

## What You Need To Know

It has now been established how attractive a proposition Labuan is as a domicile for an insurance and insurance-related business. The midshore financial centre continues its ascendancy as one of the fastest growing and most favourable financial risk management centres in Asia.

This is indeed music to the ears of those with Labuan in their minds as the domicile for their insurance broking company. However, it's crucial to have a basic understanding of the layouts for establishing an insurance broking company on the island before proceeding with plans to set-up base.

This quick information will provide you with awareness on what is required to kick start the establishment of your operations.

- ➔ To appoint a Trust Company – to comply with the Labuan Companies Act 1990 (LCA) – to handle all incorporation and secretarial matters.
- ➔ In compliance with the LFSSA, you must set-up an office in Labuan or appoint a licenced Insurance Manager, such as Brighton Management Limited, to act as your manager in the event you choose not to establish an office in Labuan.
- ➔ It's compulsory to appoint an external auditor.
- ➔ Your establishment could either be a Labuan company (incorporated under LCA) or a foreign Labuan company (a branch registered under LCA) of a corporation established in a country other than Malaysia.
- ➔ For an insurance broker, particularly, a Labuan company is recommended.

- ➔ According to the LCA, the reservation of your company's name must be handled by a Labuan Trust Company (authorised by Labuan FSA) and appointed by you, in a process that is expected to take just a day.
- ➔ To apply for an operating license from Labuan FSA, you are required to submit Form LIB, accompanied by supporting documents as stated in the form.
- ➔ Form LIB is the official application to carry out a Labuan insurance and insurance-related business.
- ➔ You are required to inform Labuan FSA of any amendments or alteration to any business information that was provided to Labuan FSA at the time of application.
- ➔ It is compulsory for an insurance broker to submit a report to Labuan FSA within six months after the close of every financial year.
- ➔ Submission includes four copies of the company's audited annual balance sheet and, profit and loss account.

***In the final instalment of the Labuan insurance broker series, we will take a quick look at company incorporation and issuance of licence certificates. Stay tuned!***