

TECHNICAL

Direct Taxation

Labuan FSA: Circular on Addition to the Revised Substance Regulations

Further to the Labuan Financial Services Authority's (FSA) [Clarification on LIC Pronouncement 2-2019](#) (refer to our [e-CTIM TECH-DT 6/2020](#)), the Labuan FSA has uploaded a [Circular](#) dated 21 January 2020 on Addition to the Revised Substance Regulations on its website. The Circular sets out the additional business activity under [P.U. \(A\) 392/2018](#) as approved by the Ministry of Finance in the table below.

No.	Labuan entity	Existing Substance Regulations		Revised Substance Regulations	
		FTE	OPEX (RM)	FTE	OPEX (RM)
1.	<u>Other trading entity</u> Labuan entity that carries out administrative, accounting and legal services including backroom processing, payroll services, talent management, agency services, insolvency related services and management service	Nil	Nil	2	50,000

The above revised substance regulations is to take effect from 1 January 2019 and is subject to the final gazetted regulations on amendments to P.U. (A) 392/2018.

The Labuan FSA can be contacted for clarification on the [Circular](#) as follows:-

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Members may view the Circular in full at the [Institute's website](#) and the [Labuan FSA website](#).

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

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