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LOFSA HOPES TO HAVE DRAFT FOR OFFSHORE SECURITIES BILL BY APRIL

By: Yong Soo Heong

LABUAN, Aug 30 (Bernama) -- The Labuan Offshore Financial Services Authority (LOFSA) hopes to complete the draft for the proposed Offshore Securities Industry Bill by April next year, its director-general, Dr Awang Adek Hussin, said today.

In an interview, he said LOFSA was currently discussing with the relevant authorities on the drafting of the bill.

The bill, among other things, would define how the offshore securities industry would be run.

The proposed bill, he said, would clarify LOFSA's supervisory role in the development of the offshore capital market in Labuan and its instruments.

He said the proposed bill was necessary since Securities Commission (SC) is the regulatory body for the domestic securities industry and covered every part of the country.

Dr Awang Adek said if LOFSA did not come out with the bill for the offshore securities industry, then ambiguity would arise because Labuan is part of Malaysia.

He explained, "When you do not have specific laws to cover operations here, then you tend to look at what law is applicable. In that case there are ambiguities whether the domestic Securities Industry Sct (SIA) is applicable or not because Labuan is part of Malaysia.

"This is the kind of situation we want to clear once and for all. That (new) bill will help to make things clear. What we are saying is that LOFSA will play that role in Labuan as far as offshore securities and offshore players are concerned. Certainly that is going to be very clear cut."

When Prime Minister Datuk Seri Dr Mahathir Mohamad launched LOFSA and officially opened the Financial Park here yesterday, he said Labuan and Kuala Lumpur would complement one another in the country's move to become a regional market and there ought to be some "bridge" linking both these places in terms of players, products and infrastructure.

He said one of the "bridges" being looked into was the setting up of an international stock exchange in Labuan to provide for the listing of offshore companies, funds set up in Labuan and international companies.

"This listing can actually be done either in Kuala Lumpur or Labuan," the prime minister said.

Dr Awang Adek disclosed that what was being looked into were things like whether the international exchange was going to be independent or would be part of the Kuala Lumpur Stock Exchange's (KLSE) infrastructure.

"There are various permutations and these are interesting issues and we need a few months to resolve them," he said.

In the meantime, he said LOFSA would be discussing these matters with the SC and the KLSE. -- BERNAMA

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