



## Doing Business in Brunei Darussalam: 2013

### Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business in Brunei Darussalam

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### Market Overview

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- Brunei Darussalam is a Southeast Asian oil-rich Sultanate on the northern coast of Borneo. A British protectorate until 1984, it boasts a well-educated and largely English-speaking population, excellent infrastructure, and a government intent on bringing foreign investment and projects to Brunei.
- Despite repeated calls for diversification, Brunei's economy remains overwhelmingly dependent on the income derived from sales of oil and gas, which represent 95.6% of Brunei's total exports and 67.7% of gross domestic product (2011). Additionally, substantial revenue from overseas investment supplements income from domestic production. These two revenue streams provide a comfortable quality of life for Brunei's population. Citizens pay no taxes and receive free education through to the university level as well as free medical care and, frequently, subsidized housing.
- Brunei's central location in Southeast Asia, with good telecommunications and airline connections; no personal income, sales or export taxes; and its stable political situation offer a welcoming climate for would-be investors. Foreign businesses exporting goods and services enjoy a renewable 10-year corporate tax holiday while those competing in the domestic market can receive exemptions of up to eight years. Additionally, a low crime rate, good schools, housing and sports facilities as well as low utility costs make Brunei an attractive location for short and long-term residence. Life in Brunei reflects the national philosophy of Malay Islamic Monarchy.
- Brunei has no debt, domestic or foreign, and has not been the recipient of economic aid. Despite importing most consumer goods and food, Brunei's large oil exports keep its trade balance positive. The Brunei dollar is pegged to the Singapore Dollar at a one-to-one ratio, and the Singapore currency is legal tender in the Sultanate.

## Market Challenges

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- With a population of 416,000 in 2013, Brunei's local market is relatively small. Most foreign investors will need to find a local partner to enter the market. U.S. businesses/investors should expect delays when dealing with the local government.

## Market Opportunities

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- Formed in 2002, the Brunei Economic Development Board (BEDB) promotes Brunei as an investment destination to stimulate and develop the domestic economy away from dependence on oil and gas revenues. BEDB is mandated to work with foreign and domestic investors to develop new economic opportunities where Brunei has competitive advantage, focusing on four key growth areas: attracting investments, strengthening local businesses, increasing Research and Development (R&D) and innovation, and delivering infrastructure projects. BEDB's key initiatives are the Sungai Liang Industrial Park (SPARK), the Pulau Muara Besar industrial zone (PMB), and the iCentre.
- BEDB has identified several industries as potential investment sectors in its efforts to diversify the economy, including aviation, green energy, data centers and *halal* food/pharmaceutical processing. BEDB has also launched several National Housing supply and infrastructure projects. Further information on BEDB's projects is available at BEDB's website: <http://www.bedb.com.bn>. U.S. firms are welcome to participate in BEDB's diversification projects.
- The Government of Brunei has established several agencies to promote foreign investment. In addition to BEDB, the Brunei Industrial Development Authority (the Malay acronym is BINA) has developed several industrial parks near the Muara Port and in other parts of Brunei close to transportation infrastructure to facilitate and nurture small and medium sized enterprises. The government has also solicited bids from foreign companies for a number of recent major infrastructure projects for both civilian and military uses. Further information on BINA is available at BINA's website: <http://www.bina.gov.bn/>.
- Companies producing goods and services for export can apply for a renewable 10-year tax exemption. Corporate tax relief of up to five years is available for companies that invest between B\$500,000 to B\$2.5 million (USD\$401,606 to USD\$2.0 million) and up to eight years for amounts exceeding B\$2.5million (USD\$2.0 million) in approved ventures. An 11-year tax break is offered if the venture is located in a high-tech industrial park. Businesses wishing to compete in domestic markets can qualify for tax breaks for up to eight years. Sole proprietorships and partnerships are not subject to tax. Individuals do not pay

any capital gains tax and profits arising from the sale of capital assets are not taxable. Brunei has double-taxation agreements with Britain, Indonesia, China, Singapore, Vietnam, Bahrain, Oman, Japan, and Pakistan. Tax on petroleum operations is codified in the 1960 Income Tax enactment, which is similar to tax policies in other oil-producing nations.

- Investment opportunities in Brunei are driven both by government planning and consumer demand. The most attractive commercial sectors include:
  - [Oil and Gas, Upstream and Downstream](#)
  - [Commercial Aviation](#)
  - [Construction](#)
  - [Defense Industry Equipment](#)
  - [Franchising](#)
  - [Renewable Energy and Clean Technology](#)
  - [Information and Communication Technology](#)
- In the agricultural sector, the following two investment opportunities may offer lucrative investment opportunities:
  - [Food Imports/Food Production](#)
  - [Fishing Industry/Aquaculture](#)
- Brunei has a [biotechnology industry](#) that seeks to benefit from international expertise. There are also opportunities in the [healthcare technology and medical devices sector](#).

## Market Entry Strategy

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- Brunei's population—largely clustered around the capital Bandar Seri Begawan, with other population centers connected by a well-maintained highway system—provides a ready destination for U.S. exports with low transit costs once goods arrive in country. The relatively small population of Brunei is an asset in that exported products, once a foothold is gained, may gain national prominence relatively quickly.
- Market access and promotion strategies typically focused on cities, may be applied with modification to enter the Brunei market. Firms that are able to export goods and services that will serve to increase the capacity of Bruneian enterprise and increase Bruneian employment will be particularly welcomed.
- U.S. businesses should build personal relationships with local representatives and customers through regular visits or by establishing resident representation.

- U.S. companies can set up their subsidiary companies or branch offices in Brunei as private limited companies registered with the Registrar of Companies and Business Names.

Please note that throughout this report, except where otherwise noted, the following Brunei dollar/U.S. dollar exchange rates were used:

2009	1.513
2010	1.418
2011	1.308
2012	1.300
2013	1.245 (average January 1 - May 31)

The source of the rates above is:

<http://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates>

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## COUNTRY FACT SHEET: BRUNEI DARUSSALAM

### PROFILE

Population in 2011 (Millions): 0

Capital: Porto-Novo

Government: Absolute monarchy

### ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	10.7	12.4	16.4
Nominal GDP Per Capita (Current \$US)	26,423	29,852	38,534
Real GDP Growth Rate (% change)	-1.8	2.6	2.2
Real GDP Growth Rate Per Capita (% change)	-3.8	0.57	-0.25
Consumer Prices (% change)	1.0	0.35	2.0
Unemployment (% of labor force)	3.5	2.7	2.7
Economic Mix in 2010: 66.8% All Industries; 12.1% Manufactures; 32.5% Services; .8% Agriculture			

### FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Brunei Darussalam Exports to World	0	0	0
Brunei Darussalam Imports from World	0	0	0
U.S. Exports to Brunei Darussalam	100	124	184
U.S. Imports from Brunei Darussalam	41.6	11.9	23.4
U.S. Trade Balance with Brunei Darussalam	58.6	112	161
<b>Position in U.S. Trade:</b>			
Rank of Brunei Darussalam in U.S. Exports	142	136	135
Rank of Brunei Darussalam in U.S. Imports	140	158	155
Brunei Darussalam Share (%) of U.S. Exports	0.01	0.01	0.01
Brunei Darussalam Share (%) of U.S. Imports	0	0	0

#### Principal U.S. Exports to Brunei Darussalam in 2011:

1. Machinery, Except Electrical (37.9%)
2. Transportation Equipment (17.4%)
3. Computer & Electronic Products (15.2%)
4. Fabricated Metal Products, Nesoi (9.8%)
5. Special Classification Provisions, Nesoi (8.6%)

#### Principal U.S. Imports from Brunei Darussalam in 2011:

1. Waste And Scrap (37%)
2. Chemicals (35.2%)
3. Apparel & Accessories (17.4%)
4. Goods Returned (Exports For Canada Only) (8.8%)

### FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Brunei Darussalam (US \$Millions)	20	57	55
FDI in U.S. by Brunei Darussalam (US \$Millions)	-1.0	-2.0	-3.0

### DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 79 of 185

Heritage/WSJ Index of Economic Freedom Rank: N/A

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Brunei Darussalam Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2700.htm>

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## Chapter 3: Selling U.S. Products and Services

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### **Using an Agent or Distributor**

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Personal relationships are important in Brunei and U.S. businesses may find a reputable local agent/distributor worthwhile. The individual should be thoroughly familiar with local business customs and high-ranking government officials. The Commercial Section of the U.S. Embassy provides services that can help U.S. businesses locate an appropriate agent/distributor. The U.S. Department of Commerce provides detailed descriptions of the commercial services provided to U.S. businesses wanting to do business in Brunei on its website, <http://www.export.gov>.

### **Establishing an Office**

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Businesses may be established in Brunei as sole proprietorships, partnerships, or branches of a foreign company. Generally, U.S. companies operating in Brunei must either register as a branch of a foreign company or incorporate as a Brunei limited company with the Registrar of Companies within the Ministry of Finance.

With the exception of sole proprietorships, foreign investors can fully own incorporated companies, foreign company branches or representative offices. Partnerships generally

require the participation of Brunei citizens, although some dispensation for companies with 100% foreign equity may be made for high-tech or export-oriented firms. Should an American business wish to incorporate in Brunei, at least two of the directors in the company must be Brunei citizens or permanent residents. Branches of foreign companies can be subject to a 30% corporate tax rate of annual gross profit.

Foreign direct investments by multi-national corporations may not require local partnership in setting up a subsidiary of their parent company in Brunei. However, at least one company director must be a Brunei citizen or permanent resident of Brunei.

A multinational company with an operating plant in a Ministry of Industry and Primary Resources (MIPR) industrial park is required to have 30% of its board represented by Brunei citizens and permanent residents.

While no central system exists to help locate foreign and domestic partners, MIPR and the Brunei Economic Development Board (BEDB) can informally announce a company's interest in finding an agent, distributor, or partner through their business channels.

The Authority for Info-Communications Technology Industry (AITI) offers assistance to local information and communication technology (ICT) small and medium-sized enterprises (SMEs) to connect with potential ICT customers. The AITI website provides additional information on these services:

<http://www.aiti.gov.bn/industrydevelopment/ebusiness-marketcreation/Pages/ebusiness-marketcreation.aspx>.

Additional Resources:

- BEDB's guide to setting up a company in Brunei  
[http://www.bedb.com.bn/doing\\_guides\\_setting\\_company.html](http://www.bedb.com.bn/doing_guides_setting_company.html)
- Ministry of Foreign Affairs and Trade's guide to setting up businesses in Brunei  
<http://www.mofat.gov.bn/index.php/investing-in-brunei-darussalam/setting-up-businesses>
- Ministry of Foreign Affairs and Trade's 2012 Ease of Doing Business Report  
[http://www.industry.gov.bn/index.php?option=com\\_content&view=article&id=401:brunei-darussalam-ease-of-doing-business-2012](http://www.industry.gov.bn/index.php?option=com_content&view=article&id=401:brunei-darussalam-ease-of-doing-business-2012)
- Registry of Companies, Ministry of Finance  
<http://www.mof.gov.bn/English/ROCBN/Pages/default.aspx>

- Export.gov Brunei

<http://export.gov/singapore/doingbusinessinbrunei/index.asp>

- AITI

<http://www.aiti.gov.bn/industrydevelopment/ebusiness-marketcreation/Pages/ebusiness-marketcreation.aspx>

## **Franchising**

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Brunei has a relatively large number of franchises for its size, including food services and apparel. Franchises must be registered with the Ministry of Finance's Registrar of Companies pursuant to Chapter 39 of the Companies Act. Formerly under the Attorney General's authority, the Ministry of Finance assumed responsibility for the registry in 2013. After receiving approval from the parent company, franchises follow the same procedures as those for registering a business (20 people or fewer) or a company (more than 20 people). The Ministry of Finance will provide rates for registering a business or companies after the entity has submitted its registration.

## **Direct Marketing**

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A direct marketing firm should follow the same registration procedures as those for registering a business or a company.

## **Joint Ventures/Licensing**

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A joint venture may take the form of a corporation or partnership. Several factors, including the nature of the project, would determine which type of joint venture is appropriate. In a corporate joint venture, the owners have limited liability whereas in a partnership joint venture, the partners have unlimited liability. If the parties to a partnership joint venture are corporations, then liability is limited to that of the participating corporations.

Obtaining a business license depends on a number of factors and can be time-consuming. Information and guidelines regarding forming and registering businesses and companies are contained in the Government of Brunei publication the "Business and Investment Guide". A copy of this guide can be obtained by contacting MIPR:

Promotion and Facilitation Services

Ministry of Industry and Primary Resources, 3<sup>rd</sup> Floor  
Jalan Menteri Besar  
Bandar Seri Begawan BB3910  
Brunei Darussalam  
Tel: +673 238-0107/+673 238-0026  
Fax: +673 238 2835  
E-mail: [normah.ibrahim@industry.gov.bn](mailto:normah.ibrahim@industry.gov.bn)  
Website: <http://industry.gov.bn>

The first step towards setting up a business in Brunei is registration:

Registries' Division  
Ministry of Finance  
Tel: +673 238-0505  
Website: <http://www.mof.gov.bn/English/ROCBN/Pages/default.aspx>;

Even without a physical presence in Brunei, companies generally need a license to do business in the country. Local sales people engaging in door-to-door product marketing, however, do not need a permit.

One does not need a Brunei citizen representative to do business commercially or when selling directly to the government.

## **Selling to the Government**

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Royal Brunei Technical Services (RBTS) is a government-owned company that performs contracting, acquisition management, and equipment lifecycle management services for the Government of Brunei. The point of contact is:

Chief Executive Officer  
Royal Brunei Technical Services  
5<sup>th</sup> Floor, Setia Kenangan Office Block  
Setia Kenangan Complex, Kg. Kiulap  
Bandar Seri Begawan BE1518  
Tel: +673 224-2700  
Fax: +673 224-6747

The Centre of Science and Technology Research and Development (CSTRAD) is responsible for research, assessment, selection, and overseeing aspects of the acquisition of science and technology solutions for RBAF.

CSTRAD oversees Brunei's defense modernization efforts, advises the Ministry of Defense on science and technology matters, and supervises the transparency and timeliness of the defense-related acquisition process.

Centre of Science & Technology Research and Development  
Colonel Muzri bin Haji Mokhsin  
Director of Centre of Science & Technology Research and Development  
Block A, 1st Floor  
Ministry of Defence  
Bolkiah Garrison  
Tel : +673 238-6369  
Fax : +673 238-6633  
E-mail : cstrad@mindef.gov.bn

The military services and police may procure non-lethal equipment directly. RBTS maintains a website at: <http://www.rbts.com.bn/>.

For non-security related products, U.S. businesses may deal directly with individual government departments or ministries.

The Brunei Government advertises its tenders in the Pelita Brunei, a Malay-language newspaper. The website for Pelita Brunei is <http://www.pelitabrunei.gov.bn/>. The Prime Minister's Office (PMO) also publishes tender notices, which can be accessed at: <http://www.pmo.gov.bn>.

Most government tenders require the participation of local companies. Foreign companies are encouraged to partner with local companies. A Project Performance Bond is required at the tender approval stage to guarantee the delivery of a project in accordance with the project specifications. The bond is returned to the company involved at successful project completion.

## **Distribution and Sales Channels**

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Brunei does not currently have any specific legislation pertaining to distribution agreements. Any contracts made between entities will be governed by the laws described in Contracts Act (Chapter 106 of the Laws of Brunei Darussalam) and Unfair Contract Terms Act (Chapter 171 of the Laws of Brunei Darussalam), which deal with contract law in general. The Sale of Goods Act (Chapter 170 of the Laws of Brunei Darussalam) applies to any contract for the sale of goods.

## **Selling Factors/Techniques**

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U.S. exporters to Brunei face strong competition from producers in China, Japan, Australia, New Zealand, and the United Kingdom, especially when marketing food and agricultural products. As a former British protectorate, Brunei has deep trade connections and familiarity with the UK and Commonwealth nations and their products. However the market is diversifying.

To differentiate themselves from local and third country competitors, U.S. firms should emphasize their strengths in quality, innovation, technology enhancements and customer service. Bruneian customers have come to expect higher quality products from U.S. companies. Customers may choose U.S. products and services on the basis of "value for money," not solely on cost factors.

Brunei's government is eager to increase foreign direct investment (FDI), as it seeks to diversify its economy away from petroleum. The Brunei Economic Development Board (BEDB) has identified several key industry clusters it plans to encourage within the export-oriented manufacturing and services sectors, including pharmaceuticals, food, petrochemicals, renewable energy, information and communications technology and higher education. Foreign firms are often encouraged to bid for projects and are often invited to attend pre-qualification briefings. In 2011, U.S. FDI was approximately USD25.8 million, invested mainly in the oil and gas sector.

When marketing general consumer goods, U.S companies should keep in mind the cultural norms and standards of the Bruneian population. For example, a majority of the population is Muslim which means that food, pharmaceuticals and cosmetics must be certified *halal* (meaning lawful and permissible to use/consume under Islamic law) in order to appeal to a larger market. Brunei's definition of *halal* may be also distinct from other Muslim-majority countries. Information about Brunei's certification process can be found at:

[http://www.industry.gov.bn/index.php?option=com\\_content&view=article&id=81&Itemid=102](http://www.industry.gov.bn/index.php?option=com_content&view=article&id=81&Itemid=102)

It is advisable to conduct research on the possible implications of advertising or promotional activities before initiating them in Brunei. Bruneians are very active on social networks, including Facebook, WhatsApp and Instagram, and these can be important marketing tools as customers will often rely more on these social networks for information on businesses than they do traditional marketing sources.

Selling techniques vary according to the industry or the product involved, but they are comparable to the techniques used in any other sophisticated market. To gain a competitive advantage in the marketplace, U.S. firms should develop and maintain good customer relationships. In-person meetings with key contacts in the government and private sector can be helpful in developing and maintaining these relationships. Industry events, trade shows and product expos are also common and provide good

opportunities to reach customers and potential business partners. Brunei customers flock to coupons, VIP discount cards and special deals.

## Electronic Commerce

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In 2000, Brunei enacted a commercial code for electronic transactions. The Electronic Transactions Order is based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Commerce and the Singapore Electronic Transactions Act. The Singapore Act draws heavily from the U.S. Uniform Electronic Transactions Act and aims to encourage business and consumer confidence in e-commerce and provide legal protection for both the buyer and seller.

As Bruneians have gained increased access to mobile and internet capabilities, e-commerce has grown in popularity. E-commerce, however, is still largely concentrated in the tourism sector. Royal Brunei Airlines, the national air carrier, provides an on-line reservation system. Numerous hotels also provide e-booking services, some of which are contracted through business-to-business e-payment services located outside of Brunei.

Among telecommunications and radiofrequency spectrum responsibilities, Brunei's Authority for Info-Communications Technology Industry (AITI) is responsible for promoting e-business opportunities. AITI's E-Business and Market Creation Unit has two primary aims:

- 1) To encourage research and development activities by local businesses and academic institutions;
- 2) To assist local information and communication technology (ICT) small and medium enterprises to obtain markets and users for the ICT products and services they have designed, developed and produced.

In 2010, a pair of young entrepreneurs won a government grant to develop Freedomsoft, an e-commerce directory for Brunei-based businesses, indicating the need for such a service. At the time of this report's publication, this directory was not available.

### 2000 Electric Transactions Order:

<http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan006031.pdf>

### Authority for Info-Communications Technology E-Business and Market Creation Unit

<http://www.aiti.gov.bn/industrydevelopment/ebusiness-marketcreation/Pages/ebusiness-marketcreation.aspx>

## Trade Promotion and Advertising

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Businesses can easily purchase advertising space in Brunei's newspapers. The two English-language local newspapers are the Borneo Bulletin and the Brunei Times. The only local newspaper in Malay is Media Permata. All three newspapers have extensive circulation. Daily newspapers in English, Malay and Chinese from the neighboring countries of Malaysia and Singapore are also widely read.

Local advertising companies and promotion service agencies are also available.

Borneo Bulletin

<http://borneobulletin.com.bn/>

Brunei Times

<http://www.bt.com.bn/en/>

Media Permata

<http://mediapermata.com.bn/>

## Pricing

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Bruneians enjoy a high per capita income, but that includes both very wealthy residents and families with significant personal debt who depend on government subsidies for fuel, housing and education. There is a robust niche market for higher-end products and services, but shoppers are also cost-conscious for everyday purchases, and products of other nations are priced competitively. Bruneians increasingly use social media to spot deals and specials at stores, restaurants and online shops. U.S. exporters should generate a price survey of competitor products and services from both domestic and international firms.

## Sales Service/Customer Support

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Bruneian customers, both corporate and individual, expect high-quality sales service and after-sale customer support like many other customers in markets worldwide. Better support and after-sales-service have placed U.S. suppliers in a much better position, compared with their European competitors selling products of equal quality, or Asian competitors that provide lower priced products. Bruneian customers generally have greater confidence in U.S. suppliers' service and support, due to their well-trained service and support teams. An increasing number of Bruneian buyers would rather invest in higher-quality, more expensive products, in order to save expensive maintenance or replacement costs following warranty expirations.

Brunei has made considerable recent efforts to enhance its Intellectual Property Rights environment. Brunei opened the Brunei Economic Development Board Patent Registry Office (PRO) in January 2012. Brunei is a member of the Patent Cooperation Treaty (PCT) providing Brunei PRO applicants the ability for patent registration in Brunei as well as internationally under the PCT system.

In a change that continues Brunei's recent efforts to strengthen IP protection, Brunei transferred its Registry of Trademarks from the Attorney General's Chambers (AGC) to the Brunei Economic Development Board (BEDB) effective June 2013. The transfer expands the current BEDB Patents Registry Office's (PRO) capabilities to accept applications for the registration of trademarks in addition to patents and industrial designs. The office's name changed on July 1, 2013, to the Brunei Intellectual Property Office (BruiPO).

The move responds to a need to have a national IP office, and makes policy coordination easier. This is a positive step in terms of strengthening IP protection efforts, because it provides comprehensive management of IP. IP protection is seen in Brunei as a critical step in ensuring the growth of the economy as it encourages innovation and the creation of a knowledge-based economy. Brunei Darussalam was removed from the Special 301 Watch List in 2013 in recognition of the country's efforts in enforcing IP laws and raising public awareness on the issue.

Brunei's Intellectual Property Rights (IPR) law is consistent with the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The law is complaint-based. The rights holder must appeal / take action with the government, which then may begin enforcement actions. The Bruneian government has made concerted efforts to remove pirated music from stores and prosecuted a local business owner for infringing the Patents Order 2011.

### **Strategies for Protecting Intellectual Property in Brunei**

Several general principles are important for effective management of intellectual property (IP) rights in Brunei. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Brunei than in the United States. Third, rights must be registered and enforced in Brunei under local laws. U.S. trademark and patent registrations will not protect U.S. businesses in Brunei. There is no such thing as an "international copyright" that will automatically protect a creator's works throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis. As such, U.S. businesses should consider applying for trademark and patent protection even before selling products or services in the Brunei market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Brunei. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Brunei law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little it can do if the rights' holders have not taken these fundamental steps necessary to secure and enforce their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem, may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiating from the position of one's partner may provide the partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. U.S. firms should consider carefully, however, whether to permit the partner to register the IP rights on behalf of the U.S. company. Doing so may create a risk that the partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keeping an eye on cost structure and reducing the margins (and the incentive) of would-be bad actors are good business practices. Projects and sales in Brunei require constant attention. It is advisable to work with legal counsel familiar with Brunei laws to create a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Brunei or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce (The American Chamber of Commerce does not have a presence in Brunei, but the AmCham in Singapore is able to assist with Brunei requests).
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)

- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights' holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues – including enforcement issues in the US and other countries – call the STOP! Hotline: **1-866-999-HALT** or register at <http://www.stopfakes.gov>.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at <http://www.stopfakes.gov/business-tools/sme-module>.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice. At this time, these services are not offered for companies with concerns about Brunei. For details, visit: [http://www.abanet.org/intlaw/intlproj/ipprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/ipprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.stopfakes.gov>. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. The IP attaché who covers Brunei can be reached at: [Peter.Fowler@trade.gov](mailto:Peter.Fowler@trade.gov).

On April 24, 2012, Brunei became the 125<sup>th</sup> state to join the Patent Cooperation Treaty (PCT) with the membership effective on July 24, 2012. The membership provides

Brunei PRO applicants the ability for patent registration in Brunei as well as internationally under the PCT system. The BEDB PRO has been charged to administer the PCT system with a dedicated intellectual property office responsible for all the intellectual property rights. Under the Association of Southeast Asian Nations (ASEAN) Intellectual Property Plan of Action 2012 – 2015, Brunei is currently exploring accession to the Madrid Protocol for the International Registration of Trademarks in keeping with its goals of offering its citizens and residents intellectual property protection. BEDB PRO also is working towards becoming a member of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the purposes of Patent Procedure; the Hague System for International Registration of Industrial Designs by 2015; and the International Union for the Protection of New Varieties of Plants (UPOV) by 2015. BEDB PRO is a member of the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property.

## Due Diligence

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The Ministry of Finance maintains registration of companies and ongoing projects in Brunei. Anyone considering doing business in Brunei is urged to conduct their own due diligence. Most law firms and accountancies offer due diligence services as well. A list of attorneys can be obtained at <http://www.judicial.gov.bn> and a list of the accountants can be found below.

The U.S. Commercial Service also offers the International Company Profile (ICP) service to U.S. companies interested in evaluating potential business partners overseas.

## Local Professional Services

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Attorneys: <http://www.judicial.gov.bn>

Accountants:

- Deloitte & Touche  
P.O. Box 1965 Bandar Seri Begawan BS8673  
22 & 23 Jalan Sultan  
5<sup>th</sup> Floor Wisma Hajah Fatimah  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 222-5880  
Fax: +673 222-3360  
E-mail: [deloitte@brunet.bn](mailto:deloitte@brunet.bn)  
Website: <http://www.deloitte.com/bn>

- Ernst & Young  
P.O. Box 2162 Bandar Seri Begawan BS8674  
Rm 309A, 4<sup>th</sup> Flr Wisma Jaya  
Jalan Pemancha  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 223-9139, +673 223-9140, +673 223-9141  
Fax: +673 223-9142  
E-mail: [ey@brunet.bn](mailto:ey@brunet.bn)  
Website: <http://www.ey.com>
  
- K N Wong & Associates  
Unit 2, 2<sup>nd</sup> Floor, Blk D Shakrin Complex  
Kg. Kiulap, Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 223-7020  
Fax: +673 223-7051  
(Accountancy/Tax Services, Business Proposals, Corporate Secretarial Services)
  
- KPMG  
P.O. Box 2988 Bandar Seri Begawan BS8675  
Unit 401-403A Wisma Jaya  
Jalan Pemancha  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 222-8382, +673 222-6888  
Fax: +673 222-8389  
E-mail: [kpmg@brunet.bn](mailto:kpmg@brunet.bn)
  
- LedgerPlus Services  
Block D, Unit 8, 1<sup>st</sup> Floor, Shakirin Complex  
Spg. 88, Kg. Kiulap  
Bandar Seri Begawan BE1518  
Brunei Darussalam  
Tel: +673 223-0620  
Fax: +673 223-0621  
E-mail: [ledgerplus@brunet.bn](mailto:ledgerplus@brunet.bn)
  
- Lee & Raman  
P.O. Box 1192, Gadong  
Bandar Seri Begawan BE3978  
Brunei Darussalam

and

Unit 19, 1<sup>st</sup> Flr, Blk I, Kompleks Abd Razak  
Gadong, Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 244-9611, +672 243-0963  
Fax: +673 243-0330  
E-mail: [leeandraman@brunet.bn](mailto:leeandraman@brunet.bn)  
(Public Accountants)

and

P.O. Box 502  
Bandar Seri Begawan BS8671  
B7, 1<sup>st</sup> Flr, Blk B, Shakirin Complex  
Kiulap  
Tel: +673 223-7905/6  
Fax: +673 223-7907  
E-mail: [lr@brunet.bn](mailto:lr@brunet.bn)

- Lee Corporatehouse Associates  
P.O. Box 1628, Bandar Seri Begawan BS8673  
11, 1<sup>st</sup> Flr, Regent Square  
Kiulap  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 222-3341  
Fax: +673 224-2402  
E-mail: [lca@brunet.bn](mailto:lca@brunet.bn)

and

P.O. Box 290, Kuala Belait KA1189  
S7, 2nd Flr, HSBC Chambers  
Jalan McKerron  
Kuala Belait  
Brunei Darussalam  
Tel: +673 333-1406  
Fax: +673 333-1407

- SHM Synergy Accountancy Services  
6 1<sup>st</sup> Flr, Blk A, Bgn. Lim Seng Kok  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 265-2628

Fax: +673 265-0628  
E-mail: [shmsynergy@brunet.bn](mailto:shmsynergy@brunet.bn)

- Sylvester Leong & Co  
P.O. Box 522, Kuala Belait KA1131  
15 1<sup>st</sup> Floor Lot 7191  
Kg Pandan  
Kuala Belait  
Brunei Darussalam  
Tel: +673 333-6589  
Fax: +673 334-0010
- Top Business Management & Consultancy Services  
No. 12, 1<sup>st</sup> Flr, Spg 618, Aman Complex  
Kg. Bunut, Jln Tutong BF1382  
Brunei Darussalam  
Tel: +673 265-6685, +673 265-0682  
Fax: +673 265-6685  
E-mail: [tbmc@brunet.bn](mailto:tbmc@brunet.bn)
- Tricor (B) Sdn Bhd  
308B 3<sup>rd</sup> Flr, Wisma Jaya Building  
Bandar Seri Begawan  
Brunei Darussalam  
Tel: +673 223-2780  
Fax: +673 223-2783  
E-mail: [info@bn.tricorglobal.com](mailto:info@bn.tricorglobal.com)  
Website: <http://www.bn.tricorglobal.com>
- WKA and Associates  
Simpang 21, Unit 30, Block D  
Gadong Central, Jalan Gadong  
Bandar Seri Begawan  
Brunei Darussalam BE4119  
Tel: +673 222-2542  
Fax: +673 222-2543  
E-mail: [wka@brunet.bn](mailto:wka@brunet.bn)

## Web Resources

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Ministry of Industry and Primary Resources: <http://www.industry.gov.bn>

Brunei Economic Development Board: <http://www.industry.gov.bn>

Attorney General's Chambers: <http://www.agc.gov.bn>

Ministry of Foreign Affairs and Trade: <http://www.mofat.gov.bn>

Ministry of Finance: <http://www.mofat.gov.bn>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

While Brunei's market size is smaller than its more populous neighbors, Brunei offers a number of important investment opportunities for U.S. firms. The Government of Brunei has placed a strong emphasis on diversification away from oil and gas, which has the potential to create opportunities in a host of emerging sectors. Brunei's proximity to larger markets in Indonesia, Malaysia, Singapore and the Philippines makes it an attractive destination.

Brunei's largest sector—upstream and downstream oil and gas production—offers attractive investment prospects. Beyond petrochemicals, U.S. businesses may consider exploring aviation, construction, defense industry equipment, franchising, renewable energy technology, and information and communications technology. In the agricultural sector, food imports/food production as well as the fishing industry/aquaculture are sizable industries as Brunei imports over 80% of its food.

U.S. firms may also consider opportunities in the modest but growing niche technology sectors, including clean technology, biotechnology, healthcare technology and medical devices.

### **Commercial Sectors**

- [Oil and Gas, Upstream and Downstream](#)
- [Commercial Aviation](#)
- [Construction](#)
- [Defense Industry Equipment](#)
- [Franchising](#)
- [Renewable Energy and Clean Technology](#)
- [Information and Communication Technology](#)

### **Agricultural Sectors**

- [Food Imports/Food Production](#)
- [Fishing Industry/Aquaculture](#)

### **Niche Technology Market Sectors**

- [Biotechnology](#)
- [Healthcare Technology and Medical Devices](#)

## Oil and Gas, Upstream and Downstream

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	37.3 %	N/A	N/A	N/A
Total Market Size	(203,164)*	(743,368)*	N/A	N/A
Total Local Production	10,963,532	10,872,692	N/A	N/A
Total Exports	11,440,267	11,946,799	N/A	N/A
Total Imports	273,571	330,739	N/A	N/A
Imports from the U.S.	749	546	N/A	N/A
No. of companies	4	N/A	N/A	N/A

#### Data Sources:

Total Local Production: Brunei Department of Statistics, Department of Economic Planning and Development, Prime Minister's Office (DEPD)

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

*\*Please note that Total Market Size figures are negative, indicating that oil and gas is a net export industry in Brunei.*

*Total Market Size = Total Local Production + Total Imports - Total Exports*

Brunei's economy has been dominated by the oil and gas upstream and downstream industries for the past 80 years. These industries will continue to provide important commercial opportunities for U.S. firms. Brunei's oil and gas fields produce approximately 140,000 barrels of oil per day (bbl/day) and Brunei hopes to increase production in coming years. New oil extraction technology and the current market price of oil have made extracting oil from mature fields economically viable. As a result, companies with experience in extracting oil from mature fields may find new opportunities in Brunei. Other discoveries in the region have generated optimism that there may be additional on-shore and off-shore reserves which may assist Brunei's interest in increasing production.

Brunei has set out a long-term vision for the country and the energy sector. Under the vision, the industry is set to increase to B\$45 billion (USD36.1 billion) per year and aims to increase production to 800,000 bbl/day. The vision presented three important goals:

- to strengthen and grow upstream and downstream activities;
- to ensure secure, reliable and efficient supply and use of energy; and
- to maximize the economic spinoffs from the energy industry.

There are a number of upstream opportunities for U.S. companies. U.S. firms are well positioned to provide oil and gas equipment and services through local representatives to Brunei Shell Petroleum (BSP), the largest private company in Brunei. In accordance with Brunei's Local Business Development framework, BSP gives preference to indigenous companies in their contracting activities. Aside from highly specialized equipment and spare parts sales from the original equipment manufacturers, local and international firms compete for contracts. Equipment or services from abroad must be supplied through a local agent or distributor or in partnership or joint venture with local Brunei companies.

Beyond BSP, Brunei Liquefied Natural Gas (BLNG) is also a major player in the petrochemical industry that may seek equipment and services from U.S. companies.

BSP and BLNG practice stringent quality control and suppliers must pass a series of quality tests before they can be registered. Most BSP suppliers are registered representatives or distributors of products and services from various foreign countries. U.S. companies may enter the Brunei market through a joint venture, agency agreement or distributor relationship with local Brunei companies. Many established companies in the oil and gas industry are members of the Brunei Energy Association or the Institute of Engineering and Technology.

On the downstream side, BSP is working closely with the Brunei Government to support downstream projects, which it is hoped will become springboards for further economic diversification in the country.

**Brunei Industry Contacts**

Brunei Shell Petroleum Co Sdn Bhd  
Jalan Utara, Panaga  
Seria KB3534  
Negara Brunei Darussalam  
Phone: +673 337-3999  
Website: <https://www.bsp.com.bn>

Brunei LNG Sendirian Berhad  
Lumut KC2935  
Brunei Darussalam  
Phone: +673 323-6901/902

Fax: +673 323-6892

E-mail: [BLNG-Resourcing@BruneiLNG.com](mailto:BLNG-Resourcing@BruneiLNG.com); [Enquiry@BruneiLNG.com](mailto:Enquiry@BruneiLNG.com)

Website: <http://www.bruneiling.com>

### **Brunei Government Contacts**

Brunei Economic Development Board

Block 2K, Bangunan Kerajaan

Jalan Ong Sum Ping

Bandar Seri Begawan BA 1311

Brunei Darussalam

Phone: +673 223-0111

Fax: +673 223-0063

Website: <http://www.bedb.com.bn>

### **Brunei Civil Society and Academic Contacts**

Institute of Engineering and Technology

IET Office, Block B9 Unit 1,

Simpang 32-66, Kampong Anggerek Desa,

Berakas

Brunei Darussalam

E-mail: [hon.sec@theiet.org.bn](mailto:hon.sec@theiet.org.bn)

Website: <http://theiet.org.bn>

## Commercial Aviation

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	57,290	23,478	N/A	N/A
Total Imports	84,158	42,993	N/A	N/A
Imports from the U.S.	56,603	24,937	N/A	N/A

#### Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

Brunei has a small but growing fleet of commercial aircraft. Royal Brunei Airlines' fleet is currently composed of six Airbuses and four Boeing aircraft, although this number will soon grow with the arrival of five Boeing 787 Dreamliners.

#### Royal Brunei Aircraft

- Airbus A319 (two aircraft)
- Airbus A320 (four aircraft)
- Boeing 777 (four aircraft)
- Boeing 787 (slated for delivery beginning in late 2013)

### Opportunities

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Royal Brunei Airlines is currently expanding its fleet of planes including purchase of the Boeing 787 Dreamliner. U.S. aviation firms may consider building upon existing relationships in order to secure future contracts. In addition to new sales, aviation maintenance is a potential area for U.S. commercial activity. The Brunei Economic Development Board (BEDB) recently identified this sector as a potential industry to promote economic diversification efforts, opening up opportunities for maintenance, repair and overhaul (MRO) companies as well as flight and maintenance training organizations.

Beyond the MRO opportunities, the BEDB hopes to establish a flight simulator center and a training facility for maintenance engineers. The BEDB is prepared to collaborate, facilitate and invest in infrastructure development and site allocation for hangar construction, and backshop and training facilities.

## **Key Contacts and Web Resources**

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### **Brunei Contacts**

Royal Brunei Airlines  
P.O. Box 737  
Bandar Seri Begawan BS 8671  
Brunei Darussalam  
Tel: +673 221-2222  
Fax: +673 224-4737  
Website: <http://www.bruneiair.com>

## Construction

### Overview

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*Unit: USD thousands*

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	6.6 %	N/A	N/A	N/A
Total Market Size	429,895	527,045	N/A	N/A
Total Local Production	420,642	472,769	N/A	N/A
Total Exports	519	604	N/A	N/A
Total Imports	9,772	54,880	N/A	N/A
Imports from the U.S.	210	845	N/A	N/A
No. of companies	678	N.A	N/A	N/A

#### Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

The construction industry, with 678 registered enterprises in 2010, ranks third in the number of enterprises among Brunei's industrial sectors and employs some 24,000 workers (2010). The vast majority of these workers are non-local laborers. The Construction industry is the largest employer of non-local laborers. Small enterprises (one to nine employees) account for 43% of construction enterprises, medium enterprises (10 to 99 employees) account for 51% of construction enterprises, and large enterprises (100 or more employees) account for 6% of construction enterprises.

Oil and gas infrastructure, government buildings, shopping complexes, national housing schemes and private housing form the bulk of the construction market. Large Construction contracts come largely from the Brunei government and Brunei Shell Petroleum Co. Brunei follows a policy to award construction contracts wherever possible to local firms, meaning that foreign firms may have to form joint ventures with, or subcontract to, a local firm in order to participate in infrastructure projects.

### Opportunities

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A proposed government-funded 30 kilometer bridge linking the districts of Muara and Temburong, currently separated by Malaysia, is poised to provide excellent opportunities for U.S. firms in the initial contracts phase, in support of the project over its life, and in post-construction development of newly accessible regions. The Brunei government is

particularly encouraging foreign firms to partner with local firms on this project. Upon the bridge's completion, slated for early 2018, additional construction projects in the currently low-population density Temburong District will almost certainly become viable. The Brunei government seeks to increase development in the currently relatively isolated Temburong region which contains Borneo's most pristine forests and natural resources. Construction of the bridge will pass through environmentally sensitive mangrove areas.

Brunei is proud of its natural environment and will seek to minimize adverse impact upon natural areas along the bridge's proposed route, and also along the supply chain and in water ways along the bridge's path. U.S. firms that have expertise in sustainable and environmentally-conscious construction procedures and have a proven track-record of sound environmental stewardship have an advantage in obtaining contracts and should leverage this credential in their efforts. Partnerships between firms which are expert in advanced and environmentally-sound construction techniques and local firms will be welcome, particularly if U.S. firms can offer training opportunities for Bruneians.

U.S. firms entering the construction industry in Brunei will find that Brunei faces a shortage of skilled laborers. Building materials must be largely imported, increasing construction costs. Due to the tropical climate, construction materials and methods differ substantially from those of temperate climates. Set concrete construction with reinforcing steel (rebar) is the norm for housing, wood frame construction is not common. High annual rainfall and humidity mean that concrete setting takes longer than in temperate climates, often reducing the speed at which structures can be completed. Despite these challenges, there are a range of construction opportunities in Brunei both from government contracts and private firms.

## **Web Resources**

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### **Brunei Government Contacts**

Ministry of Development – Public Works Department

Website: <http://www.pwd.gov.bn/>

Ministry of Industry and Primary Resources

Website: <http://www.industry.gov.bn/>

## Defense Industry Equipment

### Overview

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	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the U.S.	N/A	N/A	N/A	N/A

Total Market Size = N/A

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

U.S. defense industry firms have an established history of supplying the Royal Brunei Armed Forces (RBAF) with defense equipment, after-sales support services, and training packages. RBAF is an all volunteer force of nearly 5,750 service members. Defense spending accounts for approximately 2.4% of GDP. The Royal Brunei Armed Forces rely primarily upon helicopters to deploy its forces for border security, to perform coastal surveillance missions, for disaster response missions, and for law enforcement support. The Air Force possesses one troop transport fixed-wing plane, flight training aircraft, and a number of rotary wing aircraft. In 2011, Sikorsky Aircraft Corporation signed a deal with Brunei for delivery of 12 Blackhawk S-70i helicopters. Brunei's naval capabilities are focused on Exclusive Economic Zone security, domain awareness and offshore oil facility protection.

### Opportunities

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U.S. defense contractors may discover equipment, training and other defense-related opportunities with Brunei, particularly in support of [Brunei's 2011 Defense White Paper](#) goals and objectives. Border security and surveillance, air defense platforms, maritime and domain awareness, regional disaster response, and domestic emergency preparedness are among Brunei's priority efforts. Brunei places emphasis on the importance of science and technology, and Command and Control abilities to leverage the effectiveness of its relatively small armed forces.

In addition to working with regional partners during the Association for Southeast Asian Nations (ASEAN) Humanitarian Assistance and Disaster Relief (HA/DR) exercises in

2013, Brunei is also seeking to increase its border and maritime defense capacity through improved regional military coordination and cooperation with its neighbors during various bilateral and multilateral interoperability engagements.

To enable these capacities, Brunei has stated its intent to acquire new defense equipment, including surface/maritime surveillance radar, airspace surveillance platforms, maritime patrol aircraft, fixed wing transport aircraft, medium range air defense systems, and related assets. Military services may also be interested in non-lethal equipment which may be procured through vendors registered with the Ministry of Defense.

Defense industry equipment firms may be interested in the Brunei Darussalam International Defense Exhibition & Conference (BRIDEX), a biannual defense exhibition which will next be held in December 2013. <http://bridex2013.com/>

The Centre of Science and Technology Research and Development (CSTRAD) is responsible for the research and development, assessment, and selection of defense technology solutions for RBAF. CSTRAD oversees Brunei's defense modernization efforts, advises the Ministry of Defense on science and technology matters, and supervises the transparency and timeliness of the defense-related acquisition process.

## **Web Resources**

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### **Brunei Government Resources**

Ministry of Defense  
Bolkiah Garrison BB3510  
Brunei Darussalam  
Tel: +673 2386-000  
Fax: +673 238-1501  
Website: <http://www.mindef.gov.bn>

Royal Brunei Technical Services  
5th Floor, Setia Kenangan Office Block  
Setia Kenangan Complex,  
Kg. Kiulap  
Bandar Seri Begawan BE1518  
Tel: +673 224-2700  
Fax: +673 224-3767

Centre of Science and Technology Research and Development (CSTRAD)  
[http://www.mindef.gov.bn/MOD2/index.php?option=com\\_content&view=article&id=811&Itemid=314](http://www.mindef.gov.bn/MOD2/index.php?option=com_content&view=article&id=811&Itemid=314)

Teder List

[http://www.mindef.gov.bn/tender2/index.php?option=com\\_content&view=article&id=26&Itemid=39](http://www.mindef.gov.bn/tender2/index.php?option=com_content&view=article&id=26&Itemid=39)

Brunei Defense White Paper 2011

[http://www.mindef.gov.bn/MOD2/index.php?option=com\\_docman&task=doc\\_details&gid=42&Itemid=331](http://www.mindef.gov.bn/MOD2/index.php?option=com_docman&task=doc_details&gid=42&Itemid=331)

### **U.S. Government Resources**

For more information on procurement opportunities, contact:

Office of Defense Cooperation

U.S. Embassy Singapore

Tel: +65 6476-9379

Fax: +65 6476-9483

## Franchising

### Overview

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	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the U.S.	N/A	N/A	N/A	N/A

#### Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

Numerous U.S. franchises operate in Brunei. McDonalds, KFC, Pizza Hut, and Dairy Queen are common sights in Brunei and are very popular. The franchise industry is also popular among investors because it is perceived to be an attractive and relatively safe form of investment.

### Opportunities

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Brunei's consumers seek out U.S. food and apparel brands. New franchises that service the food and fashion industries would likely be well-received, particularly in the fast food industry.

Local franchise operations will need to prepare for regional integration and competitiveness in the single market due to the implementation of the ASEAN Economic Community (AEC), which will go into effect in 2015. The single market will not only benefit exporters, but will also provide enhanced opportunities for U.S. franchise companies to access the wider Southeast Asian market from a foothold in Brunei or other ASEAN nations.

### Web Resources

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Ministry of Finance Registrar of Companies

Website: <http://www.mof.gov.bn/English/ROCBN/Pages/default.aspx>

## Renewable Energy and Clean Technology

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	67.7	78.8	N/A	N/A
Total Imports	1,600	2,171	N/A	N/A
Imports from the U.S.	11.5	20.6	N/A	N/A

#### Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

Brunei is interested in diversifying its energy mix beyond oil and gas, looking to renewable energy technology as a viable supplement.

Renewable energy technology acquisition is a priority for Brunei and is encouraged by the United States. The U.S.-Asia-Pacific Comprehensive Partnership for a Sustainable Energy Future – launched in 2012 by President Obama, his Majesty the Sultan of Brunei, and President Yudhoyono of Indonesia – will support renewable energy technology development in Brunei and across the region.

The Partnership will not only build upon efforts already underway to address energy poverty and energy access issues in the region, it will also provide significant commercial opportunities for U.S. and international investors. The initiative supports the development of renewable energy and cleaner energy encouraging the use of wind, solar, geothermal and other sustainable sources. It also it supports sustainable development addressing rural electrification issues and energy efficiency.

The United States will provide up to USD6 billion in financing to support the Partnership. While it is unlikely that Brunei-based projects will be eligible for U.S. project finance because of Brunei's relative wealth, this U.S.-Brunei partnership demonstrates the strong political will – and corresponding interest in attracting private sector activity – in the renewable energy space.

Beyond renewable energy projects, there is interest in “greening” Brunei’s existing infrastructure. Brunei’s Green Building Council, founded in March 2013, is partnering with the Ministry of Development to establish green building practices for government projects.

## **Opportunities**

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Brunei is currently accepting bids for renewable energy projects across the country. Brunei is particularly focused on solar photovoltaic and waste-to-energy technology and is also looking to increase energy efficiency through energy-saving appliances and green building construction.

Under the U.S.-Brunei energy partnership, the U.S. Department of Energy and Brunei National Energy Research Institute will be launching a series of initiatives aimed at increasing renewable energy use in Brunei and the ASEAN region. The initiatives will include efforts in the following areas:

- A public-private dialogue on eliminating policy barriers to renewable energy investment, including workshops to identify barriers to overcome, bringing together potential partners and financing to explore projects;
- Dissemination of information needed to make investment decisions, including the results of solar power technology testing, mapping for renewable energy resources for areas of ASEAN, and making available the resources of the Clean Energy Solutions Center to build capacity and to dissolve barriers to improved access to information;
- Research on climate change impacts on hydropower production and capacity-building on sustainable hydropower development.

As these projects progress, there will be numerous opportunities for private sector investment.

The Green Building Council supports legislation that would make green building practices mandatory, which would open-up new opportunities for U.S. firms specializing in green building construction and green building materials.

## **Key Contacts and Web Resources**

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### **Brunei Government Contacts**

Brunei National Energy Research Institute (BNERI)  
Science and Technology Research Building  
UBD Tungku Link BE1410

Tel: +673 246-1336  
E-mail: [info@bneri.org.bn](mailto:info@bneri.org.bn)

### **Brunei Civil Society Contacts**

Green Brunei  
No. 14 Simpang 853  
Kg Tasek Meradun  
Jln Tutong, BF1520  
Brunei Darussalam  
Tel: +673 862-6588  
E-mail: [info@green-brunei.com](mailto:info@green-brunei.com)  
Website: <http://www.green-brunei.com>

### **U.S. Government Contacts and Resources**

U.S.-Asia-Pacific Comprehensive Partnership for a Sustainable Energy Future  
E-mail: [energyinasia@state.gov](mailto:energyinasia@state.gov)

Information on the Partnership:

Website: <http://www.state.gov/e/enr/c56576.htm>

Pamphlet: <http://www.usda.gov/news/events/2013/SouthAsia/USACEPBrochure.pdf>

Export-Import Bank

Website: <http://www.exim.gov>

Overseas Private Investment Corporation

Website: <http://www.opic.gov>

U.S. Trade and Development Agency

Website: <http://www.usda.gov>

## Information and Communication Technology

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	1.9 %	N/A	N/A	N/A
Total Market Size	464,293	N/A	N/A	N/A
Total Local Production	415,366	N/A	N/A	N/A
Total Exports	40,122	34,738	N/A	N/A
Total Imports	89,049	73,321	N/A	N/A
Imports from the U.S.	15,582	9,902	N/A	N/A
No. of companies	97	N/A	N/A	N/A

#### Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

Driven both by government intervention and consumer demand, Brunei's information and communication technology (ICT) industry continues to grow. Brunei's *Wawasan 2035*, or 2035 National Vision, calls for a shift to a knowledge-based economy. Further development of the ICT sector will play a major role in helping diversify the economy away from oil and gas. The government is also seeking to increase the ICT contribution to the gross domestic product (GDP) to 6% by 2015. This would be a marked increase from the current 1.9% ICT contribution to GDP. Brunei's high literacy rate and strong per-capita demand for consumer goods will help propel the Sultanate towards this goal.

With almost 50% of the population between the ages of 15 and 40 years, Brunei's relatively young population is widely information technology-savvy. The 440,000 mobile telephones in Brunei outnumber the 416,000 residents, and approximately 78.5% of the population uses the internet. As internet connectivity increases, Brunei is hoping to transform a paper-based procedural system into an electronic system across all information and communication technology centers.

Brunei's connectivity has been improving in recent years but continues to suffer from insufficient broadband capacity and high costs. Brunei was ranked 57 out of 144 countries in the 2013 World Economic Forum Networked Readiness Index, which grades economies on their usage, acceptance and efficiency of ICT. Brunei received a rank of 63 of 134 in 2008, the first year it was included in the index. Telekom Brunei Berhad (TelBru) offers broadband capacity with a maximum of five megabits per second (Mbps)

but it can drop to less than one Mbps, a strength that does not meet the international broadband benchmark of two Mbps. Lack of competition and a small customer base has made broadband average cost an expensive B\$65 (USD52) per month.

Brunei is an investor in the Southeast Asia-Japan Cable (SJC), that when finished will connect Japan, Hong Kong, the Philippines, Brunei, and Singapore. This cable will add to the two existing cables, which have recently been strained by age and low capacity.

## Opportunities

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The Brunei Economic Development Board (BEDB), tasked with identifying potential areas of economic diversification, has identified the ICT sector as one of the key areas for diversification efforts. To support the development of ICT, BEDB has developed the iCentre, Brunei's first ICT incubator, as part of the first phase of the Business and Technology Park. At the iCentre, a number of young entrepreneurs are developing innovative ideas helping to bring Made-in-Brunei technology overseas. Current projects in development at the iCentre include mobile communications content and software, barcode and Radio-Frequency Identification (RFID) applications, software development and public portal development. In addition, BEDB has identified the following opportunities in the ICT sector:

- Data Centers and Disaster Recovery Centers
- Software development opportunities in partnership with iCentre incubatees

Best prospects within the ICT sector are government projects, including software development and data centers. Brunei's market is very dependent on imports and U.S. products are traditionally well received in Brunei as the United States is seen as the source for state-of-the-art technologies.

When complete, the Southeast Asia Japan Cable (SJC) will open up numerous opportunities to develop Brunei's first data center. Brunei has awarded a B\$3.1 million (USD2.5 million) consulting contract to South Korea-based KT Corporation and Malaysian consulting firm Alliance Geotechnical Services (AGS). A request for proposals is expected in the near future.

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### **Brunei Government Contacts**

iCentre

Website: <http://www.icentre.biz/>

Chief Information Officer, Prime Minister's Office

Website: <http://www.pmo.gov.bn>

Chief Information Officer, E-Government National Center

Website: <http://www.egnc.gov.bn>

Ministry of Communications

Website: <http://www.mincom.gov.bn>

Authority for Info-Communications Industry of Brunei Darussalam (AITI)

Website: <http://www.aiti.gov.bn>

Website: <http://www.ifp.org.bn>

### **Brunei Telecommunications Companies**

Telekom Brunei Berhad (TelBru)

Website: <http://www.telbru.com.bn>

DataStream Technology Sdn Bhd (DST)

Website: <http://www.dst-group.com>

B-mobile Communications Sdn Bhd

Website: <http://www.bmobile.com.bn>

Radio Television Brunei (RTB), Prime Minister's Office

Website: <http://www.rtb.gov.bn>

### **Global Rankings**

World Economic Forum Global Connectivity in Brunei 2013

Info-Graphic: <http://www3.weforum.org/docs/GITR/2013/BruneiDarussalam.pdf>

## Food Imports/Food Production

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	0.6%	N/A	N/A	N/A
Total Market Size	444,099	452,172	N/A	N/A
Total Local Production	61,162	72,692	N/A	N/A
Total Exports	1,419	2,255	N/A	N/A
Total Imports	384,356	381,735	N/A	N/A
Imports from the U.S.	9,510	8,751	N/A	N/A
No. of companies	305	N/A	N/A	N/A

#### Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

While Brunei has recently encouraged the redevelopment of the local food industry, more than 80% of Brunei's food is still imported. In 2012 alone, Brunei imported approximately B\$496 million (USD382 million) worth of food products, a figure that lagged just behind imported machinery and manufactured goods. Brunei exported a modest B\$2.9 million (USD2.3 million) in food products in 2012.

### Opportunities

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Because of Brunei's heavy reliance on imports, commercial activity in food imports and food production are important potential markets for U.S. exporters.

In addition to ready-to-eat food imports, Brunei has a strong interest in the *halal* food production industry. As Brunei works to add products to its Brunei *halal* brand, assistance from companies who are already operating in these markets will be welcomed. Brunei is hoping to attract research organizations, product development companies and businesses interested in penetrating the *halal* market. Because of this heavy reliance on imports, commercial activity in food imports and food production are important potential markets for American exporters. American producers with experience in the *halal* foods market may find additional opportunities in food product exports to Brunei. However, exporters must be aware that *halal* standards may differ

between the United States and Brunei, and between Brunei and other Muslim-majority countries.

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### **U.S. Government Contacts**

Bernard Kong  
Foreign Agricultural Service  
U.S. Embassy Singapore  
Tel: +65 6476-9294  
Fax: +65 6476-9517  
E-mail: [Bernard.kong@fas.usda.gov](mailto:Bernard.kong@fas.usda.gov)  
Website: <http://www.fas.usda.gov>

## Fishing Industry/Aquaculture

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	0.01%	N/A	N/A	N/A
Total Market Size	79,658	78,856	N/A	N/A
Total Local Production	37,385	40,538	N/A	N/A
Total Exports	1,472	2,339	N/A	N/A
Total Imports	43,745	40,657	N/A	N/A
Imports from the U.S.	164	222	N/A	N/A
No. of companies	50	N/A	N/A	N/A

Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

With one of the highest per capita consumption rates in the region, fish is a critical part of Bruneians' diets. Bruneians consume approximately 100 pounds of fish per year, half of which is imported. The Brunei government has identified fishing as a sector that can enable economic diversification and as such, the government is offering incentives to develop commercial fisheries in Brunei's Exclusive Economic Zone (EEZ), which extends 200 nautical miles offshore.

In June 2013, Brunei became the first country in the world to ban all shark trade and announced a commitment to enforce an August 2012 ban on shark fishing in Brunei's Exclusive Economic Zone/Brunei Fisheries Limit. Enforcement of the ban is due to begin January 2014. This commitment has garnered accolades from environmental groups.

### Opportunities

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Brunei has recently allowed for joint fishing ventures, making the fishing industry an attractive sector for international investors. The Fisheries Department of the Ministry of Industry and Primary Resources has identified capture fishing, aquaculture, and seafood processing as the three main business opportunities in Brunei.

**Capture Fishing:** Fishing licenses are available for operating purse-seiners, and tuna long-liners in the Exclusive Economic Zone/Brunei Fisheries Limit.

**Aquaculture**: With an estimated commercial potential of \$B71 million (USD57 million) per year, Brunei has identified aquaculture as one of the fastest growing fishing industries in the country. While shrimp farming is the most significant aquaculture opportunity, fish off-shore cage culture, ornamental fish production, and freshwater culture are also emerging industries.

**Seafood Processing**: Brunei has identified seafood processing – including frozen fish, fish ball and cakes, crackers, fish nuggets, marinated fish and dried fish – as a B\$17 million (USD13.7 million), underdeveloped market that could offer important investment opportunities for international companies. There is a significant domestic market for these products, and Brunei’s *halal* certification would allow export to regional markets as well. Pre-existing industrial sites with basic processing infrastructure may also be available, cutting down on start-up costs.

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### **Brunei Government Contacts**

For more information on fisheries in Brunei, contact:

Fisheries Department  
Ministry of Industry and Primary Resources  
Jalan Mentiri Besar  
Bandar Seri Begawan  
Brunei Darussalam.  
Tel: +673 238-0107, +673 238-0026  
Fax: +673 238-2835  
Website: <http://www.fisheries.gov.bn/>

Brunei Fisheries Limit, Ministry of Industry and Primary Resources  
Website: <http://www.fisheries.gov.bn/potentials/capture.htm#limits>

Capture Fishing, Ministry of Industry and Primary Resources  
Website: <http://www.fisheries.gov.bn/potentials/capture.htm>

Aquaculture, Ministry of Industry and Primary Resources  
Website: <http://www.fisheries.gov.bn/potentials/aquaculture.htm>

Seafood Processing, Ministry of Industry and Primary Resources  
Website: <http://www.fisheries.gov.bn/potentials/processing.htm>

## Biotechnology

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	3.05	0.716	N/A	N/A
Total Imports	2,769	1,589	N/A	N/A
Imports from the U.S.	848	111	N/A	N/A

Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

While there is high-level government interest in biotechnology, Brunei's biotechnology field currently lacks the technical expertise to scale-up in research and development.

### Opportunities

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Brunei is seeking to develop its biotechnology industry, particularly through the agro-biotechnology research and development and ethno-botany for *halal* cosmetics and pharmaceuticals. The government also hopes to develop incubator facilities for specialized companies to partner with local small and medium enterprises. The development of the incubator has the potential to create business opportunities for U.S. companies specializing in agro-biotechnology research and development in the field of ethno-pharmaceutical, cosmetics and food production. This emerging field has captured the interest of the government, which is a positive sign for potential investors.

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#### Brunei Government Contacts

Brunei *Halal*

Brunei Wafirah Holdings Sdn Bhd

Ghanim International Food Corporation Sdn Bhd

Unit 6, First Floor, Lim Kah Sik Building, Jerudong

Brunei Darussalam, BG3122

Tel: +673 238-4533

Fax: +673 238-4537

E-mail: [information@brunei-halal.com](mailto:information@brunei-halal.com)

Website: <http://www.brunei-halal.com>

Ministry of Industry and Primary Resources

Website:

[http://www.industry.gov.bn/index.php?option=com\\_content&view=article&id=81&Itemid=102](http://www.industry.gov.bn/index.php?option=com_content&view=article&id=81&Itemid=102)

## Medical Devices and Healthcare Technology

### Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Market Share of GDP	N/A	N/A	N/A	N/A
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	1,386	898	N/A	N/A
Total Imports	13,230	15,370	N/A	N/A
Imports from the U.S.	3,789	2,541	N/A	N/A

Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: DEPD

Brunei has a small but growing medical industry and provides highly subsidized medical care. Brunei's two major hospitals – Raja Isteri Pengiran Anak Saleha Hospital (RIPAS Hospital) and Jerudong Park Medical Center – are supplemented by two provincial hospitals, three district hospitals, and 16 smaller health posts. Today, Bruneians with the means to seek advanced medical services outside of the country will travel to Singapore and the Brunei medical system pays for services rendered in Singapore when it is unable to provide them to its citizens. As Brunei's young population ages and requires medical care, this will be an important longer-term growth sector for Brunei's economy.

### Opportunities

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A reported increase in patient demand for advanced medical devices and a willingness of medical facilities to upgrade existing technology has driven sales of new technology in recent years.

Slated for adoption in 2014, the draft Association of Southeast Asian Nations (ASEAN) Medical Device Directive (AMDD) requires ASEAN countries to abide by standardized medical device classifications and institute monitoring systems to ensure the devices work effectively. The AMDD would also require international manufacturers to establish a presence in Brunei if they wish to sell devices in the local market.

**Brunei Government Contacts**

Ministry of Health  
Commonwealth Drive  
Bandar Seri Begawan BB3910  
Brunei Darussalam  
Tel: +673 238 1640  
Fax: +673 238 1440  
Website: <http://www.moh.gov.bn/>

**U.S. Government Contacts**

For more information on Association of Southeast Asian Nations Medical Device Directive, contact:  
U.S. Mission to ASEAN  
Jl. Medan Merdeka Selatan 5  
Jakarta 10110, Indonesia  
Tel: +62 21 3435-9000

**International Organization Contacts**

World Health Organization Medical Devices  
Survey findings: [http://www.who.int/medical\\_devices/countries/bm.pdf](http://www.who.int/medical_devices/countries/bm.pdf)

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## Chapter 5: Trade Regulations, Customs and Standards

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### Import Tariffs

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Brunei generally has very low tariffs. Basic foodstuffs and goods for industrial use are exempted from import duties. Excise duties are levied on certain goods, including cars at 20%, and 15% for heavy vehicles. There is no tax on computers and peripherals. Other consumer products such as perfume, cosmetics, clothes, carpets, shoes, jewelry, office equipment, telephones, television sets, lamps, and cameras, are taxed at 5%. Import duties for electronically operated industrial machines stand at five percent. Tariff and excise rates for Brunei are available at:

<http://www.mof.gov.bn/English/RCE/CustomsMatters/Pages/TariffCode.aspx> and <http://hts.usitc.gov/>

The Customs Import Duty Order 2012 and Excise Duty Order 2012 were created with the aim of facilitating trade and attracting foreign direct investment. The import tax on machinery utilized for the national rice production program has been abolished. Another tax incentive for the urban development industry is the lowering of import tax for processed or unprocessed forest products from 20% to 5%.

### Trade Barriers

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The United States and Brunei enjoy a long history of trade, dating to an 1850 treaty whereby Brunei and the United States agreed to trade freely and without barriers, under Most Favored Nation (MFN) status. Trade relations between the United States and Brunei are modest but growing. According to the Brunei Department of Economic Planning and Development, annual bilateral trade exceeded B\$461 (USD352) million in

2011. Following the successful conclusion of the negotiations, the proposed Trans-Pacific Partnership (TPP) currently will provide enhanced opportunity for US exporters to access the ASEAN region, serving to make Brunei and the wider Southeast Asian region an increasingly attractive destination for U.S. exports.

Today U.S. companies and businesses doing business in Brunei or wishing to export products to Brunei may do so freely, with the exception of food products, an area in which Brunei takes particular interest. Brunei is emphasizing its *halal* food industry as one of the key pillars of an effort to diversify its economy. Brunei is promoting its own *halal* food certification regime, one entirely distinct from other *halal* certification organizations, which would require Bruneian inspectors to travel to production facilities in the home country of the food exporter, at the exporter's expense, to inspect the food production process. This requirement places constraints on the ability of U.S. exporters of food products to enter the Brunei market without complying with requirements that may not be necessary in other markets.

## Import Requirements and Documentation

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The import of all goods into Brunei is monitored by The Royal Customs and Excise Department. Importers must register with the port of entry. Determination of duty classification is based on the Excise Duty Order 2007.

Completed Customs Declaration Forms must be submitted together with supporting documentation such as invoices, freight and insurance slips, airway bills and packing lists.

Additional documentation that may be required includes certificate of origin and analysis, Approval Permit (A.P.), import licenses and other documentation as deemed necessary by the Customs and Excise Department.

Further information can be obtained from:

Royal Customs & Excise Department

Ministry of Finance

Tel: +673 238-2333

Fax: +673 238-2666

Website: <http://www.mof.gov.bn/English/RCE/Pages/default.aspx>

The Department of Health Services under the Ministry of Health ensures food imported and distributed in Brunei is safe for human consumption. Food importers are required to comply with the Public Health Order (Food), 1998, Public Health (Food) Amendment Order 2002 and its Regulations 2000. Food importers are required to comply with the provisions of the food legislation and import requirements. Importers are required to

submit customs declaration forms along with the relevant export health certificates from the countries of origin.

Other requirements include provision of Hazard Analysis Critical Control Point (HACCP) certificate, samples of all items to be imported to Brunei, lists of all ingredients and additives used and other valid documentation or certification as determined by the Ministry of Health. Imported food products are mainly *halal*, for the consumption of the majority Muslim population. *Halal* food cannot contain alcohol or derivatives from non-*halal* animals.

Processed food imports must be registered and must identify additives' origin under Regulation 9, Public Health (Food) Regulation, 2000.

Further information can be obtained from:

Food Safety and Quality Control Division  
Department of Health Services  
Environmental Health Service  
Ministry of Health  
Tel: +673 233-1100  
Fax: +673 233-1107  
Website: <http://www.moh.gov.bn>

## U.S. Export Controls

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Companies wishing to export controlled items to Brunei must apply for licenses from the appropriate government agencies in the United States. The Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR). Certain specialized exports are regulated by other U.S. government agencies. A list of agencies involved in export controls can be found at <http://www.bis.doc.gov>.

## Temporary Entry

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Brunei has not adopted the *Admission Temporaire*/Temporary Admission (ATA) Carnet Convention but allows temporary entry of commodities for demonstration, exhibition and trade samples for a duration of three months. Instructions are available at the Royal Customs and Excise website: <http://www.mof.gov.bn/English/RCE/CustomsMatters/customservices/Pages/TemporaryImport.aspx>.

## Labeling and Marking Requirements

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Under the Public Health Order (Food), 1998, Public Health (Food) Amendment Order 2002 and its Regulations 2000, all food imported into the country must bear a label containing information including a list of ingredients, expiration date and details of the local importer, distributor or agent. Printed expiry dates must not be less than three millimeters in height. Information on food labels is required to be labeled in a prominent and conspicuous position on the package.

Importation of food products that require date markings include food supplements are subject to “set requirements” as outlined by the Public Health (Food) Regulation 2000. They are required to be registered with the Food Quality and Safety Control Division, Environmental Health Services, and Department of Health Services. Health supplements that contain ingredients which can be used therapeutically or contain any medical claims are required to be referred to the Department of Pharmaceutical Services, Ministry of Health for clearance.

Detailed information on the food labeling requirements can be obtained from:

Food Safety and Quality Control Division  
Department of Health Services  
Environmental Health Service  
Ministry of Health  
Tel: +673 233-1100  
Fax: +673 233-1107  
Website: <http://www.moh.gov.bn>

## Prohibited and Restricted Imports

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Brunei imposes restrictions/prohibitions on the import of certain goods under the Customs Order 2006 (Section 31). Details of restricted/prohibited goods are available from:

Royal Customs & Excise Department  
Ministry of Finance  
Tel: +673 238-2333  
Fax: +673 238-2666  
Website:  
<http://www.mof.gov.bn/English/RCE/CustomsMatters/CustomsProcedures/ProhibitionRestriction/Pages/default.aspx>

Importers of *halal* meat and food products need prior approval from the Ministry of Religious Affairs. Prior to approval, inspection of the foreign plant facilities will be carried

out by two officers from the Religious Affairs Department. Importers have to pay for the trip. Currently only selected approved plants in Australia, Malaysia and India are accredited to supply *halal* beef.

Brunei imports live cattle from a Brunei-owned cattle ranch located in Northern Australia for slaughter locally. Brunei claims to be 90% self-sufficient for poultry production. *Halal* certification for poultry is issued on strict compliance with slaughter methods set by the Ministry of Religious Affairs.

Importation of alcoholic beverages has been prohibited with minor exceptions for personal, private consumption by non-Muslims since 1991. Pork is consumed only by non-Muslims. There is no pork production in Brunei. Brunei imports fresh and frozen pork from the neighboring Malaysian state of Sarawak.

The *Halal* Certificate and *Halal* Label Order 2005 covers the issuance of *Halal* Certificate and *Halal* Labels on processed food, separation of food storage and business premises such as restaurants and others.

*Halal* certification Contact:

The Secretary  
Board for Issuing *Halal* Import Permits  
Ministry of Religious Affairs  
Jalan Elizabeth II  
Bandar Seri Begawan BS8510  
Brunei Darussalam  
Tel: +673 224-2565/ 6  
Fax: +673 222-3106  
Website: [http://www.religious-affairs.gov.bn/index.php?ch=bm\\_service  
&pg=bm\\_service\\_halhar](http://www.religious-affairs.gov.bn/index.php?ch=bm_service&pg=bm_service_halhar) (Malay only)

## Customs Regulations and Contact Information

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Royal Customs & Excise Department  
Ministry of Finance  
Jalan Menteri Besar  
Bandar Seri Begawan BB3910  
Tel: +673 238-2333  
Fax: +673 238-2666  
Website: <http://www.mof.gov.bn/English/RCE/Pages/default.aspx>

## Standards

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## Overview

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Brunei adheres to a range of international standards, including the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) regimes. Brunei also recognizes certifications from bodies that have been accredited by the members of the Pacific Accreditation Cooperation. Conformance certificates and laboratory accreditations are also accepted from Asia Pacific Laboratory Accreditation Cooperation (APLAC) Mutual Recognition Arrangement members.

The National Standards Council was established in December 2009 and operates under the auspices of the Ministry of Industry and Primary Resources.

Telecommunications standards are regulated by the Authority for Info-Communication and Technology (AITI) under Section 9 of Telecommunications Order, 2001. AITI regulates the use of telecommunication equipment in Brunei, requiring that services meet national standards.

## Standards Organizations

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In April 2010, the National Standards Council created and endorsed the National Standards Center as the accreditation body of Brunei. The National Standards Act is currently being developed. When complete, it will standardize local products and service quality and will provide a legislative framework to guide the enforcement activities in the implementation and management of the standards.

The National Standard Centre (NSC) consists of five units:

1. Conformity Assessment
2. Certification
3. Legal and Standards Development
4. International Relations
5. Standard Promotion and Information

The National Standards Centre provides a range of services to small and medium size enterprises, including:

- Certification Service
- Standards & Quality Product Training Service
- Quality & Promotion Development Service
- Standard & Information Service
- Consultation Service
- Factory Visit Service
- Testing & Metrology Collaboration Lab Service

Under section nine of Telecommunications Order, 2001, companies exporting equipment to be used for connection to any telecommunications system or equipment belonging to a telecommunication licensee must have prior approval from AITI before use. Any equipment that is not approved must be returned to the country of origin by the importer.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

## Conformity Assessment

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Conformity Assessment Procedure is available at:

[http://www.mod.gov.bn/index.php?option=com\\_content&view=article&id=502&Itemid=234](http://www.mod.gov.bn/index.php?option=com_content&view=article&id=502&Itemid=234)

Ministry of Development  
Old Airport Complex  
Berakas BB3510  
Brunei Darussalam  
Tel: +673 238-3222  
Fax: +673 238-0298  
E-mail: [info@mod.gov.bn](mailto:info@mod.gov.bn)

## Product Certification

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Restaurants and food manufacturing operators catering to the Muslim community are required to have a *halal* certificate and permit as well as *halal* branding in accordance

with the *Halal* Certificate and Label Order 2005. Under the order, the manufacturer or restaurant is only permitted to produce and prepare *halal* products using raw ingredients from *halal* suppliers. Multinational companies or medium size enterprises are required to form an Internal *Halal* Audit Committee to handle and ensure the company is in compliance with all *halal* requirements. A *halal* certificate and permit cost B\$90 (USD72) for a term of three years, and B\$50 (USD40) per product for food manufacturers.

Hazard Analysis and Critical Control Points (HACCP) recognition is a requirement for local food manufacturers in order to export products outside of Brunei.

Food traders must comply with the Food Acts of 1998 and 2000. A registration letter is issued within five to seven working days from date of application.

## Accreditation

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*Halal* permits and certificates are issued by Ministry of Religious Affairs.

Bureau Veritas, a local certification body, issues HACCP certificates to local food manufacturers.

Under the Telecommunications Order 2001 Section 5, the Authority for the Info-Communications Industry (AITI) grants licenses for the operation of telecommunication systems and services.

## Publication of Technical Regulations

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Brunei's laws, acts, and orders are published in the Brunei Government Gazette. The Gazette is published by the Government of Brunei Printing Department. Copies can be purchased from the Printing Department of the Prime Minister's Office.

Printing Department:

<http://www.printing.gov.bn/>

## Labeling and Marking

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The Department of Health Services at the Ministry of Health is responsible for the regulation of food imports into Brunei.

Imported pre-packaged food products that are sold and distributed in Brunei must comply with labeling requirements under the Regulation 9 of the 2000 Food Regulation Act. Food item labels must contain information on the packaged food and be

prominently and conspicuously positioned on the package. Language to be used on the label should be in Malay or English, or translated to either one of these languages.

The labeling requirement shall include:

- Name of food
- List of ingredients and their sources (including additives)
- Net weight/volume
- Date marking
- Storage instruction
- Name of country of origin
- Name and address of the local importer for imported food/name and address of the manufacturer/packager in the case of a food of local origin

## Contacts

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Head, Food Safety and Quality Control Division  
Department of Health Services  
Ministry of Health  
Brunei Darussalam  
Tel: +673 233-1100  
Fax: +673 233-1107  
E-mail: [fsqc@moh.gov.bn](mailto:fsqc@moh.gov.bn)  
Website: [www.moh.gov.bn](http://www.moh.gov.bn)

Authority for Info-Communications Technology Industry of Brunei Darussalam (AITI)  
Block B14, Simpang 32-5  
Kampung Anggerek Desa  
Jalan Berakas BB3713  
Brunei Darussalam.  
Tel : +673 232-3232  
Fax : +673 238-2447  
E-mail: [info@aiti.gov.bn](mailto:info@aiti.gov.bn)

## Trade Agreements

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Brunei is a member of Association of Southeast Asian Nations (ASEAN); Asia-Pacific Economic Cooperation (APEC); World Trade Organization (WTO); Brunei, Indonesia, Malaysia & the Philippines-East ASEAN Growth Area (BIMP-EAGA); and the Multilateral Agreement on the Liberalization of International Air Transportation (MALIAT). In addition to trade liberalization regimes under ASEAN, Brunei is a party to the Trans-Pacific Partnership (TPP) negotiations, as is the United States. Brunei is also party to the

Regional Comprehensive Economic Partnership (RCEP) negotiations, an ASEAN + 6 (Australia, the People's Republic of China, India, Japan, the Republic of Korea and New Zealand) trade agreement. ASEAN hopes to conclude RCEP negotiations by 2015.

## **Web Resources**

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Ministry of Development:

Website: <http://www.mod.gov.bn>

Royal Customs and Excise Department:

Website: <http://www.mof.gov.bn/English/RCE>

Authority of Info-Communication and Technology

Website: <http://www.aiti.gov.bn/Pages/Home.aspx>

Ministry of Industry and Primary Resources

Website: <http://www.industry.gov.bn>

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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The Government of Brunei continues its economic diversification efforts, seeking to move away from its long reliance on oil and gas exports. Brunei encourages foreign investment in the domestic economy through various investment incentives offered by the Brunei Economic Development Board (BEDB) and the Ministry of Industry and Primary Resources (MIPR) and through activities by the Ministry of Foreign Affairs and Trade (MOFAT), which offers favorable incentives for foreign direct investments and trade.

Set up in 2001, BEDB is the major economic development agency in Brunei, marketing Brunei as an opportunity for investors in new industries and economic activities. BEDB focuses on four key growth areas: attracting direct foreign investments; strengthening local businesses; increasing research and development (R&D) and innovation; and delivering infrastructure projects. BEDB offers investment opportunities in a number of industrial areas, including the Sungai Liang Industrial Park for petrochemical industries; the deepwater port of Pulau Muara Besar for oil refinery and storage capabilities; the

iCenter for info-communication technology; the Rimba Digital Junction for data center development activities; the Lambak Kanan East Industrial Park for LED light assembly and oil country tubular goods; and the Bukit Panggal Industrial Park for cable manufacturing.

The Ministry of Industry and Primary Resources (MIPR) is responsible for promoting and facilitating industrial development in Brunei mainly in the manufacturing, tourism, agriculture, fisheries, and forestry sectors. MIPR has achieved a steady flow of investments from within Brunei, ASEAN and other countries and facilitates business development at the national level by providing land for business operations.

The Ministry of Foreign Affairs and Trade (MOFAT) promotes trade and foreign investment through intergovernmental negotiations of trade agreements, investment incentives, reduced corporate tax rates and inclusion of the provision of pioneer status – a special tax-exempt status for specific technical, financial or business management service and investment companies unavailable in Brunei and considered in the public interest. MOFAT participates in government-to-government discussion on trade barriers and provides recommendations for tariff imposition on foreign goods and services. MOFAT coordinates with BEDB in facilitating trade missions abroad.

Brunei offers generous tax incentives to foreign investors, with the production of foreign goods and services benefiting from indefinite tax breaks. The Investment Incentives Order 2001 provides guidelines for granting pioneer status and tax relief for foreign and local investment. Brunei ranked 79 out of 183 countries in the World Bank's "Ease of Doing Business" 2013. A rank of "1" indicates that the laws and regulations of that country are very attractive to foreign investment.

Brunei was ranked 22 out of 185 economies in the International Finance Corporation's "Paying Taxes 2012" report. A rank of "1" means that the tax environment is highly conducive to business and is measured by the total tax rate, the time needed to comply with major taxes, and the number of tax payments. According to the report, Brunei is one of the six high-income economies that lowered the tax burden to companies by 2% in the 2011/2012 period.

Regulations relating to foreign participation in equity are flexible. In many instances, there can be 100% foreign ownership, except for sectors involving natural resources and national food security, where foreign direct investment (FDI) is capped at 70% equity.

Foreign firms need a local partner to purchase land. Since July 2009, the Strata Title Act allows non-citizens to own property, with the terms of a 99 year lease, but only for certain kinds of properties, such as townhomes and those that are more than two stories high. Foreign firms can apply for a long term lease, which must be approved by the Prime Minister's Office.

## **Conversion and Transfer Policies**

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There are no foreign exchange controls, but exchanges are monitored. Banks permit non-resident accounts. There is no restriction on borrowing by non-residents.

Since January 1, 2011 The Monetary Authority of Brunei Darussalam (AMBD) has performed many central bank functions including formulating and implementing monetary policies, regulating and supervising financial institutions and managing currency. The Brunei Dollar is pegged at par to the Singapore Dollar and, through the Currency Interchangeability Agreement, the currencies can be used in both countries.

## **Expropriation and Compensation**

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There is no history of expropriation in Brunei.

## **Dispute Settlement**

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Brunei signed the U.N.-sponsored Convention on the Settlement of Investment Disputes in 2002. At the regional level, Brunei is a member of the ASEAN Protocol on Enhanced Dispute Settlement Mechanism (2004), and the Agreement among the Government of Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand for the Promotion and Protection of Investment, 1987. The former regulates settlement of disputes on economic agreements between ASEAN members and the latter provides for the promotion and protection of investments, which includes settlement of related disputes. The International Arbitration Order was enacted in 2009, but has yet to be ratified and legally enforced. The court system is generally transparent and fair.

In 2005, Brunei signed the Trans-Pacific Strategic Economic Partnership Agreement (or P4) with Chile, New Zealand and Singapore. The P4 encourages the expansion and diversification of trade among the participating countries by eliminating trade barriers, increasing investment opportunities, and protecting intellectual property rights. The Agreement provides an effective, efficient and transparent process for consultations and dispute settlements. Brunei is a party to the ongoing Trans-Pacific Partnership (TPP) negotiations, an agreement that would significantly expand the P4. TPP countries include Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam.

## **Performance Requirements and Incentives**

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Companies producing goods and services for export can apply for a renewable 10-year tax exemption. Corporate tax relief of up to five years is available for companies that

invest between B\$500,000 to B\$2.5 million (USD\$400,160 to USD\$2.0 million) and up to eight years for amounts exceeding B\$2.5million (USD\$2.0 million) in approved ventures. An 11-year tax break is offered if the venture is located in a high-tech industrial park.

Businesses wishing to compete in domestic markets can qualify for tax breaks for up to eight years. Sole proprietorships and partnerships are not subject to tax. Individuals do not pay any capital gains tax and profits arising from the sale of capital assets are not taxable. Brunei has double-taxation agreements with Britain, Indonesia, China, Singapore, Vietnam, Bahrain, Oman, Japan, and Pakistan. Tax on petroleum operations is codified in the 1960 Income Tax enactment, which is similar to tax policies in other oil-producing nations.

A Project Performance Bond is required at the tender approval stage to guarantee the delivery of a project in accordance with the project specifications. The bond is returned to the company involved at successful project completion.

### **Right to Private Ownership and Establishment**

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All businesses in Brunei must be registered with the Registrar of Companies at the Ministry of Finance. With the exception of sole proprietorships, foreign investors can fully own incorporated companies, foreign company branches or representative offices. Partnerships generally require the participation of Brunei citizens. Foreign direct investments by multi-national corporations may not require local partnership in setting up a subsidiary of their parent company in Brunei. However, at least one company director must be a Brunei citizen or permanent resident. A multinational company with an operating plant on an MIPR industrial park is required to have 30% of the companies' board represented by Brunei citizens or permanent residents.

### **Protection of Property Rights**

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Trademarks can be registered with relative ease under the Brunei Trademarks Act. Once registered, trademarks last ten years and are renewable for ten more years. Enforcement requires direct copyright holder action.

Brunei's Intellectual Property Rights (IPR) law is consistent with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The law is complaint-based. The right holder must appeal / take action with the government, which then begins enforcement actions. The Bruneian government has made concerted efforts to remove pirated music from stores and prosecuted a local business owner for infringing the Patents Order 2011. In accordance with the 2011 Patents Order, the Brunei Government opened its Patent Registry Office on January 2, 2012.

In May 2013, United States Trade Representative (USTR) removed Brunei from its Special 301 intellectual property rights (IPR) watch list following Brunei's announcement of further reforms to its copyright law, including an amendment to its Copyright Orders to enhance enforcement authority. IP protection is seen in Brunei as a critical step in ensuring the growth of the economy as it encourages innovation and the creation of a knowledge-based economy.

In a change that continues Brunei's recent efforts to strengthen IP protection, effective June 2013, Brunei transferred its Registry of Trademarks from the Attorney General's Chambers (AGC) to the Brunei Economic Development Board (BEDB). The transfer expands the current BEDB Patents Registry Office's (PRO) capabilities to accept applications for the registration of trademarks in addition to patents and industrial designs. The office's name will officially change on July 1, 2013 to the Brunei Intellectual Property Office (BruiPO).

Under the Emergency Order (Copyright) 1999, Section 204, anyone caught infringing copyright, selling, smuggling, or distributing goods, except for personal use and domestic purposes, is liable to be fined, imprisoned for a period not to exceed two years, or both.

Brunei is a full member of the Paris Convention, the Berne Convention, the WTO-TRIPS and the World Intellectual Property Organization (WIPO). It has also signed the ASEAN Framework Agreement on Intellectual Property Cooperation.

The Order established a new Registry of Patents for receiving, processing and granting patents and facilitates the international filing of patents. As part of the ongoing restructuring of the Intellectual Property (IP) administrative system, the Patent Registry Office of the BEDB absorbed the Registry of Industrial Designs. BEDB also is responsible for establishing a National Intellectual Property Office responsible for the registration of patents, industrial designs, plant variety protection and trademarks.

Further information can be obtained from the Brunei Intellectual Property Office at: <http://www.brunei-patents.com.bn/> and <http://www.agc.gov.bn>.

## **Transparency of Regulatory System**

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The Ministry of Financial Affairs and Trade (MOFAT) serves as a regulatory body for many of Brunei's industries and agencies. Public agencies are individually mandated to regulate and conduct themselves according to the interests of the public and private sector and in accordance with Brunei's Wawasan Brunei 2035 development goals. The Clients' Charter of 1995, [Tekad Pemedulian Orang Ramai (TPOR)], provides a means

for citizen oversight, allowing the public to submit complaints related to the quality of service provided by the Brunei Civil Service.

Brunei ranks 79th out of 185 economies according to the World Bank's "Ease of Doing Business" (2013), an improvement of four places from 2012. A rank of "1" indicates a fertile legal and regulatory environment for foreign investment.

The Monetary Authority of Brunei Darussalam, established in 2011, acts as the Central Bank. The Brunei Investment Agency (BIA) manages the Government of Brunei's General Reserve Fund, and external assets. Established in 1983, BIA is the investment branch of the Ministry of Finance, and controls assets reportedly worth B\$37 billion (USD\$30 billion). It has holdings in corporations, real estate, and currencies. BIA's activities are not publicly disclosed. According to the Sovereign Wealth Fund Institute, which ranks sovereign wealth fund transparency on a scale of 1 to 10, with one being the least transparent, and 10 being the most transparent, Brunei earns a 1, the lowest transparency rating.

## **Resources**

MOFAT

Website: <http://www.mofat.gov.bn>

Monetary Authority of Brunei Darussalam

Website: <http://www.ambd.gov.bn/>

MIPR

Website: <http://www.industry.gov.bn>

BEED

Website: <http://www.bedb.com.bn>

## **Efficient Capital Markets and Portfolio Investment**

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Brunei's capital markets differ from those of the United States and Europe. Brunei does not have a stock exchange. Brunei, like neighboring state Malaysia, has issued *Sukuk*, the Islamic equivalent of bonds, which are carefully structured to accord with Islamic proscriptions on certain types of interest-bearing financial activity. Brunei first issued *Sukuk* in 2006 and from 2006 to 2011, issued B\$3.7billion (USD2.9billion)-worth of *Sukuk*. Another aspect of Islamic finance promoted by Brunei is *Takaful*, a type of insurance scheme that accords with Islamic principles.

Brunei, with its vast primary resource wealth and its desire to diversify its economy, is potentially capable of playing an increased role in Islamic finance. Worldwide B\$1.62

trillion (USD1.34 trillion) of assets are managed according to Islamic investment tenets. There is growing interest in this financial model worldwide.

Brunei has entertained the idea of establishing a stock exchange, but currently financing for private corporations is achieved through commercial bank loans [close to B\$5billion (USD3.8billion) in 2011], private equity investments [B\$1billion, (USD765 million) in 2011] and through government loan schemes such as the Small and Medium Enterprise Loan Scheme (SME), and Micro Credit Loan Scheme. The Brunei Investment Agency (BIA) is Brunei's sovereign wealth fund which manages Brunei's General Reserve funds and Brunei's external assets.

### **Key Contacts**

Brunei Investment Agency (BIA), Ministry of Finance

Website: <http://www.mof.gov.bn/English/BIA/Pages/default.aspx>

Monetary Authority of Brunei Darussalam

Website: <http://www.ambd.gov.bn/>

### **Competition from State Owned Enterprises**

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There are a number of state-owned enterprises operating in Brunei that compete with private sector investors. Semaun Holdings, incorporated as a private limited company, is wholly owned by the Brunei Government. Its emphasis is on joint ventures with foreign investors, mainly in aquaculture, food processing, glass crystal and hi-tech manufacturing industries which are currently not open for 100% foreign ownership.

Under the Telecommunications Order 2001, the Authority for Info-Communications Technology Industry (AITI) regulates the licensing of the telecommunications industry. The establishment, installation, maintenance, provision or operation of unlicensed telecommunication systems or services within Brunei is a punishable offence, resulting in imprisonment, and large fines. AITI has not opened up the telecommunications industry for foreign participation. The telecommunications industry is dominated by Telekom Brunei (TelBru) and Data Stream Technologies (DST) Communications. TelBru is the sole provider of fixed lines. Its subsidiary company, B-mobile, provides 3G mobile services together with DST. DST is also the sole provider of Global Systems for Mobile communication (GSM) mobile phone service and the sole pay-television service provider.

The Royal Brunei Technical Services (RBTS), established in 1988 as a wholly-government owned corporation, is responsible for managing the acquisition of a wide range of systems and equipment and maintaining those acquired systems and equipment.

Brunei National Petroleum Sendirian Berhad (PB) is the national oil company. PB is wholly owned by the Brunei Government and was incorporated on January 14, 2001, as a private limited company. The company was granted all the mineral rights in eight prime onshore and offshore petroleum blocks comprised of the deepwater offshore Blocks CA1 & CA2, inboard offshore Blocks N, P, Q, & B and onshore Blocks L & M totaling 20,552 sq. km. Currently, the company manages the production-sharing contractors' exploration of the onshore and deepwater offshore blocks. The company is also working with the Block B operator in the development of the Maharaja Lela/Jamalulam Field.

## **Corporate Social Responsibility**

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Many large Brunei-based firms have corporate social responsibility (CSR) programs, although the focus and effectiveness of the programs vary. These programs are particularly common in the petrochemical and banking sectors. While there is very little data about public attitudes towards CSR in Brunei, the proliferation of such programs may indicate strong public support. Recent CSR programming has included social engagements and community development; environmental programs; entrepreneurship initiatives; educational support; and promotion of culture, heritage, and the arts.

A 2010 HSBC Bank survey of Bruneian businesses found a low-level of awareness about CSR. Of the 203 business who responded, 51% were either “not aware” or “not sure” of the meaning of corporate sustainability/CSR. Thirty three percent of the companies responded that they had an active corporate sustainability/CSR program, 26% were “not sure,” and 41% did not have a program. Respondents ranked “community benefit” and then “branding” as the two top benefits of CSR programs. Only a minority of respondents saw a link between CSR and increased productivity or competitiveness. The survey was conducted by direct mailer and enjoyed a 7% response rate.

## **Political Violence**

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There have been no cases of political violence since Brunei's became independent in 1984.

## **Corruption**

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The Anti-Corruption Bureau (ACB) strives to ensure a corruption-free public service. Corrupt practices are punishable under the Prevention of Corruption Act. The Act also applies to Brunei citizens abroad. There are perceptions that corruption in the private sector is more prevalent than the public sector, which has prompted the ACB to focus on

the private sector, as the private sector plays a critical role in Brunei's economic diversification.

Brunei ranks 46 out of 176 countries in Transparency International's Corruption Perception Index (CPI) 2012, which measures perceptions of public sector corruption. Brunei scores 55 on a scale from zero to 100, with zero representing a perception of a country being extremely corrupt and 100 representing the perception of a country having extremely low levels of corruption. A score below 50 indicates a serious corruption problem. This measure shows that Brunei has lower levels of perceived corruption than more than two-thirds of the 176 countries surveyed.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with both countries' regulations, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption—including bribery of foreign public officials—by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international

framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Brunei is party to the UN Anticorruption Convention, but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/daf/anti-bribery/anti-briberyconvention/38028044.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Brunei is not a party to the OECD Convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence, to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Brunei is a party to the UN Convention.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Brunei is not a party to the OAS Convention.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) Brunei is not party to these conventions.

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Brunei does not have an FTA with the United States, but both countries are currently involved in the Trans-Pacific Partnership trade negotiations.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice regarding local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at <http://www.trade.gov/cs>.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and Department of State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business

opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [http://tcc.export.gov/Report\\_a\\_Barrier/](http://tcc.export.gov/Report_a_Barrier/).

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also the Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/cpi2012/results>
- TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major

corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See: <http://www.transparency.org/research/gcb/overview>.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See: <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See: <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at <http://report.globalintegrity.org/>.

## **Bilateral Investment Agreements**

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Brunei is a member of the Association of Southeast Asian Nations (ASEAN), which has Free Trade Agreements (FTA) with Australia, New Zealand, China, India, and South Korea, and a Comprehensive Economic Partnership Agreement with Japan. Brunei is also a party to the Trans-Pacific Strategic Economic Partnership Agreement (P4). Brunei currently has Bilateral Investment Treaties with Oman, Germany, China, Korea, and Ukraine.

## **OPIC and Other Investment Insurance Programs**

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Loan guarantees, insurance, and project financing from the Export-Import Bank of the United States, Overseas Private Investment Corporation (OPIC), and other international finance institutions are unlikely given Brunei's affluence.

## **Labor**

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Brunei relies heavily on foreign labor in lower-skill and lower-paying positions, with approximately 120,000 guest workers brought in to fulfill specific contracts. Brunei citizens often prefer to work for the government, with its better benefits such as bonuses, education allowance, interest-free loans, housing allowance, and other benefits, rather than the private sector. Approximately 25% of the total Brunei citizen workforce is employed in the public sector.

Matters relating to labor conditions are covered under the Labor Act, Employment Order 2009 and Workmen's Compensation Act.

## **Foreign-Trade Zones/Free Ports**

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Free Trade Agreements (FTAs) are important components of Brunei's foreign trade policy. Brunei utilizes FTAs to maximize the potential of free and open trade for the country ensuring competitiveness in the global environment. Through its membership in ASEAN, Brunei has been engaged in FTAs with the member nations and concluded recent FTAs with Australia, New Zealand, China India, Japan and South Korea. Brunei has bilateral Economic Partnership Agreement with Japan (BJEPA) and a plurilateral agreement under the Trans-Pacific Strategic Economic Partnership (P4) with Chile, New Zealand and Singapore which is considered to be the precursor to the multilateral Trans-Pacific Partnership currently in negotiations.

BJEPA is Brunei's first bilateral free trade agreement. The Agreement was signed by the leaders of both Brunei and Japan on June 18, 2007, and entered into force on July 31, 2008. The Agreement continues to enhance Brunei's investment climate and encourage foreign direct investments (FDI) through greater predictability and transparency. Market access between Brunei and Japan is also improving through the reduction of import duties for goods and services. Marking the long-standing relationship between both countries, the Agreement also has chapters on energy and improvement of business environment and cooperation, which is helping to further strengthen bilateral ties.

Brunei signed the Trans-Pacific Strategic Economic Partnership (P4) on August 2, 2005, and deposited its Instrument of Provisional Application to New Zealand as the depository of the Agreement on June 12, 2006. The Agreement came into force for Brunei on July 12, 2006, with the intent to bring about strategic benefits for all four partners – Brunei, Chile, New Zealand and Singapore – creating trade links between Latin America, the

Pacific and Asia. It encourages the P4 countries to pool their expertise, ideas, technology and resources to improve their competitiveness on the global market. The Agreement also helps advance shared objectives in Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO).

The P4 also has side agreements, namely the Environment Cooperation Agreement and Labor Cooperation Memorandum of Understanding, to reflect a shared desire to encourage and promote sound labour and environment practices. These agreements establish mechanisms for ongoing cooperation and dialogue on labor and environment issues.

### **Foreign Direct Investment Statistics**

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Foreign Direct Investment (FDI) stood at B\$1.52billion (USD1.16 billion in 2011), up from B\$854million (USD602million) in 2010. The United Kingdom, the Netherlands, and Japan top the list for FDI and have historically been major investors. Of the ASEAN countries, Singapore and Malaysia have also begun to seek FDI opportunities in Brunei. The United States directed B\$33.7million (USD25.8 million) in FDI to Brunei in 2011, an investment that focused entirely on the oil and gas sector.

## Foreign Direct Investment By Country Of Origin

*Unit: USD millions*

	2009	2010	2011
<b>NORTH AMERICA, CARIBBEAN</b>	5.1	33.1	26.5
United States	4.8	32.1	25.8
British Virgin Islands	0.3	1.2	0.8
Cayman Islands	-	-0.1	-
<b>EUROPE</b>	284.3	431.0	945.9
United Kingdom	212.1	339.6	726.9
Netherlands	72.2	83.0	208.6
Germany	-	8.3	10.3
Switzerland	0.0	0.1	-
<b>EAST ASIA</b>	61.5	48.9	123.0
Japan	61.1	45.8	121.6
Hong Kong	0.5	1.7	0.9
India	-	1.3	0.3
Taiwan (ROC)	-	0.1	0.2
<b>ASEAN</b>	3.0	86.2	64.8
Malaysia	2.2	43.2	32.4
Singapore	0.4	42.0	32.0
Indonesia	0.3	0.6	0.3
Philippines	-	0.4	0.1
Thailand	-	0.1	-
<b>PACIFIC ISLANDS</b>	3.2	2.5	1.7
Australia	0.1	2.4	1.5
New Zealand	3.1	0.1	0.2
<b>TOTAL</b>	357.1	601.8	1161.9

*Source: Department of Statistics, Department of Economic Planning and Development, Prime Minister's Office.*

**Brunei Government Resources**

Brunei Economic Development Bureau (BEDB)

Website: <http://www.bedb.com.bn>

Ministry of Foreign Affairs and Trade (MOFAT)

Website: <http://www.mofat.gov.bn>

Ministry of Industry and Primary Resources (MIPR)

Website: <http://www.industry.gov.bn>

Autoriti Monetari Brunei Darussalam (AMBD)

Website: <http://www.ambd.gov.bn>

Attorney General's Office (AGC) Website: <http://www.agc.gov.bn>

**U.S. Government Resources**

Department of Justice Fraud

Website: <http://www.justice.gov/criminal/fraud/>

State Department Brunei Human Rights Report

Website: <http://www.state.gov/documents/organization/204398.pdf>

**Doing Business Rankings**

International Finance Corporation's "Paying Taxes 2012"

Website:

<http://www.doingbusiness.org/~media/FPDKM/Doing%20Business/Documents/Special-Reports/Paying-Taxes-2012.pdf>

World Bank "Doing Business" in Brunei

Website: <http://www.doingbusiness.org/data/exploreeconomies/brunei/>

World Bank Global Governance Indicator

Website: <http://data.worldbank.org/data-catalog/BEEPS>

World Bank Global Enabling Trade Report

Website: <http://www.weforum.org/s?s=global+enabling+trade+report>

Global Integrity Report

Website: <http://report.globalintegrity.org/>

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### **How Do I Get Paid (Methods of Payment)**

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Brunei's banking system offers a full range of export finance instruments, including letters of credit and drafts.

### **How Does the Banking System Operate**

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Although small, Brunei's banking system is reliable and well monitored. The Ministry of Finance oversees the Department of Financial Services (Treasury) and the Brunei Investment Agency. The Brunei Monetary Authority (Monetari Autoriti Brunei Darussalam - AMBD) acts as the central bank of Brunei and handles the formulation and implementation of monetary policies, supervision of financial institutions and currency management.

### **Foreign-Exchange Controls**

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There is no restriction on foreign exchange. Banks permit non-resident accounts and there is no restriction on borrowing by non-residents.

### **U.S. Banks and Local Correspondent Banks**

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The only U.S. commercial bank operating in Brunei is Citibank:

Citibank  
12-15 Bangunan Darussalam  
Jalan Sultan  
Bandar Seri Begawan BS8811  
Brunei Darussalam

In addition, there are five other foreign commercial banks operating in Brunei:

- Hong Kong and Shanghai Banking Corporation (HSBC)
- Standard Chartered Bank
- Malayan Banking Berhad
- United Overseas Bank Ltd
- RHB Bank Berhad

These banks all provide full banking services and have branches throughout the country.

The locally incorporated banks include the following:

- Bank Islam Brunei Darussalam Berhad (BIBD)
- Baiduri Bank Berhad (a partnership of BNP Paribas)

Tabung Amanah Islam Brunei (TAIB) is a locally incorporated trust fund offering Islamic banking services. Four foreign banks are registered as offshore financial institutions. State Street is a U.S. banking institution offering non-commercial services.

## **Project Financing**

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The government actively encourages foreign investment and its Semaun Holdings arm also finances projects within the country. For further information, refer to the investment section of this guide in Chapter 4.

Although there is a 20% withholding tax for interest paid to non-resident lenders, the government grants tax exemptions for the purchase of productive equipment in the amount of at least B\$200,000 (USD160,642).

## **Web Resources**

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### **Brunei Government Resources**

Ministry of Finance

Website: <http://www.mof.gov.bn/>

Brunei Monetary Authority

Website: <http://www.ambd.gov.bn/>

### **U.S. Government Resources**

Export-Import Bank of the United States

Website: <http://www.exim.gov>

Country Limitation Schedule

Website: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC

Website: <http://www.opic.gov>

Trade and Development Agency

Website: <http://www.ustda.gov>

SBA's Office of International Trade

Website: <http://www.sba.gov/oit/>

U.S. Agency for International Development

Website: <http://www.usaid.gov>

### **Regional Resources**

Asian Development Bank

Website: <http://www.adb.org>

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## Chapter 8: Business Travel

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### **Business Customs**

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Brunei is a predominately Muslim country and a hereditary Sultanate. Visitors are expected to show respect for both Islam and the Royal Family. The national language is Malay although English, Hokkien, and Mandarin are widely spoken.

Introductions and connections are important and necessary in Brunei. Relationship-building precedes business negotiations and brokering deals can sometimes require several visits.

Visitors should avoid passing in front of a seated person or pointing with the index finger; Bruneians point with their thumb and clenched hand. Yellow is a royal-designated color and should not be worn in the presence of royalty. When invited for a meal, the host will likely be offended if the guest offers to pay the bill. Guests should remove shoes before entering a private home. Handshakes are common among male businessmen.

The visitor to Brunei will find restaurants to fit all budgets and tastes. Malaysian, Indian, Chinese, and Western food are all ubiquitous. Tipping is not customary in Brunei. Large hotels and restaurants may add a 10% service charge to the bill. Alcohol is not available for purchase in Brunei and restaurants do not serve alcohol, although some restaurants may allow customers to discretely bring in their own wine and beer.

### **Travel Advisory**

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Brunei has a warm, humid climate year-round but most places of business are well air-conditioned. The Department of State advises travelers to view its travel advisory site at

<http://travel.state.gov> for the latest updates. Brunei's official website offers tourism, government, business, and other information, and can be accessed at <http://www.jpm.gov.bn/>. Within Brunei, the information centers at the airport and downtown can provide maps and tourist services. Travel agencies are located throughout the capital.

## Visa Requirements

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Business visitors and tourists from the United States do not need visas for visits of up to 90 days. Renewals and residency permits are routine and simple.

Brunei citizens are eligible to participate in the U.S. Visa Waiver Program allowing travel to the U.S. without a visa for short business and pleasure trips.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

Embassy website: <http://brunei.usembassy.gov/visas.html>

## Telecommunications

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Brunei has a good telecommunication system and has major plans for further improvements. There are three operators providing telecommunications services in Brunei: Syarikat Telekom Brunei Berhad (TelBru), DST Communications (DSTCom) and B-mobile Communications Sdn Bhd.

The Authority for Info-Communications Technology Industry of Brunei Darussalam (AITI) administers the regulatory function and development of the Info-Communications industry in Brunei. Brunei aims to establish itself as the cyber hub of the region, and under the Ninth National Development Plan (NDP), the government plans to continue enhancing telecommunications infrastructure as well as the integration of ICT/on-line services. As with past NDPs, ongoing training will be provided in the government's efforts to enhance human and institutional capital.

Brunei is connected with the rest of the world through the SEA-ME-WE3 Submarine Cable System at Tungku Submarine Cable Station. The SEA ME WE3 has a total capacity of 2,634,214 minimum investment unit kilometers (Miu\*km) with at least 80% of this capacity open for further utilization. This link is diversified and backed up through a land-based transmission system, the Trans-Borneo Optical Fiber System. The Intelsat

Satellite Network and new teleport at Telesai Earth Station sustain highly reliable international services via satellite while simultaneously providing back up and alternative telecommunication services via submarine cable system.

To further enhance international connectivity, the Government of Brunei has invested approximately \$B55 (USD40 million) in the Asia America Gateway (AAG) Submarine Cable System which was completed in 2010. The AAG Submarine Cable System is the first direct terabit (one trillion bytes) submarine cable network between Southeast Asia and the United States spanning over 20,000 km. Brunei is one of the landing stations with allocated capacity of 20,000 MIU\*km.

To date, the main licensed operators are:

- TelBru – sole fixed-line operator, and provides fixed and wireless internet services. Website: <http://www.telbru.com.bn/>
- B-mobile – 3.5G cellular operator utilizing WCDMA technology. B-mobile is a joint venture between TelBru and QAF-Conserve. Website: <http://www.bmobile.com.bn/index.php>
- DST Com – First cellular operator in country, growing from GSM to 3.5G HSDPA (High Speed Downlink Packet Access). DST Com provides a range of mobile services. Kristal-Astro, a subsidiary company partners with Astro Malaysia to bring cable TV to Brunei homes. Website: <http://www.dst-group.com>

In June 2009, state-owned broadcaster, Radio Television Brunei (RTB) unveiled its plans to introduce a new High Definition (HD) channel to give local audiences access to digital quality viewing and to provide full digital broadcasting by 2017. HD trials are currently being carried out using a 100 Watt transmitter located at the Subok earth station near Bandar Seri Begawan. In January 2010, RTB introduced Interactive TV in which various services such as an Electronic Program Guide and an Electronic Public Information Guide are available for viewers.

## Transportation

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The international airport is a fifteen-minute drive from downtown Bandar Seri Begawan, the capital, and should cost approximately B\$25-30 (USD 20-24). Taxis and buses serve the capital and the outskirts although hours of operation are limited. Buses also travel to the oil towns of Seria and Kuala Belait. Rental cars and drivers can be hired with ease at competitive rates.

## Language

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Brunei's official language is Malay though English, Hokkien, and Mandarin are widely spoken. English is normally the language of business. Menus and signs in English are

common. The Chinese community that makes up 10% of the total population generally speaks Mandarin as well as Hokkien.

When in doubt, Sir, Mr., Mrs. and Ms. can be used without fear of insult. Should U.S. businesses wish to follow local custom, Bruneian males can be called Awang, and women, Dayang. These titles roughly correspond to Mr. and Ms.

Additionally, Pehin and Dato are the two principal titles bestowed by the Sultan. Pehin is a conferred honorary title generally associated with an official position within the royal court. Dato is a state honorary medal conferred by the Sultan, and may be bestowed on anyone the Sultan wishes to honor, regardless of nationality. The female equivalent to Dato is Datin, as is the wife of a Dato. Dato is roughly the equivalent to Sir in Britain.

Pengiran refers to a Bruneian of royal descent. Children of Pengirans are referred to as Dayangku (daughter) and Awangku (son), and assume the title of Pengiran upon marriage. At the highest end of the scale is the title Pengiran Anak, denoting Bruneians closely related to the Sultan's family.

## Health

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Brunei offers all its citizens free and modern health care at state run hospitals and clinics. Most doctors speak English, and many have studied in the United Kingdom, United States and Europe.

There is adequate care for basic medical conditions in Brunei; however, for certain elective surgery or complicated care, the best medical care in the region is obtained in Singapore. Brunei has a number of public hospitals and clinics. The biggest ones are RIPAS Hospital in Bandar Seri Begawan and Tutong Hospital in the district of the same name. The largest private hospital is Jerudong Park Medical Center about 20 minutes by car outside of Bandar Seri Begawan, which is a facility comparable to those in the U.S.

Brunei also hosts a number of private clinics, many of which are staffed by expatriates. More information can be found at the U.S. Embassy Website: <http://brunei.usembassy.gov/>.

Medication and prescriptions for common conditions are generally available, although finding specific medications, such as decongestants, may be challenging. Local pharmacies may not carry the same brands as U.S. pharmacies. Visitors are advised to bring sufficient quantities of medicines that they know they will need prior to arriving in Brunei. It is important to be aware however of Brunei's strict laws on the import of controlled substances. To avoid complications, a prescription note should accompany any prescribed medicine brought to Brunei.

There has been a surge in cases of dengue fever in Southeast Asia, including Brunei. As there is no vaccine for dengue fever, visitors are advised to avoid mosquito bites by wearing skin-covering clothing and using insect repellent containing DEET.

The Center for Disease control maintains information on vaccinations and other health precautions: <http://wwwnc.cdc.gov/travel/destinations/traveler/none/brunei>. For information about outbreaks of infectious diseases abroad, consult the World Health Organization (WHO) website at <http://www.who.org>. The WHO website also contains additional health information for travelers, including detailed country-specific health information at <http://www.who.int/countries/bm/en/>.

### **Local Time, Business Hours, and Holidays**

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Government offices are open for business from 7:45 am to 12:00 pm and from 1:30 pm to 4:30 pm, Monday through Thursday and Saturday, and are closed on Fridays and Sundays. The Ministry of Defense is the only ministry open on Fridays. Almost everything in Brunei is closed on Fridays from 12:00 pm to 2:00 pm for Friday prayers. Most shopping centers are open daily from 10 am to 10 pm, including Sundays. Private offices generally conduct business from 8 am to 5 pm on weekdays and from 8 am to 12 noon on Saturdays. Banks generally open from 9 am to 3 pm on weekdays, and from 9 am to 11 am on Saturdays. Some banks have branches open seven days a week until late. Most have ATMs and can exchange foreign currency. Citibank in Bandar Seri Begawan has two ATMs that are connected to the major American ATM networks and are open 24-hours per day.

## 2013 Official Holidays

<u>Date</u>	<u>Day</u>	<u>Holiday</u>
Jan 1	Tuesday	New Year's Day
Jan 24	Thursday	Prophet Muhammad's Birthday
Feb 11	Monday	Chinese New Year
Feb 22	Friday	Brunei National Day
May 1	Wednesday	Labor Day
May 31	Friday	Armed Forces Day
June 1	Saturday	Armed Forces Day (observed)*
Jun 6	Thursday	Israk Mi'raj *
Jul 10	Wednesday	1st Day of Ramadan*
Jul 15	Monday	His Majesty Sultan's Birthday
Jul 26	Friday	Nuzul Al-Quran*
July 27	Saturday	Nuzul Al-Quran (observed)*
Aug 8	Thursday	Hari Raya Aidilfitri*
Aug 9	Friday	Hari Raya Aidilfitri*
Aug 10	Saturday	Hari Raya Aidilfitri*
Aug 12	Monday	Hari Raya Aidilfitri*
Oct 15	Tuesday	Hari Raya Aidil Adha
Nov 4	Monday	Islamic New Year*
Dec 25	Wednesday	Christmas Day

*\* Actual Holiday Subject to Sighting of the Moon*

### **Temporary Entry of Materials and Personal Belongings**

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There is no sales tax in Brunei. Arriving passengers over 17 years old are eligible to import 60 ml of perfume and 250 ml of toilet water. Non-Muslims at least 17 years old may bring in up to two bottles of liquor or wine and 12 cans of beer for personal consumption, but these goods must be declared to customs upon entry.

A B\$12 (USD9.60) airport departure tax must be paid upon departure.

Brunei Travel Information

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1073.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1073.html)

Brunei Employment and Immigration

[http://www.bedb.com.bn/doing\\_guides\\_immigration.html](http://www.bedb.com.bn/doing_guides_immigration.html)

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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#### **Government Agencies:**

Attorney General's Chamber

<http://www.agc.gov.bn>

Ministry Of Foreign Affairs and Trade

<http://www.mofat.gov.bn>

#### **Trade Associations/Chambers of Commerce:**

Chinese Chamber of Commerce & Industry

Tel: +673 223-5494

Fax: +673 223-5492

E-mail: [cccbrunei2011@gmail.com](mailto:cccbrunei2011@gmail.com)

Brunei Darussalam International Chamber of Commerce & Industry

Tel: +673 223-6601

Fax: +673 222-8389

E-mail: [bdicci@brunet.bn](mailto:bdicci@brunet.bn), [shazalisulaiman@kpmg.com.sg](mailto:shazalisulaiman@kpmg.com.sg)

Indian Chamber of Commerce

Tel: +673 234-0972

Fax: +673 234-0976

E-mail: [Nazmitex@yahoo.co.in](mailto:Nazmitex@yahoo.co.in)

### Market Research

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Market research has traditionally not been conducted in Brunei, although international consultancies have recently conducted competitiveness and feasibility studies.

Market research reports produced by the U.S. Commercial Service can be found at <http://www.export.gov/mrktresearch/index.asp> by clicking on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## Trade Events

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The Fourth Brunei Darussalam International Defense Exhibition and Conference (BRIDEX 2013) is the premier defense and security event in Southeast Asia. It will be held on December 3-7, 2013, at the BRIDEX International Conference Centre in Jerudong.

This event will bring together the world's leading manufacturers of defense and security systems from across the entire supply chain and senior defense officials from around the world, providing participants with valuable business facilitation opportunities.

### BRIDEX 2013

Royal Brunei Technical Services  
Level 6, Setia Kenangan Complex,  
Kampong Kiulap  
Bandar Seri Begawan BE1518  
Brunei Darussalam  
Tel: +673 224-2700  
Fax: +673 224-4797  
<http://bridex2013.com/>

### CONSUMER FAIR

Sunlit Advertising Sdn Bhd organizes a biannual Consumer Fair in conjunction with the Ministry of Industry & Primary Resources and Ministry of Home Affairs. The fair aims to achieve the following objectives:

1. To gather Brunei communities and educate them on the existing consumer products and services available in the market;
2. To serve as a platform for corporate entities and small-medium enterprises (SMEs) to introduce and showcase their latest products or services both local and international markets; and
3. To create opportunities for all exhibitors to study and examine recent market trends and opportunities through business networking

Sunlit Advertising  
Tel: +673 245-3666

Fax: +673 246-3777

E-mail: [bruneiconsumerfair@sunlitadvertising.com](mailto:bruneiconsumerfair@sunlitadvertising.com)

Website: <http://www.bruneiconsumerfair.com>

Please click on the link below for information on other upcoming trade events:

<http://www.export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: <http://www.export.gov>.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:  
[http://export.gov/singapore/doingbusinessinbrunei/eg\\_sg\\_032458.asp](http://export.gov/singapore/doingbusinessinbrunei/eg_sg_032458.asp).

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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