

LABUAN SUBSTANTIAL ACTIVITY REQUIREMENTS

Labuan Business Activities & Economic Substance Regulations (ESR)

Code	Description of Labuan Entities	No. of Full Time Employees (FTE)	Minimum Annual Operation Expenditure (OPEX) (RM)
1	Labuan insurer, Labuan reinsurer, Labuan takaful operator or Labuan (re)takaful operator	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	2	100,000
5	Labuan captive insurer or Labuan captive takaful		
	(i) 1 st party captive	2	100,000
	(ii) 3 rd party captive	3	100,000
6	Labuan International Commodity Trading Company		
	(i) 5 or less related LITC companies	2 per group	3,000,000 per entity in Malaysia (including minimum of RM100,000 in Labuan)
	(ii) Every incremental of 5 related LITC companies	Increase of 1 employee for every additional LITC companies	
7	Labuan bank, Labuan investment bank, Labuan Islamic bank or Labuan Islamic investment bank	3	200,000
8	Labuan trust company	3	120,000
9	Labuan leasing company or Labuan Islamic leasing company		
	(i) 10 or less related leasing companies	2 per group	100,000 per entity
	(ii) 11 to 20 related leasing companies	3 per group	100,000 per entity
	(iii) 21 to 30 related leasing companies	4 per group	100,000 per entity
	(iv) Every incremental of 10 related leasing companies	Increase of 1 employee for every additional 10 companies	100,000 per entity
10	Labuan credit token company or Labuan Islamic credit token company	2	100,000
11	Labuan development finance company or Labuan Islamic development finance company	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
Holding company:			
21	Labuan entity that undertakes investment holding activities other than pure equity holding activities	1	20,000
22	Labuan entity that undertakes pure equity holding activities	Not required. Instead, to comply with management and control requirements.	20,000
Other Trading entities:			
23	Labuan entity that carries out administrative services, accounting services and legal services including backroom processing, payroll services, talent management, agency services, insolvency related services and management services	2	50,000