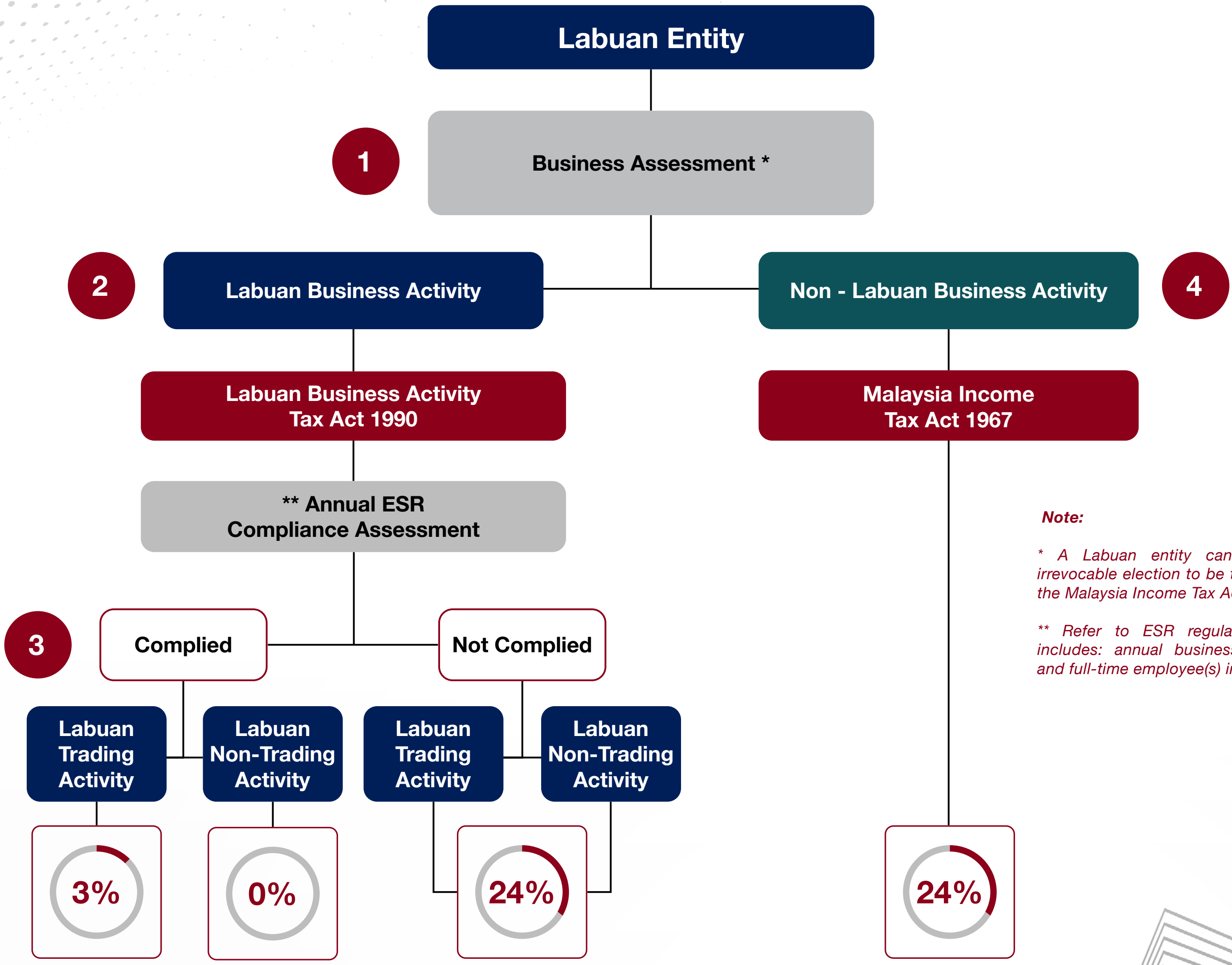
LabuanIBFC
International Business and Financial Centre, Malaysia
Asia's Premier International Financial Hub

Qualifying to Labuan Corporate Tax Framework



Note:

** A Labuan entity can make an irrevocable election to be taxed under the Malaysia Income Tax Act 1967*

*** Refer to ESR regulations. ESR includes: annual business spending and full-time employee(s) in Labuan*

References:

1 Undertake business assessment to determine if the intended business is a qualified Labuan business activity as prescribed under the relevant Economic Substance Requirements (ESR) regulations.

Non-Labuan business activity refers to activities not prescribed under the relevant ESR regulations.

2 Determine the ESR for the intended business to qualify for Labuan tax framework.

3 Undertake ESR-compliant assessment to determine the annual tax treatment.

For a Labuan entity that does not comply with the ESR, the tax treatment for the respective year will be at the rate of 24% upon its chargeable profit. Chargeable profit shall be the net profit as reflected in the audited account.

4 For a Labuan entity that undertakes non-Labuan business activity, the entity will be taxed under the Malaysia Income Tax Act 1967.

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