EXPLANATORY GUIDE

This document supplements the *Notice on 2026 Annual and Licence Fees under the Revised Fee Structure Effective 1 January 2026* and should be read in conjunction with the scenarios outlined in Appendix 3 of the Notice.

The following sections expand to provide further illustrations to assist entities in understanding the applicable fee treatment under different circumstances, including advance payments, conditional approvals, and reinstatement cases. These examples are provided solely for clarification and do not modify the policy or fee treatment as stated in the Notice.

A. Applicable to Existing Labuan Company

Scenario 1: Existing Labuan Company with multi-year advance payment during USD Fee Implementation Exercise

Labuan Company paid 5 or 6 years' annual fees in 2022 during the USD fee implementation. No top-up required for years already paid before the revised rate's effective date.

Fee Period Covered	Payment Year & Fee Applied
1st year: 2022/2023 2nd year: 2023/2024 3rd year: 2023/2024 4th year: 2024/2025 5th year: 2025/2026 6th year: 2026/2027	Status quo

Scenario 2: Existing Labuan Company paying annual fee (including advance payments)

Fee Period Covered	Payment Year & Fee Applied
• 2025/2026	• Payment made **before** 1 January 2026: USD800 • Payment made **after** 1 January 2026: USD1,000
If the entity also made additional advance 2 years payment for: • 2026/2027 • 2027/2028	USD1,000

Scenario 3: Existing Labuan Company has outstanding annual fees from 2024 and intends to make payment (including advance payments)

Fee Period Covered	Payment Year & Fee Applied
• 2024/2025 • 2025/2026	• Payment made **before** 1 January 2026: 2024/2025: USD800 2025/2026: USD800 • Payment made **after** 1 January 2026: 2024/2025: USD1,000 2025/2026: USD1,000
If the entity also made additional advance 2 years payment for: • 2026/2027 • 2027/2028	USD1,000

Scenario 4: Reinstatement of Struck-Off Labuan Company (including advance payments)

A Labuan company was struck off in 2024 and seeks reinstatement. In such cases, all outstanding annual fees must be settled as part of the reinstatement process.

Fee Period Covered	Payment Year & Fee Applied
• 2023/2024 • 2024/2025 • 2025/2026	• Payment made **before** 1 January 2026: • 2023/2024: USD800 2024/2025: USD800 2025/2026: USD800 • Payment made **after** 1 January 2026: 2023/2025: USD1,000 2024/2025: USD1,000 2025/2026: USD1,000
If the entity also made additional advance 2 years payment for: • 2026/2027 • 2027/2028	USD1,000

B. Applicable to Work Permit Applications

Pursuant to the Notice on the Requirement for Advance Annual Fee Payment for Labuan Non-Licensed Entities with Work Permit Holder(s) (Ref: LFSA.400-13/ALTC/2019(1), Labuan companies with existing work permit holders and/or intend to submit work permit application, are required to pay its annual fees at least two (2) years in advance in accordance with the validity of the work permit. The following scenarios illustrate how this requirement continues to apply under the revised fee framework effective 1 January 2026.

Scenario 5: Work Permit Application approved before 1 January 2026 and have already made payment of annual fees (including advance payments)

Fee Period Covered	Payment Year & Fee Applied
Policy requirement for advance 2 years payment: • 2025/2026 • 2026/2027	Allowed grandfathering for payment already made. Therefore, not required to top-up.
If the entity also made additional advance 2 years payment for: • 2027/2028 • 2028/2029	Allowed grandfathering for payment already made. Therefore, not required to top-up

Scenario 6: Work Permit Application submitted before 1 January 2026

Fee Period Covered	Payment Year & Fee Applied
Policy requirement for advance 2 years payment: • 2025/2026 • 2026/2027	• 2025/2026: USD800 • 2026/2027: USD800
If the entity also made additional advance 2 years payment for: • 2027/2028 • 2028/2029	USD1,000