

LABUAN FINANCIAL SERVICES AUTHORITY

A 25-YEAR JOURNEY

DEDICATION • DETERMINATION • DYNAMISM

25th **Labuan** **FSA**
Financial Services Authority
ANNIVERSARY

MARKING A STERLING MILESTONE

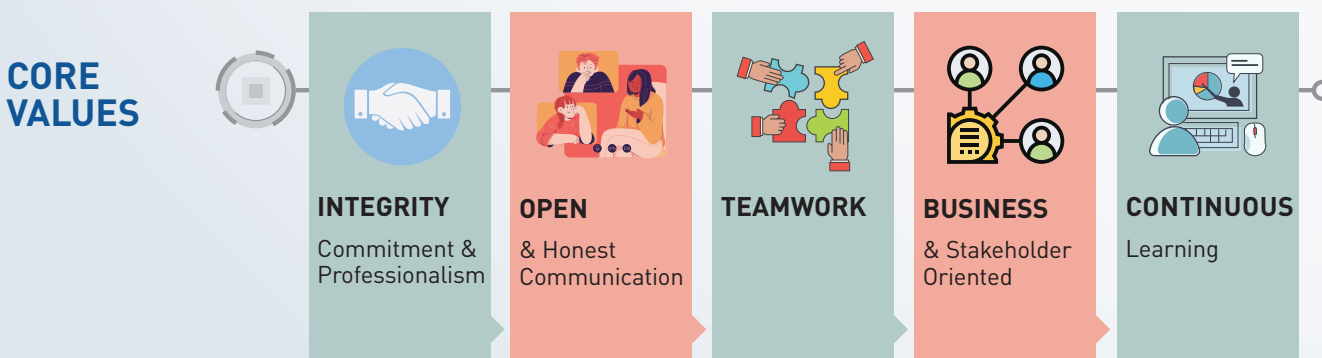
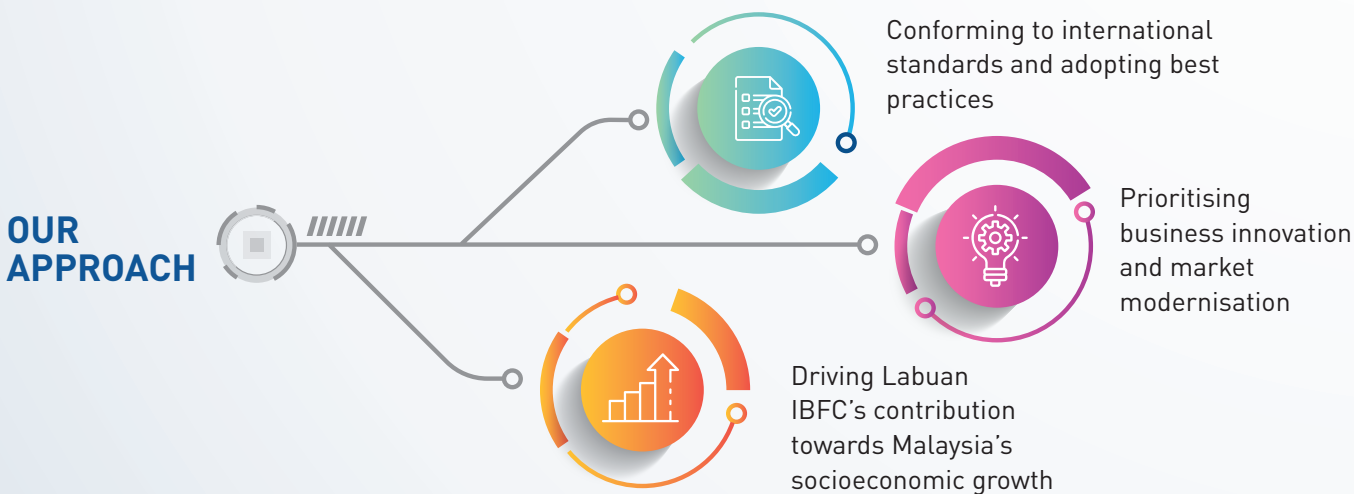
SERVING 25 YEARS AS THE REGULATOR OF ASIA'S WHOLESALE INTERMEDIATION CENTRE, LABUAN IBFC

Having begun its journey as the regulator for Labuan IBFC on 15 February 1996, Labuan FSA celebrates its silver jubilee in 2021. Growing from strength to strength, the 25-year progress has been a fulfilling period of growth, with a myriad of challenges accompanied by rewarding achievements.

The establishment of Labuan FSA had led to the transformation and streamlining of regulatory and supervisory functions in administering the financial activities in Labuan IBFC under a central authority. It aims to promote and develop Labuan as a preferred international business and financial centre in Asia.

From less than 20 staff during inception, today Labuan FSA has over 100 staff. The last two decades have seen dynamic progress as Labuan FSA pursued policy changes as well as legislative and regulatory enhancements to meet evolving global standards and industry demands.

These efforts have made Labuan IBFC more resilient and stronger today. Its pragmatic regulatory and supervisory approach combines the ease of doing business with high international prudential standards, making the jurisdiction an ideal base for international investors seeking innovations and growth in Asia Pacific.



LABUAN FSA'S JOURNEY AT A GLANCE

1996

- Labuan Offshore Financial Services Authority was established

1997

- Major amendments to Offshore Banking Act 1990 to grant investment banking and Islamic banking licence
- Labuan Offshore Limited Partnership Act 1997 came into force
- The Labuan Offshore Trusts Act 1997 was gazetted

1998

- Labuan FSA became a member of IAIS
- Labuan Offshore Securities Industry Act 1998 came into force

1999

- Labuan FSA became a member of GIFCS and GIICS

2000

- Labuan FSA became a member of APG
- Labuan International Financial Exchange was launched

2002

- IIFM was established with Labuan FSA being one of the founding members
- The world's first sovereign sukuk of USD600 million was issued out of Labuan by the Government of Malaysia

2003

- Labuan FSA became a member of IOSCO and IFSB

2007

- Labuan IBFC assessed as a low risk jurisdiction in money laundering by APG

2008

- Repositioning & Rebranding of Labuan IBFC and Labuan FSA
- Insurance total gross premiums surpassed USD1.0 billion

2009

- Labuan FSA was accepted as signatory of Appendix B of the IOSCO

2012

- Labuan IBFC was accepted as jurisdiction by the Stock Exchange of Hong Kong where Labuan companies can seek listing on the stock exchange
- Labuan FSA was accepted as a Full signatory of IOSCO Multilateral MoU

2011

- Establishment of ASEAN Infrastructure Fund in Labuan IBFC
- The Global Incentive for Trading Programme was launched to provide a set of incentives through Labuan International Commodity Trading Company

2010

- Labuan FSA issued four new acts
- Labuan (Malaysia) was listed in the OECD's white list
- Labuan FSA received the award for "Most outstanding contribution to Islamic finance" in conjunction with the 7th KLIF 2010

2013

- Total number of Labuan companies surpassed the 10,000 mark

2014

- Malaysia, including Labuan IBFC, accorded "Largely Compliant" rating by OECD Global Forum Phase 2 Peer Review on Tax Transparency & Information Exchange

2016

- Labuan FSA was accepted as a member of FATF

2017

- Labuan FSA embarked on a repositioning study, and formulated a plan to integrate Labuan IBFC with Labuan Island's growth agenda, thereby creating a more sustainable and symbiotic relationship with the local economy

2020

- Issuance of Digital Banking Framework

2021

- Labuan IBFC completed two AML/CFT risk assessments and was rated as a "Low Risk" jurisdiction pertaining to ML/TF risks

2019

- Implementation of new tax policy for Labuan IBFC
- Launched Asia's 1st Digital Asset Securities Exchange

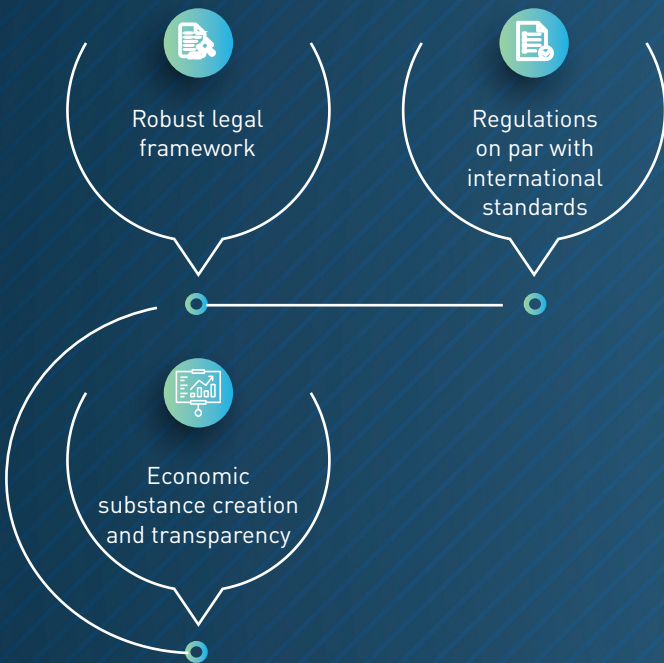
2018

- Total number of Labuan companies surpassed the 15,000 mark

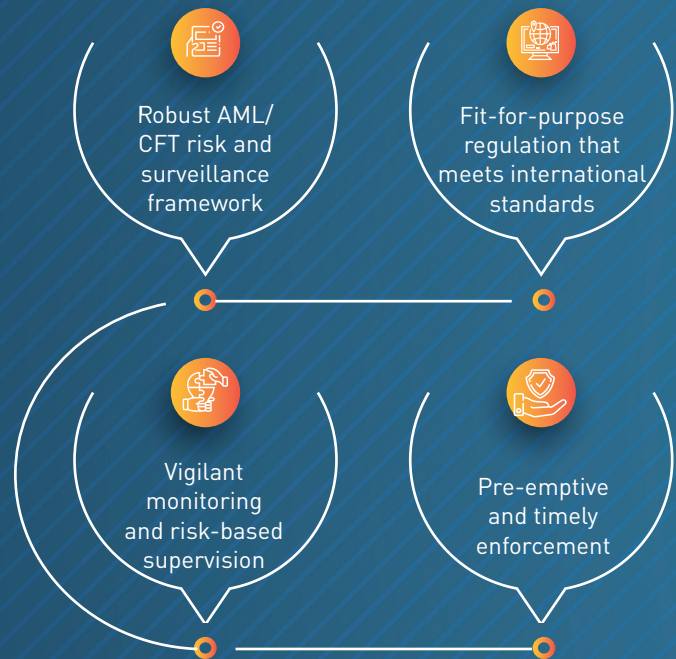
CONFORMING TO INTERNATIONAL STANDARDS

Labuan FSA ensures that all financial transactions conform to international standards and best practices. Amongst others, this includes strengthening Anti-Money Laundering and Counter Terrorism (AML/CFT) standards to uphold the integrity of Labuan IBFC.

Commitment to Continuously Enhance Regulatory and Supervisory Framework



Proportionality in Regulatory and Supervisory Approach in Enhancing Greater Market Confidence and Stability



Endorsement by International Assessments 2002 to 2019

Assessments	PRUDENTIAL REGULATIONS	ANTI-MONEY LAUNDERING	TAX TRANSPARENCY & EXCHANGE OF INFORMATION	HARMFUL TAX PRACTICES
		 		
Outcome	STRONG LEGAL & REGULATORY FRAMEWORK	LOW RISK JURISDICTION	LARGELY COMPLIANT	NOT HARMFUL

DARDS AND ADOPTING BEST PRACTICES

INTERNATIONAL SUPERVISORY COOPERATION AND INTER-LINKAGES

23

MoUs Across 6 Regions



8

International Memberships

International Association of Insurance Supervisors

OICU-IOSCO

Asia Pacific Group on Money Laundering

FATF

Group of International Insurance Centre Supervisors

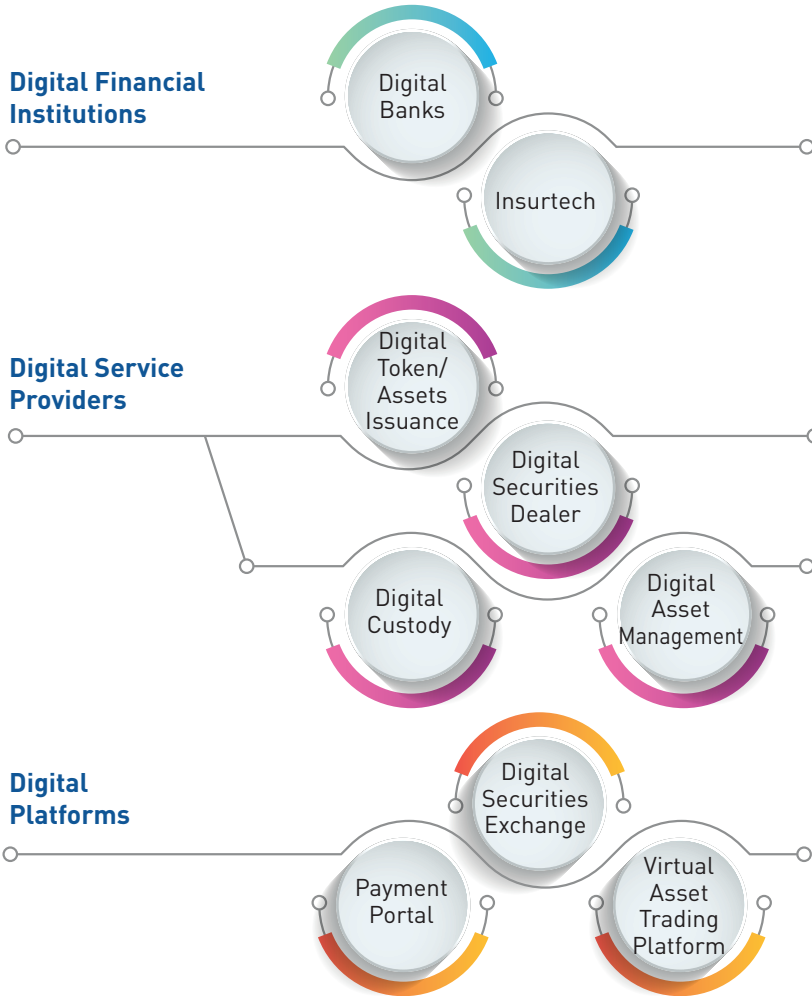
Group of International Financial Centre Supervisors

السوق المالية الإسلامية الدولية
International Islamic Financial Market

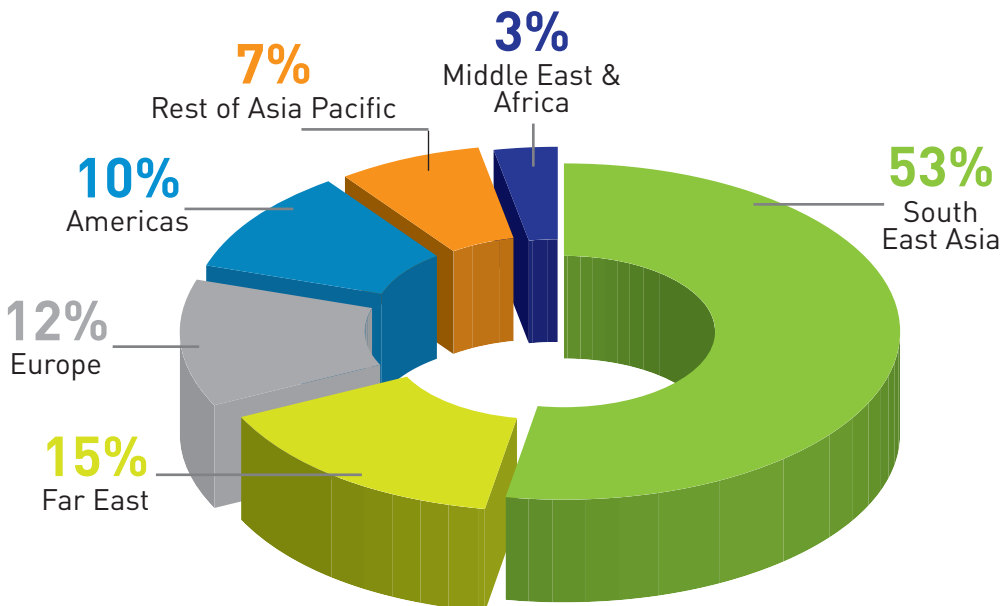
ISLAMIC FINANCIAL SERVICES BOARD

PRIORITISING BUSINESS INNOVATION

Labuan FSA is committed to realising a vibrant and forward looking intermediation centre in Asia, by driving digital transformation in financial services

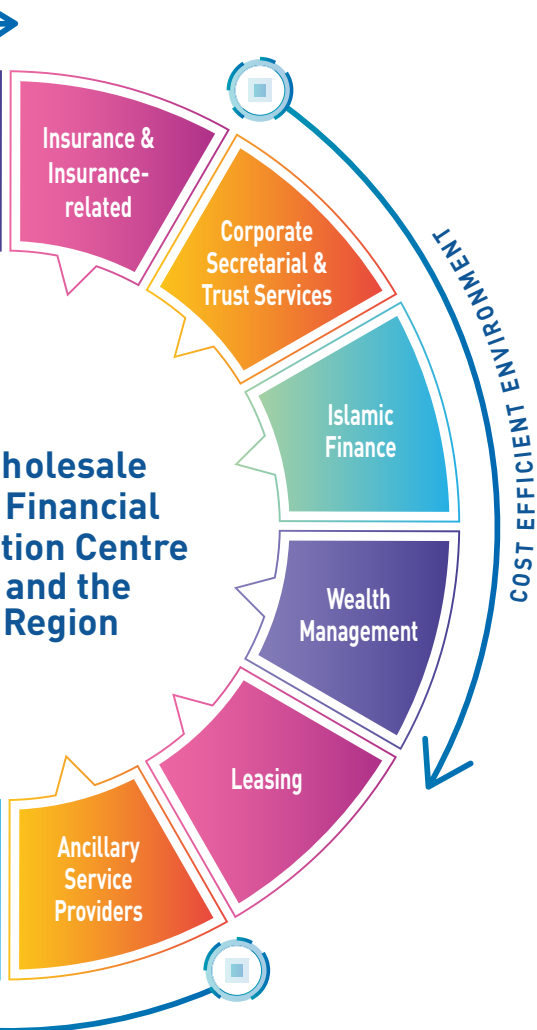


5,200 Active Companies from **125** Countries across Six Regions (from 600 companies in 1996)



Labuan IBFC also provides services in niches such as risk management, commodity trading, wealth management services and digital

ON AND MARKET MODERNISATION



services and solutions management, commodity financial services, Islamic financial services.

World Firsts in Islamic Finance

- 2001 ● Global sukuk issued by a Malaysian conglomerate
- 2002 ● Sovereign sukuk issued by the Government of Malaysia
- 2006 ● Shariah-compliant exchangeable bond
- 2007 ● US dollar denominated floating-rate subordinated sukuk
- 2010 ● Japanese corporate sukuk

International Awards



849
Licensed Financial Institutions and Entities

70%
Companies originated from Asia Pacific and Far East

64
Fastest Growing Captive Centre in Asia

85
Growing Digital Financial Services

158
Auditors and liquidators supporting activities of Labuan entities

Asia's 1st
Digital Securities Exchange

DRIVING LABUAN'S CONTRIBUTION TOWARDS



Complement & contribute to the Malaysian economy and the Island

- Fiscal revenue collection, local spending by Labuan IBFC entities and dividends repatriated from investment abroad by Malaysian owned Labuan entities in 2019 and 2020

While strengthening Malaysia's fiscal position, Labuan IBFC also strongly supports Labuan Island's economic development as well as contributes to the betterment of the local community.



Drive Labuan's economic growth

- Higher business substance for greater Island's economic spillovers
- Create more employment opportunities
- "Know-How" transfer by large international players



Professional and Global Skilled Workforce

6,000



New substantial activity requirements requires additional manpower

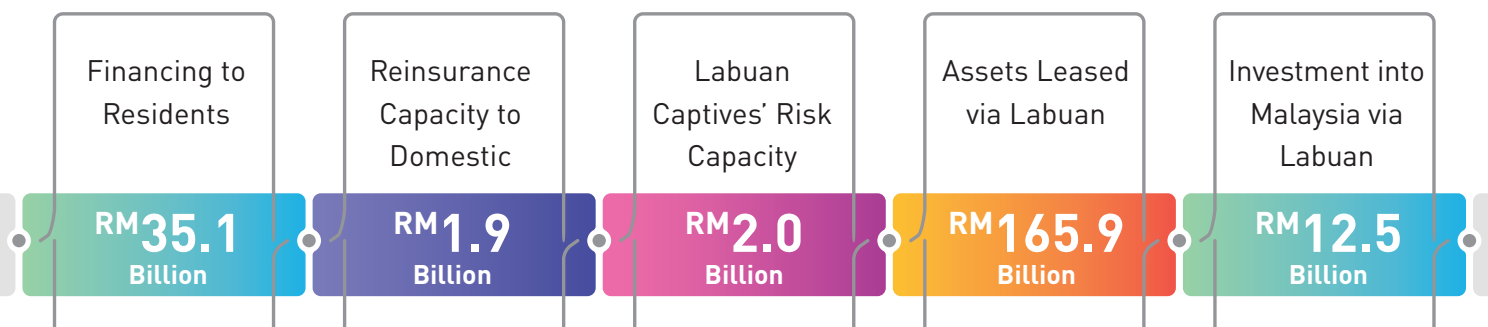
>2,000



Labuan IBFC occupies a total office lettable area at Financial Park Complex

>57%

Complementing Malaysia's Financial Needs



As of September 2021

MALAYSIA'S SOCIOECONOMIC GROWTH

Our commitment to stakeholders extends beyond regulatory and supervisory roles, contributing towards the well-being of the Labuan community. In fulfilling our corporate responsibility, we engaged and nurtured the broader community through activities in three key areas.

ENVIRONMENT

To promote green living, healthy lifestyle and reduce carbon footprint



Labuan FSA's Fellowship Ride event



Beach clean up with community volunteers

COMMUNITY WELLNESS

To improve health and wellness of the underprivileged groups



Financial contributions during the pandemic

EDUCATION

To create the culture of continuous learning and development



Nurturing creativity



Labuan International School (LIS) is the only private international school in Labuan and it is owned and managed by Labuan FSA



LIS students interacting during class



Art and colouring project - A creative way to make learning more enjoyable

THE LEADERS

1996-1998: Tan Sri Ahmad Mohd Don

1998-2000: Tan Sri Dato' Seri Ali Abul Hassan Sulaiman

2001-2015: Tan Sri Dr Zeti Akhtar Aziz

Chairmen

1996-1998: Datuk Dr Awang Adek Hussin

1998-1999: Datuk Zamani Abdul Ghani

1999-2001: Dato' Mohd Razif Abd Kadir

2001-2003: Dato' Noorazman Abdul Aziz

2003-2005: Dr Rosnah Omar

Director Generals

2020: Steven Choy Khai Choon

2020: Goh Ka Im

2020: Dr Wong Huei Ching

2020: Tan Sri Dr Mohd Daud Bakar

2021: Dato' Raja Segaran S Krishnan

2018: Adnan Zaylani Mohamad Zahid

2020: Adawiyah Ahdan

Current Authority Members


The Driving Internal Talents



BEHIND THE SCENE



2016-2018
Tan Sri Muhammad Ibrahim



2018-2020
Datuk Oh Chong Peng



2020-2021
Datuk Azizan Abdul Rahman



2021
Datuk Siti Zainab Omar



2005-2011
Datuk Azizan Abdul Rahman



2011-2017
Datuk Ahmad Hizzad Baharuddin



2017-2021
Datuk Danial Mah Abdullah



2021
Nik Mohamed Din Nik Musa



2004
Dr Mohamed Ali Elgari Binied



2008
Sr Engku Rabiah Adwiah binti Engku Ali



2014
Dr Sheikh Nedham Yaqqobi



2014
Assoc. Prof. Dr Mohamad Akram Laldin



2014
Assoc. Prof. Dr Syed Musa Syed Jaafar A-Habshi

» Shariah Supervisory Committee





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