

IBFC still optimistic on Labuan

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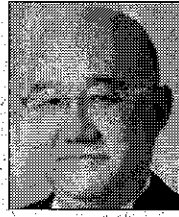
LABUAN: The Labuan International Business and Financial Centre (IBFC) is doing fine despite the slowdown.

This is how Association of Trust Companies Labuan Chairman, Datuk Chin Chee Kee (pic) responded when asked on the impact of the Covid-19 outbreak on the industry.

Chin who is also an industry pioneer explained:

"All industry players - like Trust companies, Banks, Insurances have a Business Continuity-Risk Management Policy and this had been activated during the Movement Control Order (MCO).

"The policy ensures effective handling of occasions related to disasters such as



terrorist attack, war, flood, fire earthquakes, typhoon, cyclones or any wide scale regional disruptions like the pandemic outbreak"

The companies must have and implemented the back-up plans to cater for unfortunate events.

Hence, during the MCO period all players continued their operations by making staff work from home.

He added that most companies had IT infrastructure which cater to computer access into the office servers from outside the office and since most customers are outside-based they could still continue communication by email and other social media using Microsoft Team, Zoom and Skype.

Through these means, even bilateral meetings with other industry-related asso-

ciations and the Labuan Financial Service Authority (LFS) is done.

The LFS accepted NCC filings of hard copies. Extension of time had been allowed during the period.

Since it was announced that professional firms were allowed to operate during the MCO period, industry players also had staff working from office with compliance to Standard Operating Procedures (SOP).

"In fact our office is back to normal now. There are few customers who closed operations. We find that Labuan IBFC type of operations is most suited for this type of no personal contact type situation.

"I am optimistic that Labuan's future will continue to be rosy," said Chin.

Chin also said that the new tax regime of economic Substance Requirement is al-

most settled and those in companies only need pay 3 per cent tax on the net audited profit.

The low tax rate would definitely help attract more players seeking to maximise profits and minimise expenses, after the pandemic is over and would come to Labuan and further help the island to prosper.

Based on last announced statistics by the Labuan Financial Services Authority, Labuan is home to more than 6,000 active companies which includes top-ranked financial institutions comprising banks (55), insurances companies (217), trust companies (61) more than 300 leasing companies and 43 commodity trading companies. Labuan IBFC entities are believed to now employ more than 6,000 people.