

A BILL

i n t i t u l e d

An Act to amend the Labuan Companies Act 1990.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Labuan Companies (Amendment) Act 2012.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

Amendment of section 18

2. The Labuan Companies Act 1990 [*Act 441*], which is referred to as the “principal Act” in this Act, is amended in paragraph 18(1)(c) by deleting the words “and the division thereof into shares of a fixed amount”.

Amendment of section 111

3. Subsection 111(2) of the principal Act is amended by inserting after the word “company” the words “, together with its relevant resolution, ”.

Amendment of section 121

4. Subsection 121(5) of the principal Act is amended by substituting for the words “of such amount as may be prescribed not later than thirty days from each anniversary of the date of its registration” the words “in accordance with section 151”.

Amendment of section 130o

5. Paragraph 130o(4)(a) of the principal Act is amended by deleting the word “general”.

Amendment of section 130v

6. Subsection 130v(1) of the principal Act is amended by substituting for the words “section 48A” the words “section 53”.

Amendment of section 151

7. Section 151 of the principal Act is amended—

(a) by inserting after subsection (1) the following subsection:

“(1A) The Authority may impose an administrative penalty on payment of any annual fees received later than the anniversary date as specified in subsection (1).”; and

(b) in subsection (2), by substituting for the word “If” the words “Notwithstanding subsection (1A), if”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Labuan Companies Act 1990 (“Act 441”).

2. *Clause 1* contains the short title of the Act and provision on the commencement of the proposed Act.
3. *Clause 2* seeks to amend paragraph 18(1)(c) of Act 441 to remove the requirement to state the par value of share capital and to introduce the concept of no par value of share capital. This amendment will provide clarity on the implementation of the no par value concept.
4. *Clause 3* seeks to amend subsection 111(2) of Act 441 to provide for the lodgment of the company’s resolution together with the copy of the audited accounts with the Authority. This amendment is necessary for the purpose of verifying the resolution of the meeting held for the audited accounts. This is an operational requirement.
5. *Clause 4* seeks to amend subsection 121(5) of Act 441 to streamline the annual fee provisions for both Labuan company and foreign Labuan company.
6. *Clause 5* seeks to amend paragraph 130o(4)(a) of Act 441 to streamline the definition of “Labuan insurance business” with the definition under the Labuan Financial Services and Securities Act 2010 [*Act 704*].
7. *Clause 6* seeks to amend subsection 130v(1) of Act 441 to correct the section referred to in this provision to section 53 which provides for the reduction of share capital. Section 48A provides for the buyback share.
8. *Clause 7* seeks to amend section 151 of Act 441 by inserting new subsection 151(1A) which provides for the imposition of administrative penalty for the payment of annual fees which is received later than the anniversary date.

FINANCIAL IMPLICATIONS

The Bill will not involve the Government in any extra financial expenditure.

[PN(U²)2813]