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LOCAL PROFESSIONALS IN LABUAN IOFC TO BENEFIT FROM NEW INCENTIVES

By: Yong Soo Heong

LABUAN, Aug 29 (Bernana) -- Local financial, tax, insurance and legal professionals who operate from Labuan International Offshore Financial Centre (IOFC) may benefit from several incentives which the authorities are working on, financial sources said today.

One of them who attended a closed-door dialogue with Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim at the Labuan Offshore Financial Services Authority office here said the authorities were told that it is not just the expatriates that are making things work in Labuan but also local professionals.

"The foreign professionals are given tax incentives when working here. Local professionals should be accorded the same privilege since they are also contributing towards the success of the Labuan IOFC," he said.

The source, who has been heading a foreign offshore bank for two years, said Prime Minister Datuk Seri Dr Mahathir Mohamad rightly said at the opening of the Labuan Financial Park today that the further development of the Labuan IOFC depended critically on the availability of a workforce with the right skills.

"As such, we need to have incentives to attract local professionals to come to Labuan. Yes, we do need the foreign players but locals too play an important role here," he said.

It is believed that LOFSA is working towards a programme to attract professionals and skilled workers to come and live in Labuan to support the offshore industry.

Some bankers regard Labuan as a hardship post and feel that some sort of incentive or "compensation" ought to be given to those stationed here.

But over the last two years, amenities on the island have improved considerably with at least three luxury class hotels and an international school.

A local banker from one of the six local banks having offshore operations here said now that the Financial Park is in place, LOFSA would be looking at ways to attract accountants, tax planners, lawyers, insurance experts and bankers to work in Labuan.

An expatriate working with a foreign offshore bank said Labuan is gradually emerging as a reputable IOFC.

"But in order to enhance its success, it needs the right people to make it work," he said.

Going by the tone of the prime minister today, the expatriate banker said a lot more things would be coming Labuan's way.

They include amending several existing legislations and establishing some new ones. For instance, the government had just passed the Offshore Trust Act last month and had identified the Offshore Limited Partnership, Offshore Securities Industry and Offshore Islamic Financial Services among the new Acts to be implemented.

The Offshore Companies Act 1990 would also be amended to allow Malaysians to own offshore companies as well as permitting offshore companies to invest in Malaysia.

"We have seen tremendous development in the last five years and we are going to see more happening in the next five going by the unwavering commitment of the government in developing Labuan as an IOFC," the expatriate banker said. -- BERNAMA

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