GUIDE TO BRUNEI DARUSSALAM FINANCIAL SECTOR
OPPORTUNITIES IN THE FINANCIAL SECTOR

1. Banking or Finance Companies License
2. Capital Market Services License
3. Capital Market Services Representative's License
4. Licensing/Recognition of Collective Investment Scheme (CIS)
5. Registration of Schemes
6. Insurance or Takaful Operator
7. General Insurance or Takaful General Agent
8. Life Insurance or Family Takaful Agent
9. Fintech Regulatory Sandbox
APPLYING FOR BANKING OR FINANCE COMPANIES LICENSE
All banks and finance companies must be licensed with Autoriti Monetari Brunei Darussalam.

What are the licensing requirements?
- High reputation in the financial community;
- Directors, controllers and senior managers of the bank must be fit and proper;
- Must have minimum paid up capital as follows:
  - Foreign bank branches (Conventional and Islamic) must maintain a minimum of BND 30 million of net head office funds in Brunei Darussalam; and
  - Islamic banks need to establish a Syariah advisory body, comprising at least three Islamic religious scholars, of which two are citizens of Brunei Darussalam.

What are the relevant fees?

<table>
<thead>
<tr>
<th>FULL BANKING</th>
<th>LICENSE FEES (ANNUAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters or principal branch of a licensed bank</td>
<td>BND 50,000</td>
</tr>
<tr>
<td>Branch of a licensed local bank and sub-branch of a licensed foreign bank</td>
<td>BND 10,000</td>
</tr>
<tr>
<td>Automated Teller Machine (Off premises of a licensed bank)</td>
<td>BND 3,000 each</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCE COMPANIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>BND 30,000</td>
</tr>
<tr>
<td>Branch</td>
<td>BND 5,000</td>
</tr>
</tbody>
</table>
All completed applications and the necessary documentations with the application fees should be submitted to the attention of:
Assistant Managing Director (Regulatory and Supervision)
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive
Bandar Seri Begawan BB3910

What are the necessary documents?

Interested applicants are required to submit at least the following documentations:

1. Completed application form;
2. Original letter from the home country Supervisory Authority (as applicable) approving the establishment of a branch or subsidiary in Brunei Darussalam;
3. Certified copy of Memorandum of Association and Articles of Association;
4. Undertaking from the bank to inform of any material adverse developments including breach of legal and prudential requirements;
5. Annual Audited Financial Statements of the bank for the last three years, and additionally a Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income dated not more than three months prior to the date of the application;
6. Annual Reports of the bank’s holding company or shareholders with controlling interest for the latest financial year;
7. Proposed structure of operations in Brunei Darussalam;
8. Business Plan (including type of business, staff support, pro-forma financial data and financial projections for first five years of operation); and
9. For Islamic banks, approval from Syariah Financial Supervisory Board for any Islamic financial products and services to ensure they are not contrary to Hukum Syara‘.

FEE | LOCAL BANK | FOREIGN BANK
--- | --- | ---
Credit Bureau
Joining Fee | BND 10,000 | BND 10,000
Annual Fee | BND 30,000 | BND 30,000

Real Time Gross Settlement (RTGS)
Joining Fee | BND 10,000 | BND 10,000
Annual Fee | BND 10,000 | BND 10,000

Automated Clearing House (ACH)
Joining Fee | BND 10,000 | BND 10,000
Annual Fee | BND 10,000 | BND 10,000

Central Securities Depository (CSD)
Joining Fee | BND 10,000 | BND 10,000
Annual Fee | BND 4,000 | BND 4,000
APPLYING FOR CAPITAL MARKET SERVICES LICENSE AND CAPITAL MARKET SERVICES REPRESENTATIVE’s LICENSE
Any firm or individual who wishes to conduct a regulated activity in Brunei Darussalam must apply for a Capital Markets Services Licence ("CMSL") or Capital Markets Services Representative’s Licence ("CMSRL").

What are the regulated activities?

- Dealing and arranging deals in investments
- Managing investments including collective investment scheme (CIS) management and establishing, operating or winding up a CIS
- Giving or offering investment advice as an investment adviser or a financial planner
- Using computer-based systems for giving investment instructions
- Safekeeping and administration of assets including custodial services

What are the general requirements?

**CMSL**

**Form 1 Application for Capital Markets Services Licence**

**Fit and Proper Criteria**
- Honesty, integrity and reputation;
- Competence and capability;
- Financial soundness; and
- Requirements relating to competencies of representatives.

**Organisational Requirements**
- An organisational structure with clear lines of responsibility and authority;
- Necessary information technology systems and infrastructure;
- Adequate internal control systems;
- Risk management policies and processes;
- Policies and processes on conflict management and the monitoring of unethical conduct and market abuse; and
- Policies and procedures to ensure compliance with any written laws and regulations.

**CMSRL**

**Form 2 Application for Capital Markets Service Representative’s Licence**

**General Requirements**
- 21 years old and above.
- Fit and proper.

All relevant information must be provided by the applicant to his/her principal.

**Qualification and Experience Requirements**
- Educational, professional background, working experience and previous track records will be considered in assessing the competency.

**Licensing Examination**
- Must pass the licensing examination set by Autoriti Monetari Brunei Darussalam.

For more information, please refer to:

1. Guideline on Application for CMSL and CMSRL
2. Guideline on Application to Carry on Islamic Investment Business
What are the financial requirements?

<table>
<thead>
<tr>
<th>Regulated Activity</th>
<th>Minimum Base Capital (for local corporations)</th>
<th>Net Head Office Funds (for foreign branches)</th>
<th>Aggregate Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealing and arranging deals in investments</td>
<td>BND 2,000,000</td>
<td>BND 2,000,000</td>
<td></td>
</tr>
<tr>
<td>Managing investments including collective investment scheme (CIS) management and</td>
<td></td>
<td></td>
<td>10% of aggregate margins required</td>
</tr>
<tr>
<td>establishing, operating or winding up a CIS</td>
<td>BND 300,000</td>
<td>BND 300,000</td>
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<td></td>
<td>Whichever is higher</td>
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<tr>
<td>Giving or offering investment advice as an investment adviser</td>
<td>BND 250,000</td>
<td>BND 250,000</td>
<td></td>
</tr>
<tr>
<td>Giving or offering investment advice as a financial planner</td>
<td>BND 100,000</td>
<td>BND 100,000</td>
<td></td>
</tr>
<tr>
<td>Using computer-based systems for giving investment instructions</td>
<td>Determined by AMBD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safekeeping and administration of assets including custodial services</td>
<td>Determined by AMBD</td>
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<table>
<thead>
<tr>
<th>CMSL</th>
<th>CMSRL</th>
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</thead>
<tbody>
<tr>
<td>Each regulated activity</td>
<td>Each regulated activity</td>
</tr>
<tr>
<td>Application Fee of BND 500</td>
<td>Application Fee of BND 100</td>
</tr>
<tr>
<td>Annual Fee of BND 2000</td>
<td>Annual Fee of BND 100</td>
</tr>
<tr>
<td>Additional regulated activity</td>
<td></td>
</tr>
<tr>
<td>Application Fee of BND 300</td>
<td></td>
</tr>
<tr>
<td>Annual Fee of BND 2000</td>
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</tbody>
</table>

NOTIFICATION OF CHANGES TO CMSL/CMSRL HOLDER

Notification of changes in particulars of the following –
• CMSL holder ceases to conduct business
• CMSRL holder ceases to act as a representative of the principal
• Changes in details required by SMO Section 171

Administrative Fee BND 50

All completed applications and the necessary documentations with the application fees should be submitted to the attention of:
The Managing Director
ATTN: Capital Market Unit
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance Building
Commonwealth Drive
Bandar Seri Begawan BB391010

For any general enquiries on capital markets, please email capmarket@ambd.gov.bn
APPLYING FOR LICENSING/RECOGNITION OF COLLECTION INVESTMENT SCHEME
Collective Investment Scheme (CIS) means any investment arrangements with respect to assets, including money which enables any person taking part in the arrangements to participate in or receive profits or income from the investment.

For locally-domiciled CIS...

Apply for Licensing

For foreign CIS...

Apply for Recognition

For more information, please refer to Guideline No. CMU/G-2/2017/12 Guideline on Licensing and Recognition Applications for Collective Investment Schemes.

What are the necessary documents?

- Form 5 Application / Recognition for CIS
- Prospectus
- Other supporting documents according to the Guideline No. CMU/G-2/2017/12
- Application Fee
  - Umbrella Fund BND 500
  - Each sub fund BND 100

All completed applications and the necessary documentations with the application fees should be submitted to the attention of:
The Managing Director
ATTN: Capital Market Unit
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance Building
Commonwealth Drive
Bandar Seri Begawan BB3910

For any general enquiries on capital markets, please email capmarket@ambd.gov.bn
REGISTRATION OF SECURITIES
Public offering of securities will require registration and submission of prospectus. Private offering of securities must be notified to the Authority.

Who can offer securities in Brunei Darussalam?

Only holders of Capital Markets Services Licences (CMSL) or exempted persons may offer securities in Brunei Darussalam. Please refer to Leaflet on Application for CMSL.

What are the types of securities that could be offered?

- Shares
- Options
- Rights and Interests in Investments
- Units in Collective Investment Schemes
- Investment-linked Insurance contracts
- Government and public securities
- Debentures
- Futures
- Certificates representing Securities
- Contracts for differences
- Instruments creating entitlements to shares or securities

What are the steps to be undertaken for securities offerings?

For private offerings...

For any offers to sell securities to less than 50 investors during a 12-month period:

- Notice in writing to Autoriti Monetari Brunei Darussalam.
- To refer to Notification on Private Offerings and Exempt Securities and Transaction

For public offerings...

For any offers to sell securities to more than 50 investors,

- Registration Statement
- Prospectus
- Other Supporting Documents
  (please refer to AMBD website for the relevant Registration Statement)

All completed applications and the necessary documentations with the application fees should be submitted to the attention of:

The Managing Director
ATTN: Capital Market Unit
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance Building
Commonwealth Drive
Bandar Seri Begawan BB3910

For any general enquiries on capital markets, please email capmarket@ambd.gov.bn
APPLYING TO BE INSURANCE OR TAKAFUL OPERATOR
Companies wishing to offer insurance or takaful must be registered under Insurance Order, 2006 and Takaful Order, 2008 respectively with Autoriti Monetari Brunei Darussalam (AMBD).

- Insurance companies and takaful operators may apply for a licence to carry out general business or life business. There are no licence for composite businesses.
- Conventional insurers cannot offer takaful products and likewise for takaful operators.

**What are the licensing requirements?**

**BEFORE REGISTRATION**

- Must be a company registered under the Companies Act (Chapter 39) or a foreign insurer or takaful operator establishing a subsidiary or foreign branch in Brunei Darussalam;
- Must be able to meet the capital requirements:
  - Minimum paid-up capital for locally incorporated companies: BND 8 million
  - Minimum surplus of assets over liabilities for foreign branches: BND 8 million
- Directors, controllers and management of the company must be fit and proper to hold such positions;
- Has a minimum surplus of assets over liabilities of 20%;
- Made a minimum statutory deposit of BND 1 million with AMBD.

**AFTER REGISTRATION**

- Becomes a member of Brunei Insurance and Takaful Association (BITA);
- Takaful operators must establish a Syariah advisory body;
- The licensee must pay annual fees to AMBD, as of 1\textsuperscript{st} day of each year.

**What are the relevant fees?**

<table>
<thead>
<tr>
<th></th>
<th>LICENSE FEES (ANNUAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Office</strong></td>
<td>BND 10,000</td>
</tr>
<tr>
<td><strong>For each branch office</strong></td>
<td>BND 3,000</td>
</tr>
<tr>
<td><strong>For each counter</strong></td>
<td>BND 1,000</td>
</tr>
</tbody>
</table>
What are the steps that need to be undertaken?

1. Preliminary meeting with AMBD;
2. Submission of completed application form with supporting documents. Application can be downloaded from AMBD’s website (www.ambd.gov.bn);
3. Assessment of application by AMBD;
4. Approval of registration and commencement of operations – Successful applicants are issued an approval letter by AMBD containing the conditions of registration and AMBD will issue the license upon payment of fees.

What are the required documents?

Interested applicants are required to submit at a minimum the following items:

1. Completed application form;
2. Original letter from the home country Supervisory Authority (as applicable) approving the establishment of a branch or subsidiary in Brunei Darussalam;
3. Certified copy of Memorandum of Association and Articles of Association;
4. Annual Audited Financial Statements of the company for the last 5 years;
5. Proposed structure of Brunei operations;
6. Business Plan for the first 5 years of operation (including type of business, staff support, pro-forma financial data and financial projections for first 5 years);
7. For takaful operators:
   o names of the Syariah advisory board members;
   o approval from Syariah Financial Supervisory Board for any Islamic financial products and services to ensure they are not contrary to Hukum Syara’; and
8. If applicant is successful, payment of BND 20,000 for the registration fee.

All completed applications and the necessary documentations with the application fees should be submitted to the attention of:

Deputy Managing Director (Regulatory and Supervision)
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive
Bandar Seri Begawan BB3910
APPLYING TO BE AN INSURANCE OR TAKAFUL GENERAL AGENT
Under the Insurance Order, 2006 and Takaful Order, 2008, any agent who wishes to represent conventional insurers and takaful operators must apply for registration with Autoriti Monetari Brunei Darussalam (AMBD). Individuals or companies carrying out agency business without a licence will be in breach of the law and may be subject to penalties.

An agent can be an individual or company that offers insurance/takaful on behalf of licensed insurers and takaful operators in Brunei Darussalam.

- An agent cannot represent an insurer or takaful operator not licensed by AMBD.
- 1 agent can represent a maximum of 3 insurance companies or takaful operators.
- If an agent wishes to represent conventional insurers and takaful operators, the agent must apply for registration under Insurance Order, 2006 and Takaful Order, 2008.

What are the licensing requirements?

**INDIVIDUAL**

- Must be registered as a sole proprietor with Registrar of Companies and Business Names (ROCBN), Ministry of Finance and Economy
- The applicant is the only one allowed to sign off on policies.
- Before applying to AMBD, the applicant must be:
  - at least 21 years of age;
  - a citizen or permanent resident of Brunei Darussalam;
  - fit and proper;
  - qualified and hold a qualification approved by AMBD; and
  - registered with BITA.

**CORPORATE**

- Must be a company registered with Registrar of Companies, Ministry of Finance and Economy.
- The owner of the company must be a citizen or permanent resident of Brunei Darussalam.
- Corporate nominees must be appointed to carry out the agency business and sign off on policies.
- Before applying to AMBD, the corporate nominee must be:
  - at least 21 years of age;
  - a citizen or permanent resident of Brunei Darussalam or foreign spouse or foreigner holding senior management position;
  - fit and proper;
  - qualified and hold a qualification approved by AMBD;
  - engaged fulltime with the corporate agent; and
  - registered with BITA.
What are the required documents?

**INDIVIDUAL**

1. Copy of identity card;
2. BITA clearance letter;
3. Copy of qualifications;
4. Employees' copy of identity card (if any); and
5. AMBD Fit and Proper checklist form.

**CORPORATE**

1. Copy of draft Memorandum and Articles of Association (M&A);
2. Copy of Form X;
3. Copy of Notice of Situation of Registered Office;
4. Copy certificate of Shareholder's Authorised Capital;
5. Copy of identity card for shareholder(s), director(s), principal officer and corporate nominee(s) and employee(s);
6. BITA clearance letter;
7. Copy of qualifications; and
8. AMBD Fit and Proper checklist form for shareholder(s), director(s), principal officer and corporate nominee(s).

What are the relevant fees?

<table>
<thead>
<tr>
<th></th>
<th>IO, 2006</th>
<th>TO, 2006</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIVIDUAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fee (BND)</td>
<td>300</td>
<td>300</td>
<td>600</td>
</tr>
<tr>
<td>Annual fee (BND)</td>
<td>200</td>
<td>200</td>
<td>400</td>
</tr>
<tr>
<td><strong>CORPORATE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fee (BND)</td>
<td>2000</td>
<td>2000</td>
<td>4000</td>
</tr>
<tr>
<td>Annual fee (BND)</td>
<td>1000</td>
<td>1000</td>
<td>2000</td>
</tr>
</tbody>
</table>

The Centre for Islamic Banking, Finance and Management (CIBFM) holds classes for interested applicants wishing to sit for the Qualifying Examination for Insurance and Takaful Agent (QEFITA).

Interested Applicants can contact CIBFM at +6732461221 /2461223 or inquiry@cibfmbrunei.com

All completed applications and the necessary documentations with the application fees should be submitted to the attention of:
Head of Takaful/Insurance, Regulatory & Supervision Department
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive
Bandar Seri Begawan BB3910
APPLYING TO BE A LIFE INSURANCE OR FAMILY TAKAFUL AGENT
Under the Insurance Order, 2006 and Takaful Order, 2008, any agent who wishes to represent conventional insurers or takaful operators must apply for registration with Autoriti Monetari Brunei Darussalam (AMBD). Individuals or companies carrying out agency business without a licence will be in breach of the law and may be subject to penalties.

An agent can be an individual or company that offers insurance/takaful on behalf of licensed insurers or takaful operators in Brunei Darussalam.

- An agent cannot represent an insurer or takaful operator not licensed by AMBD.
- If an agent wishes to represent conventional insurer or takaful operator, the agent must apply for registration under Insurance Order, 2006 or Takaful Order, 2008.
- An agent can only represent 1 life insurance company or 1 family takaful operator.
- An agent may also represent a maximum of 3 general insurance companies and takaful operators.

What are the licensing requirements?

**INDIVIDUAL**

- The applicant is the only one allowed to sign off on policies.
- Before applying to AMBD, the applicant must be:
  - at least 21 years of age;
  - a citizen or permanent resident of Brunei Darussalam;
  - a foreign spouse of citizen or permanent resident of Brunei Darussalam with valid permit document;
  - fit and proper;
  - qualified and hold a qualification approved by AMBD; and
  - registered with Brunei Insurance and Takaful Agent (BITA).

**CORPORATE**

- Must be a company registered with Registrar of Companies, Ministry of Finance and Economy.
- The owner of the company must be a citizen or permanent resident of Brunei Darussalam.
- Corporate nominees must be appointed to carry out the agency business and sign off on policies.
- Before applying to AMBD, the corporate nominee must be:
  - at least 21 years of age;
  - a citizen or permanent resident of Brunei Darussalam or foreign spouse or foreigner holding senior management position;
  - fit and proper;
  - qualified and hold a qualification approved by AMBD; and
  - engaged fulltime with the corporate agent; and
  - registered with BITA.
What are the required documents?

**INDIVIDUAL**
1. Copy of identity card;
2. BITA clearance letter;
3. Copy of qualifications;
4. Employees' copy of identity card (if any); and
5. AMBD Fit and Proper checklist form.

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1. Copy of draft Memorandum and Articles of Association (M&A);
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5. Copy of identity card for shareholder(s), director(s), principal officer and corporate nominee(s) and employee(s);
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7. Copy of qualifications; and
8. AMBD Fit and Proper checklist form for shareholder(s), director(s), principal officer and corporate nominee(s).

What are the relevant fees?

**INDIVIDUAL**

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Head of Takaful/Insurance, Regulatory & Supervision Department
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive
Bandar Seri Begawan BB3910
On 27th February 2017, AMBD formally issued the FinTech Regulatory Sandbox Guidelines, which aims to aid in the development of FinTech companies in Brunei Darussalam through the creation of regulatory sandboxes.

A regulatory sandbox allows the testing of innovative products and services through the usage of a framework that enables qualified companies or businesses to experiment with innovative solutions in a relaxed regulatory environment, for a limited period of time and within specific boundaries.

What is the general process of application to FinTech Regulatory Sandbox?

Prepare product or service and appropriate business model

Understand the legal and regulatory requirements

Engage with AMBD for any clarification required

Apply for a regulatory sandbox

- Submit your application form to fintech@ambd.gov.bn

Application phase

- Applications will be assessed for their suitability of a regulatory sandbox.

Evaluation and Preparation Phase

- Suitable applicants will work together with AMBD to determine the parameters of the sandbox

Testing and Experimentation Phase

- Written approval will be provided to successful applicants and testing may begin

For more information, please refer to Guidelines No. FTU/G-1/2017-1 FinTech Regulatory Sandbox Guidelines.
CONTACT DETAILS

Financial Development
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance Building
Commonwealth Drive
BB3910
E-mail: findev@ambd.gov.bn