

LABUAN MARKETING OFFICE IN MALAYSIA

Guidelines on establishment of Labuan Marketing Office in Malaysia had been issued by the Labuan Financial Services Authority (“**Labuan FSA**”).

All Labuan companies must submit the application for establishment of Labuan Marketing Office to Labuan FSA through a Labuan IBFC registered trust company (via COR@L system).

Role / Purpose of Labuan Marketing Office

- > Limited to facilitate meetings with existing clients and establish contacts with potential clients of the Labuan Company.
- > No maintenance of books and records (including trading activities) shall be done through, from or in the Labuan Marketing Office.

Operational requirements

> Location and Address

- > Labuan companies must maintain an Operational Office in Labuan prior to establishment of the Labuan Marketing Office outside of Labuan Island.
- > The Labuan Marketing Office must be sufficiently segregated with its own signboard.
- > The premise of the Labuan Marketing Office should strictly be used for specific purposes and not for personal use or accommodation.
- > Labuan companies that have an existing Kuala Lumpur Marketing Office may apply to establish another Marketing Office anywhere outside of Labuan Island in Malaysia (whether licensed or non-licensed). Notwithstanding this, the Labuan companies are to ensure that the establishment of the Labuan Marketing Office complies with the relevant regulatory requirements imposed by the local Authorities.

> Name and Signboard

Name of the Labuan Company together with its Company's number (and license number, if applicable) must be printed on a signboard affixed at the entrance of the Labuan Marketing Office.

> Statistical Requirement

Labuan Marketing Office must submit a yearly marketing office activity report and other statistical information in such manner and frequency as may be determined by Labuan FSA with regards to its activities.

Substance Requirement under LBATA (with effect from 1st January 2019)

- > Pursuant to section 2B(1) (b) of LBATA, the Labuan entities shall, for the purpose of the Labuan business activity, have :-
 - (i) an adequate number of full time employees in Labuan; and
 - (ii) an adequate amount of annual operating expenditure in Labuan, as prescribed by the Minister by regulations made under this Act.
- > Section 2B (1A) of LBATA provides that a Labuan entity carrying on a Labuan business activity which fails to comply with the substance requirement for a basis period for a year of assessment shall be charged to tax at the rate of twenty four per cent (24%) upon its chargeable profits for that year of assessment.
- > Labuan companies are reminded of the need to comply with the substance requirements as per P.U.(A) 423 Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulations 2021 in order to be accorded the incentives under LBATA.

Fee Payable

The annual fee imposed on each Labuan Marketing Office is payable when the application is approved by Labuan FSA and remains valid until 31 December of the year of approval. Subsequent annual fee is payable to Labuan FSA on or before 15 January of each calendar year.

> Processing Fee (once off)

- > USD350 - each application for Labuan licensed entity
- > USD100 - each application for Labuan company

> Annual Fee

- > USD2,500 - for each Labuan Marketing Office

Application for Marketing Office

Kensington Trust Labuan Limited is a licensed trust company in Labuan and may assist you with –

- > application for Marketing Office
- > establishment and administration of your Labuan company



KEY CONTACTS



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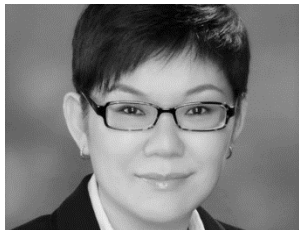
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ABOUT JTC KENSINGTON

JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC, offering trust, fiduciary and corporate services and fund administration.

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

We value shared ownership

- > We operate around the principle that if our people have a stake in the business, they will do a better job for our clients.

We value relationships

- > We aim to work with clients who share our belief in the importance of building strong relationships over time.

We invest in our people

- > Over 70% of our employees hold a relevant professional qualification or are working towards this through our dedicated JTC Academy.

We embrace technology

- > Our market-leading systems and operating platforms are robust, powerful and flexible.



REGULATION AND TERMS OF BUSINESS

JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC Group. Kensington Trust Group entities that carry on regulated business are (respectively): regulated by the Labuan Financial Services Authority, the Companies Commission of Malaysia and the Monetary Authority of Singapore.

JTC Group entities that carry on regulated business are (respectively): regulated by the British Virgin Islands Financial Services Commission; the Cayman Islands Monetary Authority; the Guernsey Financial Services Commission; the Jersey Financial Services Commission; the Commission de Surveillance du Secteur Financier and the Ordre des Experts-Comptables (Luxembourg); the Financial Services Commission (Mauritius); De Nederlandsche Bank (Netherlands); the South African Financial Sector Conduct Authority as an authorised financial services provider; chartered and regulated to provide trust services by the South Dakota Division of Banking in South Dakota (USA); a member of l'Association Romande des Intermédiaires Financiers (Switzerland); licensed by the Isle of Man Financial Services Authority and authorised and regulated by the Financial Conduct Authority (UK).

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