**Highlights of Achievements and Areas for Improvement**

- 77 per cent of tariff lines are equal to zero, but some tariff peaks equivalent to 30 per cent still remain.
- Although some types of foreign investment are still not allowed, there are increasing efforts to provide incentives to foreign companies to doing business in Brunei Darussalam. The corporate tax rate was reduced from 30 to 20 per cent.
- No restrictions in terms of repatriation of capital, remittances of profits or royalties from investments.
- Brunei Darussalam is strengthening its institutional system by establishing the National Standards Council; the National Metrology Laboratory and the Brunei Intellectual Property Office. Also, the government is drafting a competition policy law.
- Efforts to improve customs procedures. A single window system is under implementation.
- Flexible system to hire foreign workers. Work visas can be renewed.
- Foreign firms can participate in tenders, but they face some restrictions in comparison to local firms.

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**Summary of Topics**

**Tariffs**
Tariff rates in Brunei Darussalam are low. Around 77 per cent of the tariff lines enjoy zero tariff rates. Some products face import tariff rates between 5 and 30 per cent. The government has kept tariffs for certain goods due to moral or religious reasons (e.g. toys, food products).

On 1 April 2012, Brunei Darussalam replaced tariff rates with excise duties for 1027 items related to beverages, tobacco, machinery and mechanical appliances, motor vehicles, and measuring instruments and apparatuses.

**Non-Tariff Measures**
Brunei Darussalam maintain some import prohibitions, restrictions and licensing requirements for health, safety, security, environmental, moral and religious reasons. For example, imports and production of alcohol are restricted for religious reasons. Imports of used motor vehicles older than 5 years are restricted for safety reasons. Products such as telecommunications equipment, medical products, live animals and plants, among others, require an import license. Salt, sugar and rice are among some of the food products subject to import restrictions.

**Services**
The Companies Act was modified in 2011 to facilitate foreign investors to manage companies. Before the amendment, it was required that no less than half of the members of any board of directors should be a citizen of Brunei Darussalam. Now, if the company has more than two directors, at least two of them should be residents in Brunei Darussalam.

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*This brief report was prepared with information from Brunei Darussalam’s submission of 2014 APEC Individual Action Plan (IAP) template; and the Ministry of Finance, Board of Architects Professional Engineers and Quantity Surveyors and the Brunei Economic Development Board websites.*
The Board of Architects, Professional Engineers and Quantity Surveyors was established in 2012 in order to regulate the qualifications and practice of professionals in those areas.

**Investment**

Full majority or minority of foreign ownership is allowed depending on the type of activity. Foreign investments under the modality of partnership and joint ventures are subject to approval and sole proprietorships are not open to foreigners. There are no restrictions in terms of repatriation of capital, remittances of profits or royalties from investments.

Brunei Darussalam has implemented recently some tools to facilitate doing business. An example is the launch of the OneBiz Portal, a single window to apply for business licenses in a time and cost-saving manner. In addition, Brunei Darussalam has reported 16 agreements to avoid double-taxation.

Investments are also being encouraged by offering improved tax conditions. For example, the corporate tax rate was reduced from 30 to 20 per cent and tax credits, equivalent to 15 per cent, are applicable for installation of new plants and machinery until the end of 2017.

**Standards & Conformance**

After setting up the National Standards Council in 2010, Brunei Darussalam has increased its involvement in the development or adoption of standards. For example, 45 international electrical standards have been adopted from 2010. In addition, 35 ISO standards have been adopted in the construction sector. Work is in progress concerning the implementation of food standards.

Brunei Darussalam has participated in the three phases of the APEC Electrical and Electronic Equipment Mutual Recognition Arrangement (EEMRA) and has completed the phase 1 of the MRA on telecommunications with Singapore.

Efforts in metrology are ongoing. The National Metrology Laboratory opened in July 2013.

**Customs Procedures**

Brunei Darussalam is continuing the implementation of systems to facilitate trade, such as the establishment of the National Single Window which will allow the submission of import/export data and manifest information electronically. In addition, an advance rulings system on customs tariff and classification has been put in force.

Brunei Darussalam has not adopted the ATA Carnet Convention, but allows the temporary importation of goods without import duty under certain conditions. In addition, several annexes of the Kyoto Convention and the HS 2012 version were implemented. Brunei Darussalam Customs is currently adopting best practices and guideline of WCO Risk Management Techniques.

**Intellectual Property Rights**

In June 2013, Brunei Darussalam established the Brunei Intellectual Property Office (BruIPO), as the authority in charge of intellectual property matters. In September 2013, Brunei Darussalam acceded to the Hague Agreement for the International Registration of Industrial Designs.
Brunei Darussalam is currently working to accede to other international IP protocols such as the International Union for the Protection of New Varieties of Plants (UPOV) and the Madrid Protocol for the International Registration of Marks.

**Competition Policy**
There is no competition policy law yet, but a competition law is in the drafting stage. At the sectorial level, some competition-related provisions have been implemented in the telecommunications sector. A converged competition code of practice is currently being developed for the telecommunications and broadcasting sectors.

**Government Procurement**
Tenders could be open, selective or limited. In theory, foreign firms can participate in the tenders individually. However, State Tender Board at the Ministry of Finance mentions that it is advisable for them to form a joint-venture with local companies.

**Mobility of Business People**
At present, the Department of Immigration and National Registration provides visa exemptions to passport holders of 57 economies worldwide.

Blue-collar and white-collar workers can be recruited in cases of insufficient local supply. Work visas and permits could be issued for three months and they are renewable for two years. Brunei Darussalam is a small economy with a small workforce. Therefore, it has established a flexible policy to allow companies to employ foreign workers in areas with short supply of local workers.

**RTA/FTAs**
Brunei Darussalam has eight FTAs/RTAs in force, and is currently participating in the negotiation of the Trans-Pacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership (RCEP). There are plans to start the negotiations ASEAN-Hong Kong FTA in 2014.

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1 Brunei Darussalam’s RTA/FTAs in force are the following ones: ASEAN (1992), Brunei Darussalam–Japan (2008), ASEAN–China (2005), ASEAN–Korea (2007), ASEAN–Japan (2009), ASEAN-Australia-New Zealand (2010), ASEAN–India (2010), P4 (2006).