This Notice shall supersede the Notice No.1/2010 and the provisions contained herein shall be operative for all credit card issuing banks with effect from 01st February, 2012:-

1. The minimum age requirement for credit cardholders shall be as follows:
   
   1.1 A minimum age of 21 years for the principal cardholder; and

   1.2 A minimum age of 18 years for supplementary cardholders, and they shall be subject to the limits granted to the principal cardholder, and to any sub-limits within the total limit of the principal cardholder as instructed by the principal cardholder.

2. The minimum Gross Monthly Income for an individual cardholder shall be at least B$500.00 per month.

   [Amendment No.1 dated 28 October 2015]

3. The maximum credit card limit for each individual shall be based on the Gross Monthly Income as follows:-

<table>
<thead>
<tr>
<th>Minimum Gross Monthly Income (x)</th>
<th>Credit Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 ≤ x &lt; $1,000</td>
<td>1 month Gross Monthly Income</td>
</tr>
<tr>
<td>$1,000 ≤ x &lt; $10,000</td>
<td>2 months’ Gross Monthly Income</td>
</tr>
<tr>
<td>x ≥ $10,000</td>
<td>Based on the bank’s recommendation</td>
</tr>
</tbody>
</table>

   [Amendment No.1 dated 28 October 2015]
3.1 Banks are not permitted to increase cardholders’ credit limits without obtaining the principal cardholders’ consent;  

[Amendment No.1 dated 28 October 2015]

3.2 Deleted  

[Amendment No.1 dated 28 October 2015]

3.3 Deleted  

[Amendment No.1 dated 28 October 2015]

3.4 Deleted  

[Amendment No.1 dated 28 October 2015]

3.5 In determining the Gross Monthly Income of a customer, the following may be aggregated:-

3.5.1 Fixed basic monthly income;

3.5.2 Fixed monthly allowances;

3.5.3 Monthly pension received by a pensioner and credited to the customer’s account;

3.5.4 50% of the average of monthly variable income (such as commission, bonus or allowance from the customer’s employer) credited to the customer’s account earned in the preceding 12 months;

3.5.5 70% of the average monthly rental income from properties credited into the customer’s account in the preceding 12 months and supported by a valid tenancy agreement signed by both the customer (as the landlord) and the party to whom he has leased the property. For this purpose, banks are required to set their own internal standards and policies to ensure such rental income is dependable and verifiable; and

3.5.6 70% of the average monthly income (for sole proprietors) credited into the customer’s account in the preceding 12 months. For this purpose, banks are required to set their own internal standards and policies to ensure such income is dependable and sustainable.

[Amendment No.1 dated 28 October 2015]
3.6 The following income shall not be considered in determining the Gross Monthly Income of a customer:-

3.6.1 Old age pension.

[Amendment No.1 dated 28 October 2015]

4. Upon an application by a customer, credit cards may only be issued subject to the credit card issuing banks’ verification of the customer’s Gross Monthly Income. Credit cards may also be issued to customers with fixed deposit account of an equivalent value to the maximum credit card limit with the credit card issuing bank subject to paragraph 4.3 below.

For the purposes of this paragraph, a customer means a Brunei citizen, permanent resident or a person who currently holds a valid employment in Brunei Darussalam.

[Amendment No.1 dated 28 October 2015]

4.1 Deleted

[Amendment No.1 dated 28 October 2015]

4.2 Deleted

[Amendment No.1 dated 28 October 2015]

4.3 Such fixed deposits shall not be facilitated with loans or overdrafts granted for the purpose of meeting the fixed deposit requirement. Any deposit account which has the same characteristics of a fixed deposit shall be used where the sum of the deposit placed with the credit card issuing bank only is equivalent to the credit card limit granted and has been placed under lien in the system and also in documentary form for record purposes and for validation by regulators or auditors where necessary.

[Amendment No.1 dated 28 October 2015]

5. Eligibility to merchant co-branded credit cards (supermarkets, clubs, hotels etc.) shall be strictly in line with the requirements of this Notice.

6. The minimum monthly payment shall not be less than 8% of the outstanding balance on the monthly statement.
7. Banks shall not permit credit cardholders to use their credit cards to pay their monthly loan obligations to the issuing bank or of any of its subsidiaries.

8. Banks shall not offer pre-approved credit cards without the approval and consent of the customer.

9. All related costs and charges on credit cards e.g. penalty charges for late payments, etc. shall be intimated in advance to the public. Transparency and full disclosure of all related charges will enable customers to make informed decisions on credit cards that are most beneficial to them as well as to exercise caution and prudence in the use of credit cards.

10. Banks shall not promote nor advertise their credit card facilities without the prior approval of the Authority.

11. Banks are encouraged to promote debit cards to facilitate cash-less payments and for convenience to customers.

12. On cancellation of the cards of those customers who do not meet the requirements of this Notice, their outstanding credit card balances, plus interest on the date of cancellation, shall be paid in full by the customer OR the customer’s credit card liability shall be settled within a maximum period of 36 months through the conversion of the outstanding balance into a credit card loan outside the covenants of the Personal Loans Directive OR through the continuation of the liability as a credit card outstanding to be settled at the discretion of the customer through monthly payments which will ensure full repayment of the total outstanding within the period of 36 months.

In regard to paragraph 12 above, the following directives shall apply:-

12.1 The bank may offer credit card loans also to customers who are unable to assign their salaries to the credit card issuing bank on a case-by-case basis;

12.2 Extensions over the 36 months period shall be strictly on a case-by-case basis at the request of the customer and shall not exceed 60 months and shall not extend beyond January 2017;
12.3 The rate of interest applicable to such loans shall not exceed the current rate of interest applicable to unsecured loans by the bank. In the interests of assisting the customer to settle the outstanding within the 36 months period, banks are required to induce early repayment by offering concessionary rates of interest much below the standard rate applicable; and

12.4 Early settlement fees are prohibited on credit card loans.

13. **Cost Transparency - Rate of Interest on Credit Cards**

13.1 The rate of interest applicable on credit cards shall be reduced from the current rate of 2.0% to not more than 1.5% per month on the total outstanding;

13.2 To facilitate comparisons and informed decisions by cardholders, the credit card issuing banks are required to provide a Product Disclosure Sheet that contains key information on the card’s features, fees charged and obligations of the cardholders etc. The implications of meeting only the minimum and partial repayments shall be prominently displayed and alerts communicated to the cardholders;

13.3 At the end of each year, customized information on how long it will take to fully pay off the cardholder’s outstanding balance and the total interest costs if the cardholder only makes the minimum payment shall be issued to those cardholders who are seen to be accumulating large credit card outstandings as a result of only the minimum payment being made each month; and

13.4 Credit card issuing banks are required to be transparent about the basis of interest computation for their credit card customers. How interest is computed on credit card outstanding shall be stated very clearly in their terms and conditions, and on the reverse of the monthly statement.

14. In assessing an application for a credit card, banks shall conform to AMBD’s Notice No. BS/N-1/2015/30 on Total Debt Service Ratio (TDSR).

[Amendment No.1 dated 28 October 2015]

MANAGING DIRECTOR

AUTORITI MONETARI BRUNEI DARUSSALAM

Issue Date: 15 Muharram 1437 / 28 October 2015