

TECHNICAL

Direct Taxation

LABUAN FSA - UPDATES ON LABUAN LEASING BUSINESS & LABUAN IBFC'S NEW TAX FRAMEWORK

The Labuan Financial Services Authority ("Labuan FSA") has issued the [Guidelines on the Establishment and Operations of Labuan Leasing Business \(revised as at 5 March 2019\)](#) ["the revised Guidelines"] on their website. The purpose of the revised Guidelines is to clarify the application procedure, operational and regulatory requirements for Labuan companies carrying out leasing business in the Labuan International Business and Financial Centre ("IBFC"). It replaces the [Guidelines dated 29 December 2017](#) (reported in our [e-CTIM TECH-DT 27/2018](#) dated 26 April 2018).

The Labuan FSA has also issued [Frequently-Asked Questions \(FAQs\) on Labuan IBFC's New Tax Framework \(dated 31 January 2019\)](#) on their website. The FAQs are on the following areas:-

- a. General
- b. Employment
- c. Annual Operating Expenditure
- d. Miscellaneous

The FAQs are related to recent tax legislation in respect of Labuan such as the amendments to the Labuan Business Activity Act 1990 in the [Finance Act 2018](#) (reported in our [e-CTIM TECH-DT 99/2018](#) dated 28 December 2018) and the [Labuan Business Activity Tax \(Requirements for Labuan Business Activity\) Regulations 2018](#) [P.U. (A) 392/2018] (reported in our [e-CTIM TECH-DT 3/2019](#) dated 9 January 2019).

Members may read the revised Guidelines & FAQs at the websites of the [Institute](#) and the [Labuan FSA](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concerns or comments you may have on the [revised Guidelines](#) and [FAQs](#).

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