



LAWS OF MALAYSIA

Act A1758

LABUAN FOUNDATIONS (AMENDMENT) ACT 2025

Date of Royal Assent	...	...	8 April 2025
Date of publication in the <i>Gazette</i>	...	...	22 April 2025

LAWS OF MALAYSIA

Act A1758

LABUAN FOUNDATIONS (AMENDMENT) ACT 2025

An Act to amend the Labuan Foundations Act 2010.

[]

ENACTED by the Parliament of Malaysia as follows:

Short title

1. This Act may be cited as the Labuan Foundations (Amendment) Act 2025.

Amendment of section 2

2. The Labuan Foundations Act 2010 [*Act 706*], which is referred to as the “principal Act” in this Act, is amended in section 2—

(a) by deleting the definition of “Malaysian property”; and

(b) in the definition of “resident”, by substituting for the words “pursuant to section 43 of the Exchange Control Act 1953 [*Act 17*]” the words “pursuant to paragraph 214(6)(a) of the Financial Services Act 2013 [*Act 758*] and paragraph 225(6)(a) of the Islamic Financial Services Act 2013 [*Act 759*]”.

Amendment of section 5

3. Subsection 5(2) of the principal Act is amended by substituting for the words “any Malaysian property” the words “any property which is situated in Malaysia”.

Substitution of section 6

4. The principal Act is amended by substituting for section 6 the following section:

“Beneficiaries under Labuan foundation

6. The beneficiaries of a Labuan foundation may be a resident or a non-resident.”.

Amendment of section 9

5. Section 9 of the principal Act is amended by inserting after subsection (3) the following subsection:

“(4) The secretary shall, within thirty days after the amendment of the charter, file with the Authority a copy of the amended charter.”.

Amendment of section 13

6. Section 13 of the principal Act is amended by substituting for subsection (1) the following subsection:

“(1) The name of a Labuan foundation shall include the words “Labuan Foundation”,“(L) Foundation”, “Yayasan Labuan” or “Yayasan (L)” as part of the name of the Labuan foundation.”.

Amendment of section 20

7. Paragraph 20(1)(a) of the principal Act is amended by substituting for the words “section 68” the words “section 70”.

New Part IVA

8. The principal Act is amended by inserting after section 24 the following part:

“PART IVA

BENEFICIAL OWNERSHIP

Beneficial owner of Labuan foundation

24A. In this Act, “beneficial owner” means a natural person who controls or benefits from, in whole or in part, whether directly or indirectly, the property or asset endowed to a Labuan foundation and includes a person who exercises effective control and influence in the Labuan foundation as determined by the Authority.

Register of beneficial owners of Labuan foundation

24B. (1) Every Labuan foundation shall keep a register of beneficial owners of the Labuan foundation and record in the register—

- (a) the full name, addresses, nationality, identification and usual place of residence of a person who is a beneficial owner of the Labuan foundation;
- (b) the date the person becomes a beneficial owner of the Labuan foundation;
- (c) the date the person ceases to be a beneficial owner of the Labuan foundation; and
- (d) such other information as may be determined by the Authority.

(2) The register of beneficial owners of the Labuan foundation shall be kept at the registered office of the Labuan foundation.

(3) The secretary of a Labuan foundation shall lodge with the Authority a notice on any change to the particulars in the register of beneficial owners of the Labuan foundation.

(4) Any notice required under subsection (3) shall be lodged within thirty days from the date on which the change is recorded in the register of beneficial owners of the Labuan foundation.

(5) The secretary of a Labuan foundation shall retain the information of a natural person who has been recorded in the register of beneficial owners of the Labuan foundation as a beneficial owner but subsequently ceases to be a beneficial owner of the Labuan foundation for six years from the date the natural person ceases to be a beneficial owner.

(6) An entry relating to a natural person who ceases to be a beneficial owner of a Labuan foundation under subsection (5) shall be removed from the register of beneficial owners of the Labuan foundation after the expiration of six years from the date the natural person ceases to be a beneficial owner.

(7) If the Labuan foundation submits false or misleading or inaccurate information to the Authority under this section, the Labuan foundation, the secretary and every officer of the Labuan foundation who is in default commits an offence under this Act, and shall, upon conviction, be liable to a fine not exceeding one million ringgit or imprisonment for a term not exceeding three years or to both.

(8) The Authority shall determine the form, manner and extent of the information to be kept under subsection (1) and lodged under subsection (3).

(9) The Authority may, by notice in writing, direct a Labuan foundation to lodge with the Authority within a period as specified in the notice, information in relation to the beneficial owner kept by the Labuan foundation.

(10) The register of beneficial owners of a Labuan foundation shall be *prima facie* evidence of any matters inserted in the register under this Act.

(11) The Authority may, in relation to access to the register of beneficial owners of the Labuan foundation kept at the registered office of the Labuan foundation or beneficial ownership information lodged with the Authority, determine—

- (a) any person who may access the register of beneficial owners of the Labuan foundation or the beneficial ownership information;
- (b) the manner and terms and conditions for accessing the register of beneficial owners of the Labuan foundation or the beneficial ownership information; and
- (c) the fee for the supply of the beneficial ownership information.

(12) Section 71 of the Act shall not apply if the disclosure or access has been determined by the Authority under subsection (11).

(13) If the Labuan foundation fails to comply with subsection (1), (2), (3), (4), (5), (6) or (9), the Labuan foundation, the secretary and every officer of the Labuan foundation who is in default shall be liable to an administrative penalty.

Power of Labuan foundation to require disclosure of beneficial ownership information

24c. (1) A Labuan foundation shall, by notice in writing, require any founder, council member, officer, supervisory person or beneficiary of the Labuan foundation within such reasonable time and in such manner as specified in the notice—

- (a) to inform the Labuan foundation whether the founder, council member, officer, supervisory person or beneficiary of the Labuan foundation is a beneficial owner of the Labuan foundation or if the founder, council member, officer, supervisory person or beneficiary of the Labuan foundation is not

a beneficial owner of the Labuan foundation, as far as it is possible to do so, to indicate the persons by name and by other particulars sufficient to enable those persons to be identified as beneficial owners of the Labuan foundation; and

- (b) to provide such other information as required under subsection 24B(1).

(2) Where a Labuan foundation knows or has reasonable grounds to believe that any person is a beneficial owner of the Labuan foundation, the Labuan foundation shall, by notice in writing, require such person within such reasonable time and in such manner as specified in the notice—

- (a) to state whether he is a beneficial owner of the Labuan foundation or if he is not a beneficial owner of the Labuan foundation, to state whether he knows or has reasonable grounds to believe that any other person is a beneficial owner of the Labuan foundation and to give such particulars of that person that are within his knowledge; and

- (b) to provide such other information as required under subsection 24B(1).

(3) Where a Labuan foundation knows or has reasonable grounds to believe that any founder, council member, officer, supervisory person or beneficiary of the Labuan foundation or person knows the identity of a person who is a beneficial owner of the Labuan foundation, the Labuan foundation shall, by notice in writing, require the founder, council member, officer, supervisory person or beneficiary of the Labuan foundation or person within such reasonable time and in such manner as specified in the notice—

- (a) to state whether he knows, or has reasonable grounds to believe that any other person is a beneficial owner of the Labuan foundation and to give such particulars of that person that are within his knowledge; and

- (b) to provide such other information as required under subsection 24B(1).

(4) Whenever a Labuan foundation receives information from the person to whom the notice is given under subsection (1), (2) or (3), the Labuan foundation shall, within thirty days from the date on which the information is received, record in the register of beneficial owners of the Labuan foundation—

(a) the date on which the notice requiring such information was issued; and

(b) the particulars of the information received from the person.

(5) If a Labuan foundation has reasonable grounds to believe that a change has occurred to the particulars of a beneficial owner of the Labuan foundation that are stated in the register of beneficial owners of the Labuan foundation, the Labuan foundation shall give notice to the beneficial owner of the Labuan foundation—

(a) to confirm whether or not the change has occurred; and

(b) if the change has occurred—

(i) to state the date of the change; and

(ii) to provide the particulars of the change.

(6) If a Labuan foundation has reasonable grounds to believe that any of the particulars of a beneficial owner of the Labuan foundation that are stated in the register of beneficial owners of the Labuan foundation might be incorrect, the Labuan foundation shall give notice to the beneficial owner of the Labuan foundation to confirm whether the particulars are correct, and if not, to provide the correct particulars.

(7) A secretary of a Labuan foundation shall ensure that the Labuan foundation complies with the obligations under this section.

(8) If a Labuan foundation fails to comply with this section, the Labuan foundation, the secretary and every officer of the Labuan foundation who is in default shall be liable to an administrative penalty.

Duty of beneficial owner of Labuan foundation to provide information

24D. (1) A person who has reason to believe that he is a beneficial owner of a Labuan foundation shall within thirty days—

- (a) notify the Labuan foundation that he is a beneficial owner of the Labuan foundation; and
- (b) provide information as may be specified by the Authority.

(2) A person who is a beneficial owner of a Labuan foundation shall, within thirty days, notify the Labuan foundation of any changes in his particulars in the register of beneficial owners of the Labuan foundation.

(3) A person who has ceased to be a beneficial owner of a Labuan foundation shall notify the Labuan foundation, as soon as practicable, of the change by stating—

- (a) the date the cessation occurred; and
- (b) the particulars of the cessation.

(4) Any person who fails to comply with this section, commits an offence and shall, upon conviction, be liable to a fine not exceeding fifty thousand ringgit.

Obligation of Labuan foundation to maintain and keep information up to date

24E. (1) A Labuan foundation shall maintain and keep the particulars of beneficial ownership in the register of beneficial owners under section 24B updated from time to time.

(2) The secretary of a Labuan foundation shall ensure that the Labuan foundation complies with the obligations under this section.

(3) If a Labuan foundation fails to comply with this section, the Labuan foundation, the secretary and every officer of the Labuan foundation who is in default shall be liable to an administrative penalty.

Power of Authority to conduct examination on register of beneficial owners of Labuan foundation

24F. The Authority may conduct examination as provided under section 28c of the Labuan Financial Services Authority Act 1996 on the register of beneficial owners kept by the Labuan foundation under this Part.”.

Amendment of section 42

9. Section 42 of the principal Act is amended—

- (a) by renumbering the existing section as subsection (1); and
- (b) by inserting after the renumbered subsection (1) the following subsection:

“(2) Where the Labuan foundation fails to appoint a replacement secretary within thirty days from the effective date of cessation pursuant to subsection (1), the Labuan foundation is deemed to be struck off the register of Labuan foundations.”.

Amendment of section 44

10. Section 44 of the principal Act is amended—

- (a) in subsection (3), by inserting after the words “in Labuan” the words “or is sent by electronic means to the address or numbers provided by the Labuan foundation”; and
- (b) in subsection (4), by inserting after the words “in Labuan” the words “or is sent by electronic means to the address or numbers provided by the Labuan foundation”.

Amendment of section 56

11. Subsection 56(1) of the principal Act is amended by substituting for the words “subsection 53(2)” the words “subsection 55(2)”.

Amendment of section 68

12. Subsection 68(1) of the principal Act is amended by substituting for the words “section 65” the words “section 67”.

Amendment of section 78

13. Subsection 78(3) of the principal Act is amended by substituting for the words “ten thousand ringgit” the words “fifty thousand ringgit”.