

# LABUAN PRIVATE FUND

# FACT SHEET

## Introduction

Private funds are mutual funds whose securities are, not offered to the public, are owned, or held by,

### ❑ MAXIMUM 50 INVESTORS

First time investment by each investor with NO LESS than RM250,000 or its equivalent foreign currency, or

### ❑ ANY NUMBER OF INVESTORS

First time investment by each of the investors with NO LESS than RM500,000 or its equivalent foreign currency.

It can be structured by using a Labuan company, a protected cell company or a foundation. It allows a collective pool of monies for the purpose of investing into the likes of equities and shares, Forex and money market, commodities, real estates, business and development projects as well as land and business acquisitions.

## TAXATION: Substance Requirement under LBATA

As the business activity of a Fund is generally involved in either Pure Equity Holding or Non-Pure Equity Holding are not subject to tax with fulfilling Substance Requirements as follows,

### ❑ Pure Equity Holding

To comply with management and control requirement in Labuan, the entity is to hold at least a minimum of one board meeting in Labuan for each calendar year and incur a minimum annual operating expenditure of RM 20,000 per annum in Labuan.

### ❑ Non-Pure Equity Holding

To comply with minimum of ONE full time employee in Labuan and a minimum annual operating expenditure of RM 20,000 per annum in Labuan.

Failing which, the Labuan incorporated entity shall be charged a tax rate of 24% for that year of assessment.

## HOW TO APPLY?

BBS Trust Int'l Limited can assist you for the application of private fund to Labuan FSA.

Contact us now for a non-obligation consultation!

Email: [info@bbstrust.com](mailto:info@bbstrust.com) or Call: +603-4815 6718



## ADVANTAGES

- ✓ No capital gain tax
- ✓ No Tax Withholding
- ✓ No Tax for Investment Holding structure
- ✓ Investment in Malaysia is allowed
- ✓ No foreign exchange controls
- ✓ Supports multiclass fund

## REQUIREMENTS

- Minimum number of directors: 2
- Local director: No
- Minimum number of shareholder: 1
- Corporate shareholder: Yes
- Custodian: Optional
- Fund manager: Optional
- Fund administrator: Optional
- Auditor: Yes

## INFORMATION MEMORANDUM

The fund owner shall notify Labuan FSA by lodge an information memorandum or other offering document by a trust company.

Provide with full, true and plain disclosure of all facts and circumstances that would facilitate a reasonable assessment by a prospective investor in determining whether to purchase or subscribe to the private fund and shall contain at least the following disclosures,

- ✓ General Information
- ✓ Investment Strategy
- ✓ Financial Results
- ✓ Redemption Policy
- ✓ Material Changes