

LOFSA

LABUAN OFFSHORE FINANCIAL
SERVICES AUTHORITY MALAYSIA

LEMBAGA PERKHIDMATAN KEWANGAN LUAR PESISIR LABUAN
(LABUAN OFFSHORE FINANCIAL SERVICES AUTHORITY)

Circular No.: 39/2003/ALL

14 November 2003

Association of Offshore Banks
Labuan International Insurance Association
Association of Labuan Trust Companies
Labuan Offshore Investment Banks
Labuan International Financial Exchange
Other offshore institutions/companies

Dear Sir,

Guidelines For the Establishment of Marketing Office

In line with the recent announcement in the Budget 2004 on the proposal to allow offshore companies to establish Marketing Office in Johor Bahru, LOFSA is pleased to provide the "Guidelines For the Establishment of Marketing Office in Kuala Lumpur and Johor Bahru". This guideline is applicable to all offshore companies including licensed institutions, and will be effective from 15 November 2003.

Please be informed that the attached guidelines supersede all the earlier guidelines issued on Kuala Lumpur Marketing Office dated 3 July 1995 and 1 July 1998. In this regard, any offshore institutions that are not in compliance with the new guideline would be given a grace period until 31 December 2004 to fulfill the requirement of the guidelines.

Kindly be advised accordingly.

Yours sincerely,

Danial

Danial Mah Abdullah
Director
Regulation Department

180/27/0





GUIDELINES FOR ESTABLISHMENT OF MARKETING OFFICE IN KUALA LUMPUR AND JOHOR BAHRU

1. What is a Marketing Office?

The role of the Marketing Office is limited to facilitate meetings with clients and establish contacts with potential clients of the Labuan offshore company (LOC). No maintenance of books and records (including trading activities) shall be done through, from or in the Marketing Office.

2. Eligibility

All LOC, including those licensed under the laws relating to offshore financial services may apply to set-up a marketing office in Kuala Lumpur and/or in Johor Bahru. LOCs who have an existing Kuala Lumpur Marketing Office (KLMO) may apply to establish another marketing office in Johor Bahru. With the exception of insurance brokers and captives, all LOCs who have a marketing office are required to maintain a management office in Labuan.

3. Operational Requirement

a. Location and address

- i. The marketing office must have an address
- ii. The entry door only leads to the office and is independent of any other entities.
- iii. The premise should not be used for personal use or accommodation.

b. Staff

The number of staff in each of the marketing office should not exceed four.

c. Signboard

- i. The name of the offshore company must be printed and affixed in a conspicuous position, in romanised letters easily legible, on the premise.
- ii. The signboard must contain the following information:
 - Company name and registration number
 - License number, if any
 - Address, telephone and facsimile numbers
- d. The Marketing Office must be in compliance with local authority laws and regulations.

4. Reporting Requirements

The LOC is required to submit a half-yearly report comprising the organizational chart, business activities for the past six months, before the 15th of the following month.

5. Fees

The annual fee of RM5,000 will be imposed for each marketing office in Kuala Lumpur and Johore Bahru.

6. Application

All LOCs must submit through the trust companies, the following minimum information for application:

- a. Purpose of the marketing office;
- b. Business plan of setting up the marketing office;
- c. Organization Chart; and

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d. Biodata of the managerial level at the marketing office.

The application can be submitted to:

Director-General
Labuan Offshore Financial Services Authority (LOFSA)
Level 17, Main Office Tower
Financial Park Complex
Jalan Merdeka
87000 Federal Territory Labuan
MALAYSIA

Telephone : 087-591200 / 591300
Fax : 087-453442 / 413328

7. Date in force

- a. The Guideline would take effect on 15 November 2003 and would remain to be effective and applicable unless otherwise amended or revoked; and
- b. The Guidelines on marketing office issued on 3 July 1995 and 1 July 1998 are hereby superseded.

8. Revocation

LOFSA reserves the right to revoke the approval due to non-compliance with LOFSA's and other regulatory requirements.