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Forex license in Labuan (Malaysia)

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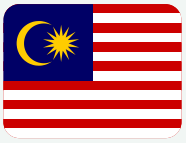

Flag

Regulator	Labuan Financial Services Authority (Labuan FSA) [1]
License	Labuan money broking licence [1]
Legal basis	Labuan Financial Services and Securities Act 2010; Guidelines on the Establishment of Money Broking Business in Labuan IBFC (2024) [1]
Minimum capital	RM1,000,000 [1]
Application fee	Licence application fee US$500 under the 2026 fee schedule; annual fees are being raised in phases from 2026 to 2028 [2]
Decision time	No statutory deadline confirmed
Retail leverage, major FX	100:1 [1]
Negative balance protection	Not required [1]
Compensation scheme	None
Cross-border passport	No [1]
Licensed firms	No published figure found [5] [6]

Public register	Labuan FSA directory of licensed entities

In short: Forex and CFD brokers in Labuan (Malaysia) are licensed by the Labuan Financial Services Authority (Labuan FSA). [1] Minimum capital: RM1,000,000. [1] Retail leverage on major currency pairs: 100:1. [1] Compensation if the firm fails: none. Figures as of November 2026.

Labuan, a federal territory of Malaysia with its own offshore financial centre, licenses forex brokers as **money brokers** through the **Labuan Financial Services Authority**. The 2024 guidelines are unusually strict for an offshore centre: money brokers may not act as principal or market maker, may not offer CFDs outside money and forex markets, and are aimed at institutional and high-net-worth clients.

License types

The license used by forex and CFD brokers in Labuan (Malaysia): Labuan money broking licence. [1] Legal basis: Labuan Financial Services and Securities Act 2010; Guidelines on the Establishment of Money Broking Business in Labuan IBFC (2024). [1]

- **Money broking (money and forex)** – RM1 million capital; agency model only
- **Money broking with digital assets** – RM1.5 million capital

Capital and financial requirements

Minimum capital in Labuan (Malaysia) (2026): Paid-up capital of RM1,000,000 for money and forex broking, or RM1,500,000 if the broker also deals in digital assets, unimpaired at all times and deposited with a regulated bank in Labuan or Malaysia; Labuan FSA can require more. [1]

Application fee: Licence application fee US$500 under the 2026 fee schedule; annual fees are being raised in phases from 2026 to 2028. [2]

Capital is only the regulatory floor. Staff, audit, compliance, technology and liquidity usually cost more than the capital itself, and regulators expect a realistic budget for the first years.

Application process

Decision time: No statutory deadline confirmed. The usual steps are:

1. Set up a Labuan company with at least two directors and an operational office in Labuan.
2. Deposit the paid-up capital with a regulated bank in Labuan or Malaysia.
3. Apply on the money broking form with the application fee.
4. Obtain approvals from authorities in the markets the broker plans to serve.
5. Submit regular statistical, AML/CFT and audited reports.

Substance and governance

An operational office in Labuan with staff able to handle finance, reporting and communication with Labuan FSA, and at least two board members. [1]

Trader protection

What the Labuan FSA rules guarantee a retail client, as of November 2026. See Trader protection for the same rules in every jurisdiction.

Protection	Rule in Labuan (Malaysia)
Retail leverage limits	At most 100:1 (1% margin) for money and forex trading, and 1:1 for digital assets; stop-loss or similar risk controls are required. [1]
Negative balance protection	Not required by the guidelines as far as we could confirm. [1]
Client money	Client money must be kept in separate accounts, never mixed with the broker's assets, reconciled monthly and returned within three working days of a withdrawal request; it is not available to the broker's creditors. [1]
Compensation if the firm fails	No investor compensation scheme.
Serving clients abroad	No. Brokers must comply with Malaysian foreign exchange rules and get approval in any market they enter. [1]

Number of licensed firms

No published count of money brokers found (as of November 2026). Labuan FSA reports totals for all sectors only: 808 licensed entities at the end of 2025, a figure that includes banks, insurers and fund managers. It publishes a list of money brokers and a list of those surrendered or revoked (at least 23 money broker licenses were surrendered between 2024 and January 2026). [5] [6]

Counts change month to month and regulators count differently (some include banks, fund managers or every investment firm). The public register is the only current source.

Recent changes

On 1 September 2026 Labuan FSA tightened its rules for digital money broking platforms. Its enforcement list shows licences revoked or businesses suspended for failing to meet minimum capital or to file reports. [3] [4]

How to verify a license

1. Find the exact legal name and license number of the entity you would contract with, usually in the website footer or the client agreement.
2. Search for it on the regulator's own register: Labuan FSA directory of licensed entities .
3. Check that the website address and contact details on the register match the site you are using, to rule out a clone firm.
4. Check which group entity your account would be opened with: brands often run several entities under different regulators.

Frequently asked questions

Can a Labuan money broker be a market maker?

No. The 2024 guidelines forbid money brokers from acting as principal, market maker or proprietary trader.

What leverage can a Labuan broker offer?

At most 100:1 on money and forex trading, and 1:1 on digital assets.

Figures as of November 2026. Requirements, fees and capital change; confirm with the Labuan FSA or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

See also

- Forex licenses compared
- Forex license in Australia
- Forex license in Singapore
- Forex license in Vanuatu
- Forex license in Nauru
- How to verify a broker's license
- All jurisdictions

References

Entries marked **Official** are the regulator, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.

1. Official Guidelines on the Establishment of Money Broking Business in Labuan IBFC (9 September 2024) . Labuan Financial Services Authority. Accessed November 2026.
2. Official Fee schedule (effective 1 January 2026) . Labuan Financial Services Authority. Accessed November 2026.
3. Official Labuan FSA Strengthens Money Broking Rules Amid Evolving Digital Risks (1 September 2026) . Labuan Financial Services Authority. Accessed November 2026.
4. Official Labuan FSA enforcement actions (June 2026) . Labuan Financial Services Authority. Accessed November 2026.
5. Labuan IBFC records US$94 bln in total assets in 2025 . Bernama. Accessed November 2026.

6. Official List of Labuan money brokers surrendered and revoked, as at 7 July 2026 . Labuan Financial Services Authority. Accessed November 2026.

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