# Brunei Darussalam

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| **Brunei Darussalam’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* Tariffs have been lowered for certain goods, but excise duties have been increased in some cases.
* Non-tariff measures have been uploaded to the National Trade Repository for transparency.
* Local content requirements have been established for certain government projects.
* Companies Act (Amendment) Order 2017 has streamlined processes to start a business and eliminated the registration fees.
* Restrictions apply to foreign investors in specific sectors.
* Enhancements to the National Single Window have enabled auto-approval of customs declarations and import permits on some goods and a newly implemented Port Clearance Module allows electronic application of the clearance.
* A Competition Commission has been established to rule on competition matters.
* A tender advertisement portal has been added to the Ministry of Finance website.
* Brunei Darussalam established a Commercial Court in early 2016 to deal with commercial cases more quickly and efficiently.
* An Arbitration Centre (BDAC) began its operations to act as an alternative platform to court proceedings.
* Brunei Darussalam is joining international agreements on intellectual property rights.

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|   | **Summary of Topics** |

Tariffs

Brunei Darussalam amended the customs import and excise duties to streamline its tax structure in April 2017. Import duties were reduced by 15 per cent for spare parts of cars and heavy vehicles and lowered by 10 per cent for spare parts of heavy machinery.

Excise duties have been enforced on food products with high sugar content as an effort to realise the objective of ‘Towards a Healthy Society’. For environmental reasons, excise duties of 3 per cent were introduced on plastic and plastic products. Excise duties on certain other products, such as, mobile phones, video games, and leather and fur skin products have increased as well. 95.7 per cent of Brunei’s tariff rates were at zero per cent after taking the amendments into account.

Non-Tariff Measures

Brunei Darussalam has updated its non-tariff measures to be in line with the UNCTAD Coding System and has uploaded the measures into the National Trade Repository to facilitate transparency.

Licenses and permits are maintained for importing and exporting certain goods due to health, safety, environmental, moral or religious reasons. For instance, the import of pork and alcohol are restricted on health and religious grounds respectively. Import restrictions on certain products like food products, live animals, alcohol, medicines, motor vehicles and rice have been maintained.

The Local Business Development Policy Framework for the ICT Industry implemented a local contents requirement from 1 March 2017, requiring government ICT projects to meet specific levels of participation in terms of local ICT companies and workforce. The intention is to maximize local contents by ensuring the use of local manpower, products, and services in the development of local intellectual property.

Services

The Companies Act (Amendment) Order 2017 introduced changes to increase the ease of starting a business by streamlining processes and removing the company name reservation fee of BND 5.

Investment

Measures have been implemented in recent years to facilitate investments in Brunei Darussalam. For example, the Secured Transactions Order was enacted with comprehensive reforms to personal property law improving the standards for disclosure of borrower and lender information, and providing a credit enforcement framework. In addition, this legal framework also established a Collateral Registry System aimed to make getting credit easier for SMEs, individuals and businesses. Amendments to the Companies Act have introduced a reform to protect minority investors.

Some restrictions to foreign investors have been implemented recently. For instance, a land amendment code in June 2016 restricted the buying, selling or holding of land by non-citizens.

Brunei Darussalam has 21 international investment treaties in force as of March 2018.

Standards and Conformance

In 2016, Brunei Darussalam established a Standards Reference Library and sale of standards books to increase awareness and disseminate information on standards that have been adopted and are being developed. Brunei Darussalam has continued enhancing the Standards Reference Library through the digitalisation of the standards documents with the aim to create better access and ease stakeholders’ ability to preview international and local standards before making purchases.

A total of 153 Brunei Darussalam Standards (Piawai Brunei Darussalam, PBDs) have been published by 2018 and socialisation programmes have been actively conducted to create awareness amongst public and stakeholders on the PBDs published. A National Quality Infrastructure Order and a National Standards Order are currently being developed. In addition, a review of the current Weights and Measurements Act along with its subsidiary legislation are underway.

Customs Procedures

Brunei Darussalam implemented an Accredited Client Scheme in line with the Authorised Economic Operator (AEO) standards called the ‘Sutera Lane Merchant Scheme’ to enhance the business environment and trade. Enhancements to its National Single Window (BDNSW) have been made by enabling auto-approval of customs declarations and import permits on some goods and a Port Clearance Module has been implemented that allows electronic application of the clearance.

The payment of duties has been made easier through the introduction of online payment options. As of 1 April 2017, duty rates may be applied to the value of goods delivered into Brunei Darussalam irrespective of them being shown on the invoice.

As a member of ASEAN, Brunei Darussalam signed Protocol 2 on designation of frontier posts on 7 April 2017 to facilitate customs procedures, as part of the necessary steps to fully implement the ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT) in the future.

Intellectual Property Rights

Brunei Darussalam has been making significant reforms to its intellectual property rights policy. It recently joined the Madrid System for the international registration and management of trademarks enabling easier protection of trademarks, as well as the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. The Plant Varieties Order, 2015 was successfully examined by the International Union for the Protection of New Varieties of Plants (UPOV) in 2017 and is awaiting accession.

Competition Policy

The establishment of a Competition Commission and the appointment of its members took place on 1 August 2017. The objective of this Commission is to rule on competition matters as stated in the Competition Order, which is being implemented in phases. Among the functions by the Competition Commission include adjudicating work on anti-competitive cases and imposing penalties on companies infringing the Competition Order.

Government Procurement

A tender advertisement portal has been added to the Ministry of Finance website. Local private companies intending to participate in government tenders have to declare their latest annual returns and attain a certificate of tax compliance. In addition, all companies need to list out their local and foreign employees, while local companies need to submit a copy of the compliance letter from the Employee Trust Fund listing registration of the employee and the contribution paid.

Deregulation/Regulatory Review

The Monetary Authority of Brunei Darussalam is revising its approach towards regulatory classification and provisioning in line with the implementation of the International Financial Reporting Standards 9 in the beginning of 2018.

Dispute Resolution

Brunei Darussalam established a Commercial Court in early 2016 to deal with commercial cases more quickly and efficiently. In addition, a newly established Arbitration Centre (BDAC) began its operations in 2016 to act as an alternative platform to court proceedings.

Mobility of Business People

There are visa-free or visa on-arrival facilities available to passport holders entering into Brunei Darussalam from 62 economies. Between January to June 2017, 135 people within Brunei Darussalam had been issued the APEC Business Travel Card (ABTC).

RTA/FTAs

Brunei Darussalam has eight FTAs/RTAs in force[[2]](#footnote-2) and is part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that was signed on 8 March 2018 and is awaiting ratification. Brunei Darussalam is also part of the Regional Comprehensive Economic Partnership negotiations.

1. \* This brief report was prepared with information from Brunei Darussalam’s submission of 2018 APEC Individual Action Plan (IAP) template; UNCTAD’s Investment Policy Hub; Brunei Darussalam National Trade Repository; Brunei Darussalam National Single Window; Energy and Industry Department; Attorney General’s Chambers; Monetary Authority of Brunei Darussalam; Ministry of Finance; BusinessBN; Prime Minister’s Office; Judiciary; and Ministry of Foreign Affairs and Trade websites. [↑](#footnote-ref-1)
2. Brunei Darussalam’s RTA/FTAs in force are the following ones: ASEAN (1992); ASEAN-China (2005); P4 (2006); ASEAN-Korea (2007); Brunei Darussalam-Japan (2008); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); and ASEAN-India (2010). [↑](#footnote-ref-2)