

LABUAN FINANCIAL SERVICES AUTHORITY
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

6 April 2012

Chairman
Association of Labuan Banks
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Dear Ms Foo Lee Choo,

**REPORTING GUIDES FOR LICENSED LABUAN BANKS – STATISTICAL
MANAGEMENT SYSTEM (SMS)**

Please be informed that we have recently enhanced the SMS and its user guide based on the collective feedback that we received from the reporting entities throughout the implementation period.

In this regard, we are pleased to enclose herewith the reporting guide for your information and kind attention. The reporting guide is also available for download at Labuan FSA website.

If you have any queries pertaining to the above, please do not hesitate to contact the following officers:

Matters	Contact persons	Direct lines (emails)
Operational	Pn Raini Abd Moin	087-591 341 (raini@labuanfsa.gov.my)
	Pn Irencce Lim	087-591 211 (irencce@labuanfsa.gov.my)
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Technical	Mr Nickie Yapp	087-591 389 (nickiey@labuanfsa.gov.my)
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Kindly disseminate the information to your members accordingly.

Thank you.

Yours sincerely,



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STATISTICAL REPORTING GUIDE FOR LICENSED LABUAN BANKS

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1. INTRODUCTION

- 1.1. The Guide is issued pursuant to section 99 of the Labuan Financial Services Securities Act 2010 (LFSSA) and section 74 of the Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA), and section 28B of the Labuan Financial Services Authority Act 1996 (LFSAA).
- 1.2. The purpose of the Guide is to clarify the reporting and submission procedure of the statistical returns on Labuan banking operations following the introduction of the Statistical Management System (SMS).

2. COVERAGE OF THE GUIDE

- 2.1. This Guide shall be applicable only to data that are submitted by all Labuan banks including Labuan Islamic and Investment banks, under the Labuan FSA's Statistical Management System (SMS). In addition to this Guide, a Labuan bank shall also refer to the RE User Guide version 1.5 that provides guidance on the system functionality.

3. THE FORMS

- 3.1. List of the online forms as follows:

- (a) Report on Assets and Liabilities;
- (b) Report on Assets and Capital;
- (c) Report on Assets Quality;
- (d) Report on Unaudited Income and Expenditure (Calendar Period);
- (e) Report on Unaudited Income and Expenditure (Financial Year);
- (f) Report on Audited Income and Expenditure;
- (g) Report on Deposits and Loans of Non-bank Customers;
- (h) Report on Ringgit Account;
- (i) Report on Investments;
- (j) Report on Loans and Deposits Related Items;
- (k) Report on Loans by Borrower and Sector;
- (l) Report on Staff Strength and Turnover;
- (m) Report on Assets and Liabilities Maturity Analysis;
- (n) Report on Loans and Advances Exposure by Countries; and
- (o) Report on Summary of Investment/Dealing Securities Exposure by Country

- 3.2. Each report shall be submitted through Labuan FSA's SMS on or before the submission deadline as specified by Labuan FSA. The table below indicates all forms covered in the SMS. Details on the submission frequency can be referred to Appendix I:-

No.	Form Names	Form Status	Form Code
1.	Report on Assets and Liabilities	New	Primary 1
2.	Report on Assets and Capital	New	Primary 4
3.	Report on Assets Quality	New	Primary 5
4.	Report on Unaudited Income and Expenditure (Calendar Period)	New	Primary 2
5.	Report on Unaudited Income and Expenditure (Financial Year)	New (Implemented in July 2011 reporting)	Primary 2 (RE FY)
7.	Report on Deposits and Loans of Non-bank Customers	Existing form transfer to SMS	LD

No.	Form Names	Form Status	Form Code
8.	Report on Ringgit Account	Existing form transfer to SMS	RA
9.	Report on Investments	Existing form transfer to SMS	LD (Investments)
10.	Report on Loans by Borrower and Sector	Existing form transfer to SMS	LBS
11.	Report on Loans and Advances Exposure by Countries	Existing form transfer to SMS	Appx (3-4)
12.	Report on Summary of Investment / Dealing Securities Exposure by Country	Existing form transfer to SMS	Appx (3-4)
13.	Report on Loans and Deposits Related Items	New	Secondary
14.	Report on Assets and Liabilities Maturity Analysis	Existing form transfer to SMS	LM (MS)

No.	Form Names	Form Status	Form Code
15.	Report on Staff Strength and Turnover	Existing form transfer to SMS (with slight changes)	SS

3.3. The following forms which are not included in the previous Bank Sub System shall continue to be submitted using the provided forms:

- Appendix 1-2 (monthly) and Appendix 3-4 (quarterly) for Malaysian subsidiary & branch banks;
- Islamic window submission; and
- External Assets & Liabilities Report (EAL).

3.4. Bank operates as a "branch" status is no longer required to submit Primary 4 (Report on Asset and Capital) effective from year 2011 onwards. The branch of international and domestic banks are expected to follow its Head Office's stringent guidelines and monitor its capital adequacy, single customer limit or large credit concentration risk at the Head Office level subject to the requirements imposed by their respective home regulator.

3.5. The Labuan FSA Supervision Banking Unit may from time to time require the bank to submit any other information or report and have a cooperation and information exchange with the respective home supervisor to ensure that the branch's operations in Labuan IBFC are conducted at the same standard as those required for "subsidiaries" banks status.

4. USER ID

4.1 Each RE shall be given one (1) user ID only. The user ID shall be provided to the bank's Principal Officer (PO) within 10 days after the licence's notification date.

4.2 PO is responsible to ensure safe keeping of the password and he/she shall change the password at least every three (3) months.

5. INSTALLATION / RE-INSTALLATION

- 5.1. The SMS installation file can be downloaded at <http://www.labuanfsa.gov.my>. RE shall refer to the RE Installation Guide version 1.41 and RE User Guide version 1.5. REs shall be responsible for the installation and maintenance of the installed system.
- 5.2. Labuan FSA would provide assistance via phone and email pertaining to any installation or technical issues on the SMS system. REs shall be responsible to carry out the installation process discretionary. REs may engage external IT vendor to assist on the matter if necessary.
- 5.3. Should there be any changes or error after the completion of the first installation, the additional visit by appointed IT service provider for the similar installation or technical issue will be chargeable.
- 5.4. REs are allowed to install the SMS system onto multiple computers. However, only one legitimate registered connection for submission given to each PO_ID.
- 5.5. REs shall perform its data backup of the SMS production computer. This is to facilitate data recovery process whenever needed. REs shall be responsible for data protection and disaster recovery measure.
- 5.6. REs are required to inform Labuan FSA to unlock registered PO_ID whenever they perform re-installation. This is to release the old ID prior re-registration process.

6. PREPARATION OF REPORTS

- 6.1. The Banking explanatory notes are available at Labuan FSA's web site. REs shall be responsible to learn and understand how to complete the report using the system.
- 6.2. REs are required to prepare and submit the statistical reports in accordance with the instructions contained in this document and the RE User Guide.
- 6.3. All reports shall be prepared in a consistent manner and scope so as to ensure that they are in accordance with the instructions and reflect a fair presentation of the financial condition and results of operations of the banks.

7. EXTENSION PROCEDURE

- 7.1. Extension request should be made in writing to Labuan FSA at least **three (3) working days** before the submission due date.

7.2. Extension request is subject to approval by Labuan FSA.

8. SUBMISSION DUE DATE

8.1. REs shall submit the return electronically on or before the due date.

9. AMENDMENTS AND RESUBMISSION

9.1. Labuan banks shall submit amended reports in full through SMS if previously submitted reports contain one or more errors as determined by Labuan FSA, or as may be discovered by the bank itself. Labuan bank shall promptly inform Labuan FSA, if there are errors in previously submitted reports within the stipulated timeframe.

9.2. Any request for re-submission shall be made via official letter to the Head of Industry Reporting Unit within **one (1) month** after the submission date by the PO. REs are required to provide justification for the request.

9.3. Upon approval, Labuan FSA will mark resubmit for the requested forms. REs need to perform hot update to re-download the forms. REs shall submit the amended forms within **two working (2) days** from the marked resubmit date. REs are expected to ensure completeness and accuracy in their reporting to Labuan FSA as pursuant to section 28B of the LFSAA 1996 and failure to comply with the said requirement tantamount to punishable offence.

10. REPORTING AND VERIFICATION OF DATA

10.1. Data are to be reported to the nearest US Dollar, unless otherwise specified. For example, USD12,005.60 should be reported as USD12,006. For data that are not reported in US Dollars, the unit of measurement which had been specified.

10.2. Rounding may result in details not adding to their stated totals. The only permissible differences between totals and sums of their components are those attributed to the mechanics of rounding. To ensure that "Total Assets" equal "Total Liabilities and Capital", the amounts for "Total Assets" and "Total Liabilities and Capital" should be derived from the unrounded amounts for their respective component items, and not from the addition of rounded components. Where the amount of a reportable item is zero, the entry made should be remains the number "0", and not other symbols or words like " - " or "nil".

10.3. All additions, subtractions, multiplications and divisions, will be automatically computed under the SMS except for Primary 4. REs are required to pre-calculate the risk weighted assets by the ratio provided and enter the net amount.

- 10.4. Labuan banks are required to cross check on the corresponding items in the related forms as per Appendix II.
- 10.5. Labuan banks are required to resolve any data inaccuracies indicated by such checks before submission of the data to Labuan FSA.
- 10.6. The PO ID shall replace the PO signature required under the Bank Sub system. Hence, Labuan FSA would consider PO has verified the report for completeness and accuracy once the report submitted to Labuan FSA.

11. VARIANCE CHECK RULES OF THE SELECTED FORMS

- 11.1. SMS provides variance checks to detect significant changes in the values of items reported in the current submission as compared with the values of the same items reported in the preceding submission. Refer to Appendix III for details of variance threshold.
- 11.2. Labuan bank are required to review and confirm the variances indicated by the system to ensure consistency and credibility of the data submitted to Labuan FSA. (Refer Appendix II). The submitted forms would be automatically rejected if the variance exceeded the set threshold. If variance failed occurs, REs are required to response to the case raised by filling up the form notes, and resubmit the forms.

Labuan Financial Services Authority
Dec 2011

Appendix I

LABUAN BANKS FORMS SUBMISSION SCHEDULE

RE Category	Form Template code	Form Description	Frequency	Financial Year	Due
Labuan Bank	Primary 1	Assets and Liabilities	Monthly	Labuan FSA	15-day
	Primary 2	Unaudited Income & Expenditure		Labuan FSA	15-day
	Primary 2 FY	Unaudited Income & Expenditure		RE	15-day
	Primary 4	Assets and Capital		Labuan FSA	15-day
	Primary 5	Asset Quality		Labuan FSA	15-day
	LD	Deposits and Loans of Non-Bank Customers and Amount due to and from Financial Institutions		Labuan FSA	15-day
	RA	Ringgit Account		Labuan FSA	15-day
	LD (Investments)	LD (Investments)		Labuan FSA	15-day
	Secondary	Loans & Deposit Related Items	Quarterly	Labuan FSA	15-day
	LM(MS)	Assets & Liabilities Maturity Analysis		Labuan FSA	15-day
	Appx (3- 4)	Appendix 3 & 4		Labuan FSA	15-day
	LBS	Loans by Borrower and Sector	Half-yearly	Labuan FSA	15-day
	SS	Staff Strength and Turnover		Labuan FSA	15-day
		Primary 3	Audited Income & Expenditure	Yearly	RE

Appendix II
CROSS CHECK FORMS AND DESCRIPTION

	Forms	Description
1	Secondary vs LD	Loans by Sector (included islamic loans) vs grand total loans by country Non bank Vs loans outstanding in LD
2	Note only	Financing by concept-key in the islamic loans by concept- this figures is included in figure reported by country and by sector.
3	LD vs Secondary 2	Deposit by country -Non bank (included islamic deposit) vs total deposit in LD form
4	Appendix 3 & 4	To report Bank & Non bank data
5	LBS vs LD	Total Loans by borrower and sector vs Total outstanding Loans in LD form.
6	Primary 1	Total Assets = Total Liabilities + capital

Appendix III

VARIANCE CHECK RULES

Item	Variance Check Rules	Form
1. Total Loans & Advances and Financing	More than 30% and the increase/decrease of USD50.0 million from the previous submission.	Primary 1/Tab 3- Total Loans & advance
2. Deposits Accepted from Customers	More than 30% and the increase/decrease of USD50.0 million from the previous submission.	Primary 1/Tab 4 - Total Liabilities & Capital
3. Total Commitment & Contingencies	More than 30% and the increase/decrease of USD50.0 million from the previous submission.	Primary 1/Tab 6 - Total Commitment & Contingencies