

Labuan IBFC

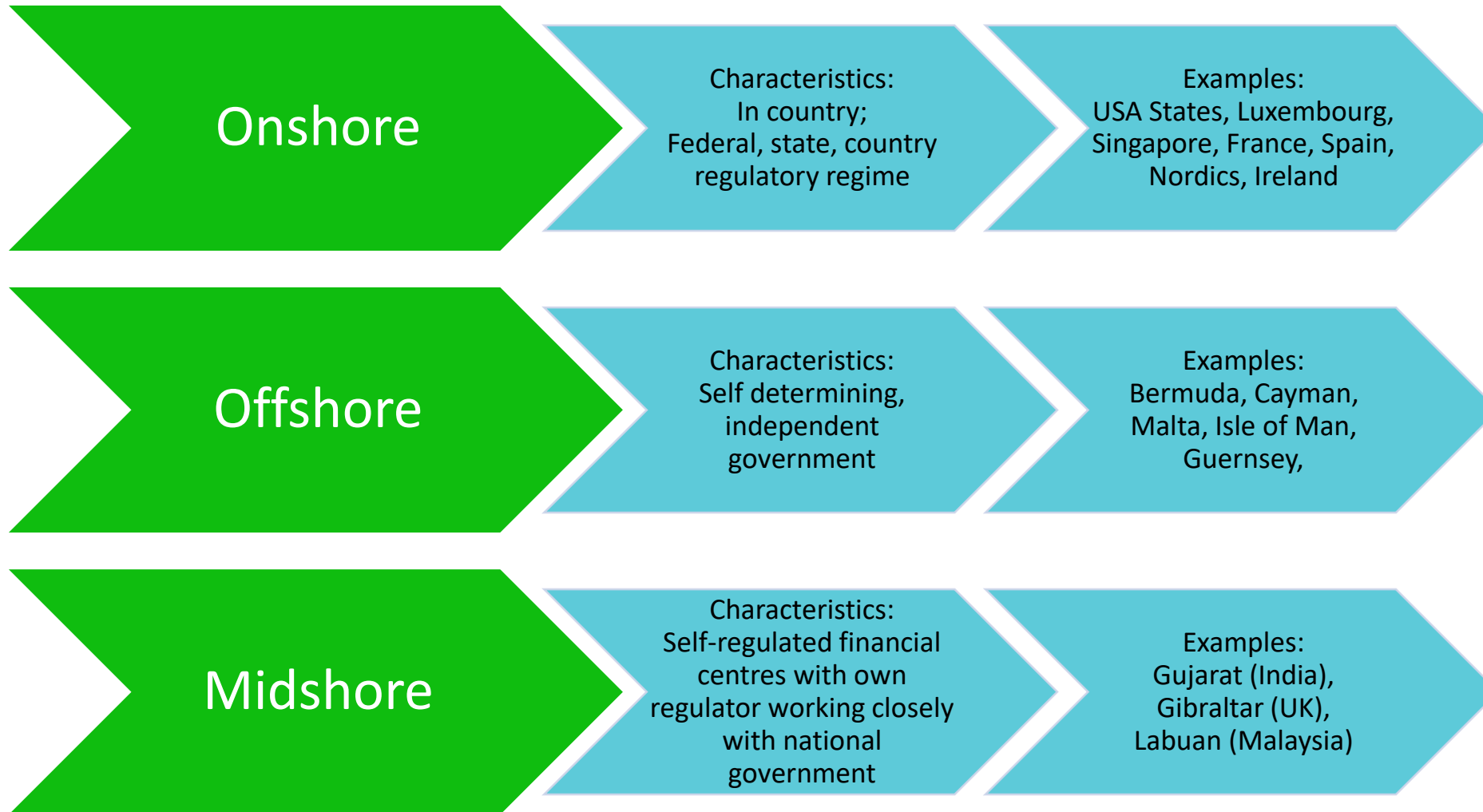
A growing domicile for European risk owners

Introducing Labuan



- Labuan derives from the Malay word “labuhan”, meaning harbour
- Labuan is a Federal Territory of Malaysia
- Population circa 100,000
- Primary industries include international investment, banking & insurance services, oil & gas
- Home to 50+ captives and an increasing number of cell captives
- Home to most large global insurers
- The only Asian domicile with captive & cell captive legislation

What are midshore domiciles?



Why we have recommended Labuan to our clients

Robust regulatory regime

Highly developed support infrastructure

- Ease of doing business with service providers

Fast track authorisation process

Competitive cost base

The Asian captive & cell captive domicile

- Labuan IBFC: supportive, open & approachable
- High visibility team
- Specific captive & cell captive legislation
- Targeted international growth, welcoming and open for non-Asian business

Case studies

- **European headquartered business**
 - Traditional insurance market capacity had dried up across London and international markets
 - But still there was a regulatory requirement for our client to have insurance cover
 - A cell captive was the logical solution
 - But capitalisation costs in Europe not economically viable for business of their size
- **Australian headquartered business**
 - Traditional insurance market capacity was limited and very expensive
 - Client wished to share in the insurance profits and plug gaps in their conventional market program
 - A cell captive was the logical solution
 - Labuan provides a solution close to home & is the only Asian domicile with specific cell captive legislation

Labuan provides an economically attractive, appropriately regulated, stable environment for these firms to build their solution

Latest developments in cell captives

1996

- First cell captives established
- Brought formalisation of segregation of assets and liabilities under law

Fast forward +25 years.....

2021

- Fast track, or pre-authorisation in Bermuda, Guernsey, Labuan
- The most significant development in cell captives in 25 years

Innovation

Growth

Significant growth in number of cell captives in last 3 years across the world

Awareness

- Conferences & educational events for buyers, brokers, underwriters
- Forward thinking domiciles and associations, positive collaboration
- Receptive clients

Hardening market + risk evolution = harder to insure & uninsurable risks

- Professional and financial lines
- Cyber
- Sustainable environment projects
- Carbon reduction projects

The Future

The Biden Plan for
Global Minimum Tax

OECD focus on

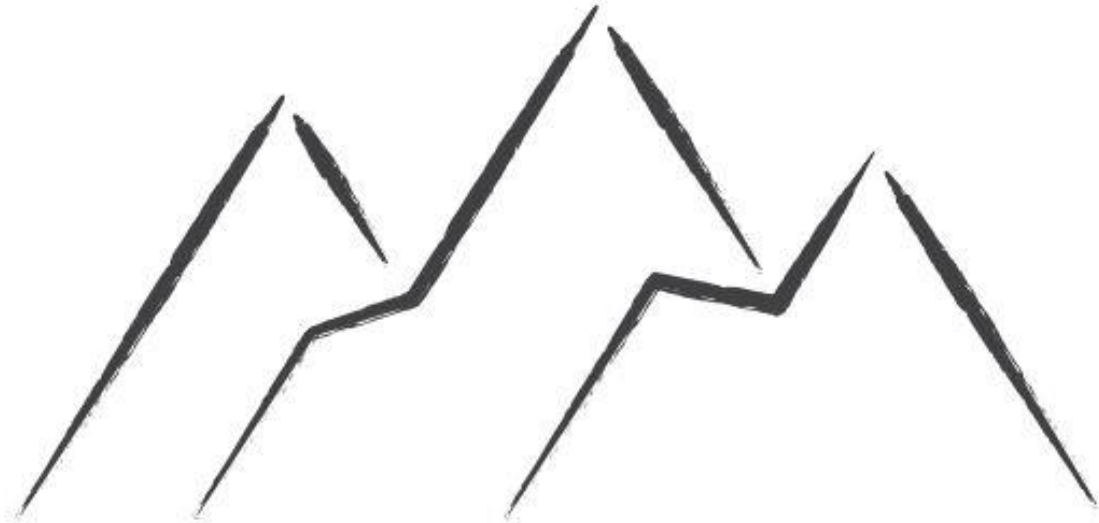
- Base Erosion and Profit Shifting
- Appropriate regulation
- Solvency

Re-domestication of
captives

Traditional market
recalibration: shortage
of economically viable
solutions

Growth of new risks

Captive & ART market
will remain the viable,
long term, stable
solution



RISCS

THE WORLD'S LOCAL
CAPTIVE EXPERTS

www.riscs.org