

**LABUAN IBFC
INDUSTRY AWARDS
2024 (LIFIA2024)**



**ASSESSMENT
CRITERIA
GUIDEBOOK**

The LIBFC Industry Awards 2024 (LIFIA2024) is an inaugural award to be presented by Labuan FSA. The award aligns with the 5-Year Strategic Roadmap of Labuan IBFC, aimed at positioning Labuan as a forward-thinking and innovative financial centre. The LIFIA2024 recognises business innovation in the following three flagship categories:

Labuan IBFC Innovation Award for Islamic Finance
Labuan IBFC Innovation Award for Captive Insurance
Labuan IBFC Innovation Award for Digital Financial Services

The Panel Judges to use both (i) **Quantitative** and (ii) **Qualitative** assessments to evaluate the entries - a structured approach that integrates measurable data with subjective analysis. A detailed guide on the implementation of a combined quantitative and qualitative assessment process is provided below:

1) Evaluation Categories

- **Quantitative Assessment:** Focuses on objective, measurable data. It includes metrics that can be numerically evaluated.
- **Qualitative Assessment:** Focuses on subjective analysis, evaluating aspects that are crucial for understanding the overall quality and impact.

2) Criteria and Points Weightage

I. QUANTITATIVE ASSESSMENT (50%)

- **Projects**
 - **Number of projects taken**
 - New products development/risk underwritten.
 - CSR activities conducted.
- **Financial**
 - **Volume of business / performance**
 - Percentage increase in revenue for past three years.
 - Annual profitability.

- Return on Equity (ROE)/ Return on Investment (ROI).
- **Cost Efficiency**
 - Adoption of technology for business operations in terms of cost savings and efficient use of resources.
 - Manpower strength. e.g. number of staff and turnover rate.

II. QUALITATIVE ASSESSMENT (50%)

- **Innovation**
 - Originality
 - Implementation
- **Impact on Business & Market**
 - Reach
 - Depth
- **Execution**
 - Thought Leadership
 - Industry Engagement

Refer to **Appendix I** for more specific guidance on the relevant Assessment Criteria for the three business sectors.

APPENDIX I

QUALITATIVE ASSESSMENT CRITERIA TO BE CONSIDERED BY JUDGES:

(I) ISLAMIC FINANCE

- **Innovation**
 - ***New Product Development:*** The candidate's ability to develop new and innovative Islamic financial products or services that meet the needs of customers and contribute to the growth of the Islamic finance industry.
 - ***Technology Adoption:*** The extent to which technology has been utilised/integrated into business operations e.g., blockchain, can be quantified to assess innovation levels.
- **Impact on Business & Market**
 - ***Adherence to Islamic Principles:*** The extent to which the financial products or services offered by the candidate adhere to Islamic principles, such as the prohibition of interest (riba) and uncertainty (gharar).
 - ***Contribution to Development & Promotion:*** The candidate's contribution to the development and promotion of Islamic finance through research, education, advocacy, or other initiatives.
 - ***Market Penetration:*** How successfully new products have been adopted in the market – to provide evidence.
 - ❖ Reach: Extent of the impact (e.g. number of industry/markets benefitted or captured a significant share of the market).
 - ❖ Depth: Depth of the impact (e.g. the product can be scaled with minor adjustments and may have long-term sustainability).
 - ***ESG Integration:*** The products and services incorporate Environmental, Social, and Governance (ESG) factors, promoting sustainable investment practices and minimising negative environmental and social impacts. Candidate's commitment to social responsibility and the positive impact of their Islamic finance activities on the community, economy, and environment.

- **Other Significant Achievements:** The company may highlight other notable achievements and contributions that are not fully captured in the static data reported to Labuan FSA.
- **Execution**
 - **Thought Leadership:** The company demonstrates strong leadership and influence within the Islamic finance industry, recognised for its innovative approaches and market impact.
 - **Industry Engagement:** The company actively engages with the industry, regularly participating in relevant discussions, events, and publishing articles or research related to digital finance.

(II) CAPTIVE INSURANCE

- **Innovation**
 - **New Products Developed:** The number of new insurance products or services introduced within a specific timeframe can be a significant indicator of innovation.
 - **Emerging/Unique Risk Coverage:** Innovative captives often develop bespoke coverage solutions that address unique risks not available in the traditional market. Judges can assess the unique risks covered by the captive that are not available in the traditional market based on the participant's explanation on how the captive has tailored insurance products to meet the specific needs of its parent company or affiliated entities.
 - **Demonstrated Innovation:** Shown notable innovation and adaptability towards market trends, leveraging new approaches/ technologies to stay competitive. Incorporated innovative features/functionalities that streamline and enhance business processes, contributing to operational excellence.
 - **Technology Utilisation:** The extent to which technology has been integrated into operations (e.g., automation rates, data analytics usage) can be quantified to assess innovation levels.

- **Impact on Business & Market**
 - **Market Penetration:** How successfully new products have been adopted in the market – to provide evidence.
 - ❖ Reach: Extent of the impact (e.g. number of industry/markets benefitted or captured a significant share of the market).
 - ❖ Depth: Depth of the impact (e.g. the product can be scaled with minor adjustments and may have long-term sustainability).
 - **ESG Integration:** The products and services incorporate Environmental, Social, and Governance (ESG) factors, promoting sustainable investment practices and minimising negative environmental and social impacts.
 - **Other Significant Achievements:** The company may highlight notable achievements and contributions that are not fully captured in the static data reported to Labuan FSA.

- **Execution**
 - **Thought Leadership:** The company demonstrates strong leadership and influence within the captive finance industry, recognised for its innovative approaches and market impact.
 - **Industry Engagement:** The company actively engages with the industry, regularly participating in relevant discussions, events, and publishing articles or research related to captive insurance business.
 - **Risk Management Effectiveness:** Captive insurance entities are often judged on their ability to manage risk effectively.
 - ❖ Risk Retention Rate: Evaluates how much risk is retained versus transferred through reinsurance or other means, indicating confidence in internal risk management strategies.
 - ❖ Claims Frequency and Severity Analysis: Analyses trends in claims frequency and severity can provide quantitative insights into risk exposure and management effectiveness over time. Nominees to provide number of frequency of claims and the total amount of claims for the past 3 years.

(III) DIGITAL FINANCIAL SERVICES

- **Innovation**
 - **Demonstrated Innovation:** The company has shown notable innovation and adaptability in response to recent market trends, leveraging new approaches or technologies to stay competitive.
 - **Innovative Features:** The company has successfully incorporated innovative features or functionalities that streamline and enhance business processes, contributing to operational excellence.
 - **Technology Integration:** The company embraces and integrates emerging technologies, ensuring their solutions remain cutting-edge and relevant in a rapidly evolving digital finance landscape.
 - **Efficiency and Scalability:** The products and services enhance efficiency and scalability in financial operations and transactions, allowing for greater growth and adaptability.
 - **User Experience:** The solutions offered improve user experience and convenience, making financial processes more accessible and user-friendly for customers.

- **Impact on Business & Market**
 - **Market Penetration:**
 - ❖ Reach: Extent of the impact (e.g. number of industry/markets benefitted or captured a significant share of the market).
 - Audience Engagement: The company effectively targets and engages its intended audience through well-executed strategies and initiatives.
 - Achievement of Objectives: The company implements strategies that successfully meet and exceed its overall objectives, demonstrating clear impact and effectiveness.
 - ❖ Depth: Depth of the impact (e.g. the product can be scaled with minor adjustments and may have long-term sustainability).

- **ESG Integration:** The products and services incorporate Environmental, Social, and Governance (ESG) factors, promoting sustainable investment practices and minimising negative environmental and social impacts.
 - **Significant Achievements:** The company may highlight notable achievements and contributions that are not fully captured in the static data reported to Labuan FSA.
- **Execution**
 - **Thought Leadership:** The company demonstrates strong leadership and influence within the digital finance industry, recognised for its innovative approaches and market impact.
 - **Industry Engagement:** The company actively engages with the industry, regularly participating in relevant discussions, events, and publishing articles or research related to digital finance.