

## **NOTICE FOR LABUAN COMPANIES**

### **AMENDMENTS TO THE LABUAN COMPANIES ACT 1990**

The Labuan Companies Act 1990 (as amended) (“LCA”) is the principal Act regulating Labuan companies. The Government of Malaysia have passed several amendments to the LCA, which have come into force on 10 June 2022.

The Malaysian government is commended for continuously making improvement to the LCA to ensure Labuan follows international standards and best practices. However, two most significant modifications have far-reaching effects on all Labuan company owners. They are –

#### **(1) Labuan company must have at least one resident director in the board**

The resident director can either be (1) a trust officer made available by a Labuan trust company; or (2) any natural person who is 18 years old, of full legal capacity, fulfils criteria as set out by Labuan FSA and has given written consent to act as resident director.

**Date to comply with this new requirement:** by 9 December 2022.

We are waiting for Labuan FSA to issue their final guidelines on criteria of resident director of a Labuan company.

In the meantime, we will first arrange to redesignate those directors in Labuan companies who are Malaysian citizens and PRs as resident directors to comply with this new requirement.

For non-resident directors, we will notify you of what action to be taken as soon as Labuan FSA releases their final guidelines. We will keep you posted.

#### **(2) Labuan company must keep particulars of its beneficial owners, maintain the data as part of the register of members and lodge the same with Labuan FSA as part of its annual return**

Labuan company has a duty take reasonable steps to identify its beneficial owner and report this information to the resident secretary. The information must be kept and maintained at the company's registered office in Labuan. The information must also be lodged with Labuan FSA which forms part of the company's annual return.

Pursuant to LCA (as amended), “beneficial ownership” is defined as ‘*a natural person who owns and controls a Labuan company or foreign Labuan company, in whole or in part, through direct or indirect ownership or control of shares or voting rights or other ownership interest in the Labuan company or foreign Labuan company, or who exercises effective control and influence in the Labuan company or foreign Labuan company as may be determined by the Authority.*’

**Date to comply with this new requirement:** 10 June 2022.

This is an operational issue, and we are waiting for Labuan FSA to finalise their registry system upgrades for the register of beneficial ownership section to go live. We will provide you with a copy of the register once we are able to retrieve it from the registry system.

Thank you.

Yours faithfully,

Sukor Ashak  
Managing Director  
**HMR Konsultian (Labuan) Ltd.**