked.

#### **5.0 Application Requirements**

- 5.1 All Labuan companies must submit the application for establishment of LMO through the Labuan trust companies via the COR@L system.
- 5.2 For Labuan licensed entities, application can be done by submitting a duly completed application form with the relevant supporting documents as stipulated in the Form "Establishment of Office", which is downloadable at [www.labuanibfc.com](http://www.labuanibfc.com). The completed form may be submitted by:
- 5.2.1 Labuan licensed entity;
  - 5.2.2 Labuan insurance manager or Labuan underwriting manager; or
  - 5.2.3 Labuan takaful manager or Labuan takaful underwriting manager.
- 5.3 The following information must be submitted with the application together with a processing fee as listed under Paragraph 7.1:
- 5.3.1 The address, contact details of the LMO including the officer in charge;
  - 5.3.2 Organisation charts of the operational office in Labuan and LMO; and

- 5.3.3 The marketing plan that illustrates the activities that will be performed at the LMO, including three years financial projection (statement of comprehensive income and statement of financial position) of the company with the expansion through the LMO.
- 5.4 Depending on the merits of each application, additional information may be requested by Labuan FSA to facilitate the processing of the application.
- 5.5 Labuan companies are reminded of the need to comply with the substance requirements as per P.U. (A) 392 Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulations 2018 in order to be accorded the incentives under Labuan Business Activity Tax Act 1990 (LBATA).

## **6.0 Operational Requirements**

- 6.1 The signboard of the LMO must contain the following:
- 6.1.1 Labuan company's name, easily legible in Romanised characters and printed on a signboard affixed at the entrance of the LMO;
  - 6.1.2 Incorporation/registration/licensed number; and
  - 6.1.3 The words "Labuan company/licensed entity\*" regulated by the Labuan Financial Services Authority.
- \*Whichever applicable and subject to the requirements under LFSSA or LIFSSA*
- 6.2 Comply with requirements of the relevant local authorities, wherever applicable.
- 6.3 The premise of the LMO should strictly be used for the purposes as specified under paragraph 1.0. It is also expected that the LMO would be sufficiently segregated.
- 6.4 Provide notification to Labuan FSA within thirty (30) days on any changes to the address of the LMO being affected including its business plan.
- 6.5 Comply with the relevant directive, guidelines and reporting requirements issued by Labuan FSA from time to time.
- 6.6 LMO must submit a half-yearly marketing office activity report and other statistical information in such manner and frequency as may be determined by Labuan FSA with regards to its activities.

## 7.0 Fees Payable

7.1 The fees payable to Labuan FSA to establish an LMO are as follows:

Type of Fee		Amount
(i)	Annual marketing office fee (for each office)	RM7,500/ USD2,500
(ii)	Processing fees (non-refundable):	
	<u>Labuan Company</u>	
	(a) Normal application	RM300/ USD100
	(b) "Fast Track" application	RM1,300 / USD450
	<u>Labuan Licensed Entity</u>	
	(a) Normal application	RM1,000/ USD350
	(b) "Fast Track" application	RM4,500 / USD1,550

7.2 The subsequent payment of the annual marketing office fee for the LMO is payable not later than 15 January of each year.

## 8.0 Submission of Application and Enquiries

8.1 Any submission of application or enquiries on the establishment of the LMO may be forwarded to the following contact details:

Director  
Legal and Business Management Department  
Labuan Financial Services Authority  
Level 17, Main Office Tower  
Financial Park Complex  
Jalan Merdeka  
87000 Federal Territory of Labuan

Telephone : 087-591 200  
Fax : 087-453 442/413 328  
Email : roc@labuanfsa.gov.my (Labuan company)  
bou@labuanfsa.gov.my (Licensed entities)

### Labuan Financial Services Authority 12 April 2019 (Revised)

*5 March 2014  
14 November 2003  
1 July 1998  
3 July 1995*