



PRESS RELEASE

ABSTRACT LABUAN FOR INSURANCE & TAKAFUL FIRMS

Labuan Licensed Insurance and Takaful firms may now operate in Kuala Lumpur and any other location within Malaysia

LABUAN, 4 March 2011 – As part of the ongoing process of co-location and the movement towards a fully abstract international business and financial centre, Labuan IBFC licensed insurance and takaful firms may now locate their management and operational offices in Kuala Lumpur, or any other city within Malaysia.

This allowance is part of the financial sector liberalisation package initially introduced by Labuan Financial Services Authority in 2009, which provides for similar concessions to Labuan Holding Companies, Labuan Banks and Investment Banks.

According to Dato' Azizan Abdul Rahman, Director General of Labuan FSA, the extension of this concession to Labuan Insurance and Takaful entities underlines the important role insurance and takaful plays in the growth and success of Labuan IBFC.

“The insurance and takaful sector has consistently recorded strong performance and remains as one of the core sectors in Labuan IBFC. The sector has undoubtedly gone from strength to strength, evidenced by the amount of gross premiums written exceeding USD\$1 billion, as well as the double digit increase in the number of licensees” he said.

He added that Labuan FSA recognises the need for a paradigm shift in order for Labuan IBFC to remain competitive, and that the concept of “Abstract Labuan” or co location is a concept borne out of this recognition.

“The idea that a financial entity may operate within Labuan IBFC’s financial infrastructure with its various international benefits and yet remain in Kuala Lumpur has gained a lot of interest internationally,” said David Kinloch, CEO Labuan IBFC Inc, the promotional body for the jurisdiction.

He added that by allowing Labuan’s financial industry to leverage on Kuala Lumpur’s first class infrastructure, facilities, human capital and professional services, Labuan IBFC appeal as an international financial centre has grown exponentially.

He went on to say that co location of Labuan insurance and takaful entities, along with the introduction of Syariah Compliant Captive Guidelines and the Protected Cell Company structure will secure Labuan IBFC’s position as Asia Pacific’s leading international insurance hub.

Insurance and takaful has indeed charted steady growth over the years, and in 2009 gross premiums generated in Labuan IBFC grew by 8.8%. To date, Labuan IBFC has attracted over 160 international insurance companies to its shores, including 8 of the top 30 global players.

The allowance to co locate away from Labuan, was announced recently by Labuan FSA via the issuance “Guideline on Co-Location of Labuan Insurance and Takaful Licensee” issued by Labuan FSA, available at www.labuanfsa.gov.my or www.labuanibfc.my

Ends.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Corporate Communication & Customer Service Unit

Tel : 087-591200

Fax : 087-428200

E-mail: communication@labuanfsa.gov.my

NOTE TO EDITOR

About Labuan IBFC

Labuan International Business and Financial Centre (Labuan IBFC) offers global investors and financial service providers all the benefits of being in a leading offshore financial centre, as well as access to Malaysia's vast network of double-taxation treaties with 69 countries.

As an integrated financial services centre, Labuan IBFC is increasingly becoming a jurisdiction of choice for investment holding companies, and offers a wide range of products such as captive insurance, trusts, foundations, fund management, leasing, international banking, estate planning and wealth management.

Investors can enjoy the benefits of Labuan's cost-efficient and market friendly business environment, supported by professional service providers specialised in all aspects of international tax, trust and law.

This international financial services centre, off the coast of Sabah, Malaysia is also as a hub for Islamic Finance, especially in areas of Sukuk issuance and listing, takaful and re-tafakul, syariah-compliant captive structures and Islamic trusts and foundations.

For more information please visit www.labuanibfc.my