Appendix

Substantial Activity Requirements for Labuan Entities

No.	Labuan entity carrying on a Labuan business activity	Existing substantial activity requirements		Revised substantial activity requirements	
		Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)	Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)
1.	Labuan insurer, Labuan reinsurer, Labuan takaful operator or Labuan retakaful operator	4	150,000	3	200,000
2.	Labuan underwriting manager or Labuan underwriting takaful manager	4	100.000		
3.	Labuan insurance manager or Labuan takaful manager	4	100,000		
4.	Labuan insurance broker or Labuan takaful broker	4	100,000	2	100,000
5.	Labuan captive insurer or Labuan captive takaful (a) Labuan first party captive insurer or Labuan first party captive takaful ; or (b) Labuan third party captive insurer or Labuan third party captive takaful (Items (a) & (b) – new sub-categories added)	4	100,000	 2 3	 100,000 100,000
6.	Labuan International Commodity Trading Company	3	3,000,000	(Deleted)	(Deleted)
7.	Labuan bank, Labuan investment bank, Labuan Islamic bank or Labuan Islamic investment bank	3	180,000	3	200,000
8.	Labuan trust company	3	120,000		

No.	Labuan entity carrying on a Labuan business activity	Existing substantial activity requirements		Revised substantial activity requirements	
		Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)	Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)
9.	Labuan leasing company or Labuan Islamic leasing company	2	100,000		
	(a)not more than 10 related Labuan leasing companies or Labuan Islamic leasing companies;			2 for each group of companies	100,000 for each Labuan leasing company or Labuan Islamic leasing company
	(b)11 to 20 related Labuan leasing companies or Labuan Islamic leasing companies			3 for each group of companies	100,000 for each Labuan leasing company or Labuan Islamic leasing company
	(c) 21 to 30 related Labuan leasing companies or Labuan Islamic leasing companies;			4 for each group of companies	100,000 for each Labuan leasing company or Labuan Islamic leasing company
	(d) more than 30 related Labuan leasing companies or Labuan Islamic leasing companies (Items (a) to (d) are new sub-categories added)			1 additional employee for each group of companies for each increase of 10 related Labuan leasing companies or Labuan Islamic leasing companies	100,000 for each Labuan leasing company or Labuan Islamic leasing company
10.	Labuan credit token company or Labuan Islamic credit token company	2	100,000		

No.	Labuan entity carrying on a Labuan business activity	Existing substantial activity requirements		Revised substantial activity requirements	
		Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)	Minimum number of full time employees in Labuan	Minimum amount of annual operating expenditure in Labuan (RM)
11.	Labuan development finance company or Labuan Islamic	2	100,000		
12.	Labuan building credit company or Labuan Islamic building credit company	2	100.000		
13.	Labuan factoring company or Labuan Islamic factoring company	2	100,000		
14.	Labuan money broker or Labuan Islamic money broker	2	100,000		
15.	Labuan fund manager	2	100,000		
16.	Labuan securities licensee or Labuan Islamic securities licensee	2	100,000		
17.	Labuan fund administrator	2	100,000		
18.	Labuan company management	2	100,000		
19.	Labuan International Financial Exchange	2	120,000		
20.	Self-regulatory organisation or Islamic self-regulation organisation	2	120,000		
21.	Labuan entity that undertakes investment holding activities other than pure equity holding activities	2	50,000	1	20,000
22.	Labuan entity that undertakes pure equity holding activities			Exempted under the Labuan Business Activity Tax (Exemption) Order 2020 [P.U.(A) 177/2020]	20,000

For the purposes of the above:-

(a) A company shall be deemed to be related to another company accordance with Section 4 of the Labuan Companies Act 1990 [Act 441]; and

(b) where:-

  (i) 2 or more companies are related within the meaning of section 4 of the Labuan Companies Act 1990

  (ii) a company is so related to another company which itself so related to a third company

  (iii) the same person is holding more than 50% of the shares in each of 2 or more companies

  (iv) each of 2 or more companies is so related to at least one of two or more companies to which subparagraph (iii)

all these companies are deemed to be in the same group