

A Glance At The Essentials

At this point you have already grasped the basics of what is required to set-up a Labuan Insurance Broker company. You also have a big picture of the benefits of doing business in an island that offers an efficient, strategic and business-friendly environment.

However, there are two more important areas that you need to understand when it comes to establishing an insurance broker in Labuan. In this article, we will take a quick glance at incorporation and licence certificate issuance.

Incorporation of Company

The following are key processes upon Labuan FSA's approval of your license application to carry out your broking business:

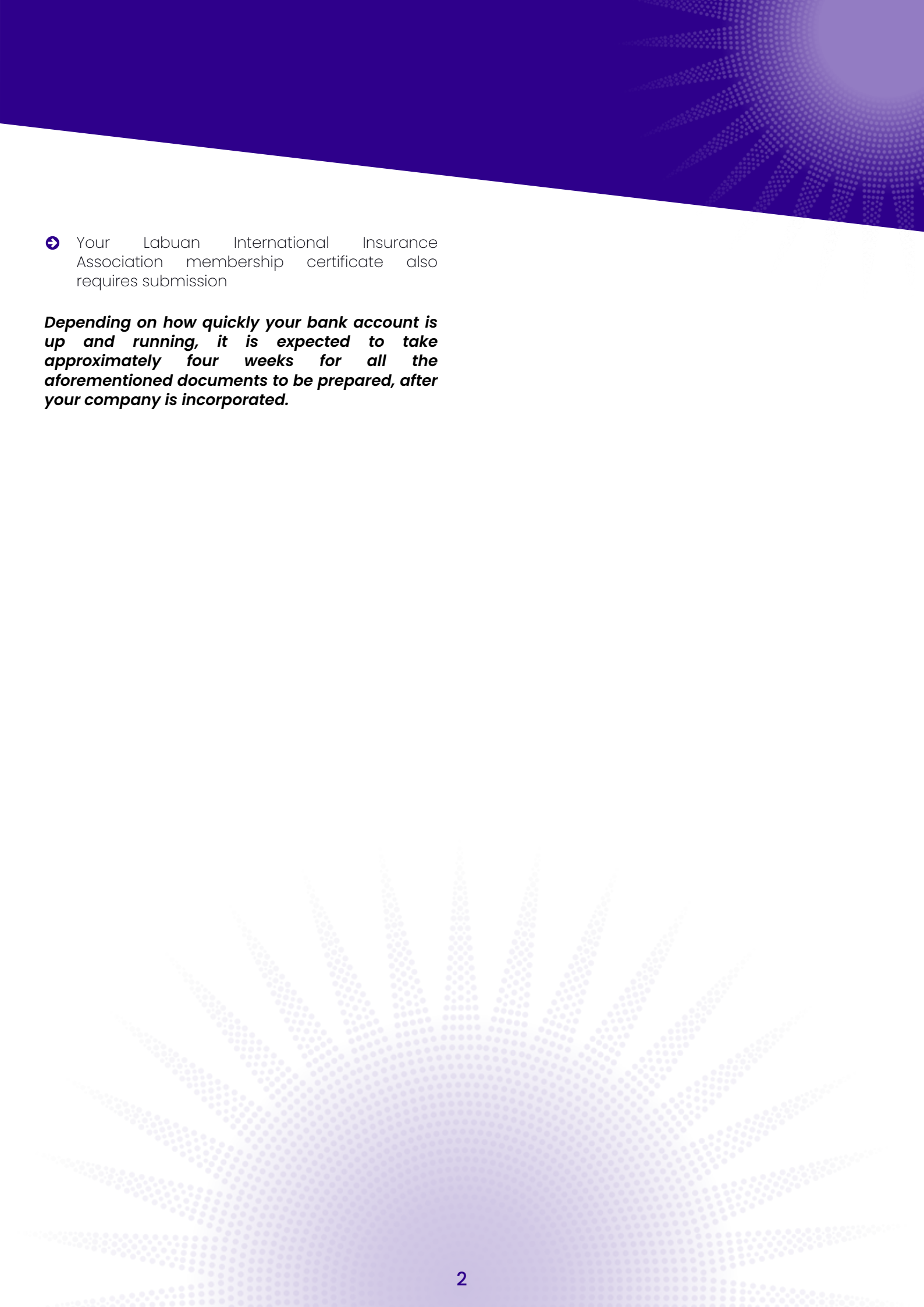
- ➔ The incorporation of your company will be handled by your appointed Labuan Trust Company
- ➔ The trust company will do the preparation and lodgement of the Memorandum and Article of Association
- ➔ They will also assist with the Lodgement of Form 21 and Form 6 (similar to Form 45 and 48A, as prescribed in the Companies Act, 1965)
- ➔ Upon these submissions, the Company will then be incorporated within one day
- ➔ After incorporation, you are required to open a bank account with any Labuan Bank Licensed in Labuan
- ➔ You must transfer the paid-up capital as specified in Labuan FSA's letter to your company's bank account in Labuan

- ➔ An application to the Labuan International Insurance Association needs to be submitted
- ➔ The Management Services Agreement must be executed via your appointed Labuan insurance manager

Issuance of License Certificate

To facilitate the issuance of your licence certificate, here are the documents that require submission:

- ➔ A certified copy of the Certificate of Incorporation, under the Labuan Companies Act 1990
- ➔ A certificate of evidence that states the working funds / paid up capital has been deposited with a bank in Labuan for the operations of the company
- ➔ The Management Services Agreement (MSA) between your insurance broking company and Brighton Management Limited, or any similar licenced Insurance Manager
- ➔ To make a payment of RM20,000 to Labuan FSA for your licence fee via bank draft / cheque
- ➔ If you have a marketing office or are co-located, you must pay Labuan FSA a fee of RM7,500 / RM10,000 for this facility
- ➔ A letter of undertaking by your insurance broking company
- ➔ You are required to obtain a professional indemnity insurance policy of not less than RM 2.5 million or its equivalent in any foreign currency, or the amount specified in the initial letter of approval

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- ➔ Your Labuan International Insurance Association membership certificate also requires submission

Depending on how quickly your bank account is up and running, it is expected to take approximately four weeks for all the aforementioned documents to be prepared, after your company is incorporated.