

# ILS Incorporation Datasheet – Labuan



<p><b>1 Advantages</b></p>	<ul style="list-style-type: none"> <li>• Preferential tax treatment, ie 3% of net audited profit or RM20,000 a year as tax or fee to the Inland Revenue Department or Registrar of Companies respectively</li> <li>• No stamp duty</li> </ul>
<p><b>2 Disadvantages</b></p>	<ul style="list-style-type: none"> <li>• Trade with Malaysians is subject to restrictions</li> </ul>
<p><b>3 Company Status</b></p>	<p>Limited by shares</p>
<p><b>4 Corporate legislation source</b></p>	<p>Offshore Companies Act, 1990 Labuan Offshore Business Activity Tax Act, 1990</p>
<p><b>5 Company name</b></p>	<p>Must check for availability. Some sensitive words: Finance, Bank, Trust, Royal, Insurance, Security, etc require the Minister's approval</p>
<p><b>6 Time taken to incorporate</b></p>	<p>1 - 3 days</p>
<p><b>7 Are shelf companies available?</b></p>	<p>No</p>
<p><b>8 Usual minimum capital</b></p>	<p>RM50,000 or equivalent (RM3.80 = US\$1 approx.)</p>
<p><b>9 Capital Duty</b></p>	<p>None</p>
<p><b>10 Minimum number of shareholders</b></p>	<p>One</p>
<p><b>11 Are bearer shares / shares of no par value possible?</b></p>	<p>No / No</p>
<p><b>12 Directors: minimum number / corporate directors allowed / location</b></p>	<p>One / Yes / No restriction</p>
<p><b>13 Secretary: mandatory / corporate secretary allowed / location</b></p>	<p>Yes / Yes / Must have a resident secretary</p>
<p><b>14 Is there a requirement for a Registered Office / Registered Agent?</b></p>	<p>Yes / No</p>
<p><b>15 Is any information required by the authorities prior to incorporation or prior to tax status being granted?</b></p>	<p>None, other than for banking and insurance related operations</p>

<b>16 What information is available on the public file?</b>	None. All information is strictly held in confidentiality and the Secrecy Act prohibits any release of such information to the public
<b>17 What documents must be kept at the Registered Office?</b>	Register of Directors, secretaries, members, transfer, mortgages, debentures, debenture holders and interest holders
<b>18 Corporate books and seal</b>	Both usually retained at the Registered Office for ease of administration
<b>19 Are accounts required / filed?</b>	Yes, only on trading companies / No, if the company desires to opt for the payment of RM20,000 (approx. US\$5250) tax a year or is a holding/investment company
<b>20 Is an annual return required?</b>	Yes
<b>21 Where are meetings to be held?</b>	Anywhere in the world, depending on how the Labuan company is structured to be used, i.e. if proof of residency is required, then meeting must be held in Labuan
<b>22 Annual fees payable to the government: Tax / Annual Return Filing Fee</b>	Government Tax 'non-trading' = Zero Government Tax 'trading' = 3% or RM20,000 p.a. Annual Return Filing Fee = RM100 p.a.
<b>23 Are there any exchange controls?</b>	No
<b>24 Double tax treaties</b>	50 plus

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