



Doing Business in Brunei Darussalam: 2014

Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Brunei Darussalam](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business In Brunei Darussalam

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)
- [Fact Sheet](#)

Market Overview

[Return to top](#)

- 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 diversifying the economy and bringing foreign investment to Brunei.
- Despite repeated calls for diversification, Brunei's economy remains overwhelmingly dependent on the income derived from the sale of oil and gas, which represents 91.5% 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, free medical care and 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. Brunei has an investment incentive scheme where companies that are granted a "pioneer" certificate can enjoy corporate tax exemptions up to 5, 8 or 11 years, with possible extensions, depending on the nature of industry and amount of fixed capital through a program administered by the Ministry of Industry and Primary Resources.. 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 the Malay Islamic Monarchy (MIB in Malay).
- 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 dollar is legal tender in the Sultanate.

- The five largest destinations for Brunei exports (mostly mineral fuels) in 2013 were Japan (39.8%), Korea (16.3%), India (7.6%), Australia (7.3%) and Vietnam (5.3%). The five largest sources of imports to Brunei during 2013 were Malaysia (21.9%), Singapore (19.1%), China (11.2%), the United States (11.1%), and Japan (5.8%). The largest import sectors by market value were machinery and transport equipment, manufactured goods, and food.
- Brunei is currently the United States' 121st largest goods trading partner with \$576 million in total (two way) trade during 2013. The U.S. trade surplus with Brunei was \$541 million in 2013: exports totaled \$559 million; imports totaled \$17 million. Brunei is a negotiating partner in the Trans Pacific Partnership (TPP).

Market Challenges

[Return to top](#)

- With a population of 425,000 in 2014, Brunei's local market is relatively small. Foreign enterprises are allowed 100% ownership of Business scope, operation and investment. As such, it is not a requirement for foreign investors to find a local partner to enter the market. However, in certain cases, foreign companies may be required to find a local partner to enter the market in order to be qualified for certain government and Brunei Shell Petroleum projects. U.S. businesses/investors should expect delays - sometimes long ones - when dealing with the local government.

Market Opportunities

[Return to top](#)

- Formed in 2001, 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 advantages, focusing on four key growth areas: attracting investments, strengthening local businesses, increasing Research and Development (R&D) and innovation, and delivering infrastructure projects.
- 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 projects.
- BEDB has identified and dedicated several industrial parks for the purpose of accommodating foreign direct investments, including:

1. Sungai Liang Industrial Park (SPARK): Gas-based petrochemicals
 2. Pulau Muara Besar (PMB): oil and gas downstream and supporting activities
 3. Salambigar Industrial Park (SIP) (Formerly known as Lambak Kanan East (LKE) : Food, pharmaceutical, cosmetics and light industries
 4. Rimba Digital Junction : High technology industries and data center services
 5. Bukit Panggal Industrial Park : Energy intensive industries
 6. Telisai Industrial Site: Aquaculture and mixed industries
 7. Anggerek Desa Technology Park (ADTP) (iCentre; KHub; ADTP phase 3): ICT related industries
- 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/>.
 - The Ministry of Industry and Primary Resources offers an investment incentive scheme where companies that are granted the pioneer certificate can enjoy corporate tax exemption of up to 5, 8 or 11 years, with a possible extension, depending on the nature of industry and amount of fixed capital. 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, Malaysia, Hong Kong, Laos and Kuwait. 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

[Return to top](#)

- 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
2014	1.250

The source of the rates above is:

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

[Return to table of contents](#)

[Return to table of contents](#)

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>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

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://brunei.usembassy.gov/doing_business_in_brunei.html.

Establishing an Office

[Return to top](#)

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. Foreigners are not eligible for sole proprietorship.

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. American businesses can establish a private or public corporation (Sendirian Berhad,) or limited (by Guarantee) company. As a private corporation, the business must have at

least two Directors, one of which must be a resident of Brunei. A public corporation must have at least seven shareholders with no residency requirement. Branches of foreign companies can be established in Brunei without local incorporation. The branch office must have a registered office in Brunei and must appoint two local authorized persons. Currently the branches are subject to a 20% corporate tax rate of annual gross profit but it was announced in the 2014 legislative council session that the corporate tax will be reduced to 18.5% by 2015.

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 in a Ministry of Industry and Primary Resources (MIPR) industrial park is required to have 30% of its board represented by Brunei citizens or 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 communications technology (ICT) small- and medium-sized enterprises (SMEs) to connect with potential ICT partners and 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
- 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
- Registry of Companies, Ministry of Finance:
<http://www.mof.gov.bn/index.php/divisions/registry-of-companies-and-business-names>

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

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

Franchising

[Return to top](#)

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. 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 tax rates for registering a business or companies after the entity has submitted its registration.

Direct Marketing

[Return to top](#)

The use of direct marketing has gained popularity for businesses in Brunei. Many companies in Brunei have taken advantage of advertising techniques such as cell phone text messaging, email, interactive consumer websites and social media sites, online display ads, database marketing, fliers, catalog distribution, promotional letters, targeted television commercials, response-generating newspaper/magazine advertisements, and outdoor advertising.

Joint Ventures/Licensing

[Return to top](#)

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, 3rd 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
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/index.php/divisions/registry-of-companies-and-business-names>

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

[Return to top](#)

Opportunities exist for selling to the government of Brunei in several sectors, including defense, transportation, machinery, infrastructure development and ICT. 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
5th 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 Royal Brunei Armed Forces (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
Lieutenant Colonel (L) Haji Mohd Amirul Shannoel Haji Mohd Noeh
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. Note that some ministries may have their own tender requirements. The Ministry of Health requires a written introduction to the Director General of Health Services to promote the company's products and services. The letter of introduction would include the purpose of the letter, description product and services accompanied by the product brochures. The letter should also include the target department or personnel that would benefit from the product and service provided.

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/Theme/Home.aspx>.

Most government tenders require the participation of local companies and may require hiring of local employees. 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

[Return to top](#)

Over 98% of products entering Brunei in 2013 came through Muara Port with 2% brought in as air cargo. There are at least 15 freight forwarding companies operating in Brunei. These companies have the capability to transport imported products. The logistic companies have developed reliable network connections with established shipping and logistics partners worldwide, and have the capacity to provide effective and reliable shipping agencies, stevedoring, courier service, freight forwarding, transshipment, packing and removal, warehousing and distribution, transport, crane hire and project cargo forwarding.

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.

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* is, in some cases, 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

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 rely on 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 and are very price point conscious.

Electronic Commerce

[Return to top](#)

In 2000, Brunei enacted a commercial code for electronic transactions. The Electronic Transactions Act (Chapter 196) 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.

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

[Return to top](#)

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/>

Media Permata

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

Radio Television Brunei

www.rtb.gov.bn

BRIDEX Organizer

Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (SHHBIDSS)

Ministry of Defence

Bolkiah Garisson BB3510

Brunei Darussalam

Tel: +673 2386987/986

Fax: +673 2381424

Email: bridexconference2013@mindef.gov.bn

D'Sunlit Sdn Bhd

Lot 71, Beribi Light Industrial Estate,

Phase II, Gadong BE1118,

Bandar Seri Begawan,

Brunei Darussalam

P.O. Box 470

Gadong Post Office BE3978,

Bandar Seri Begawan,

Brunei Darussalam

Tel:

+673-2453 666

+673-2452 576

+673-2452 577

+673-2452 596

Fax: +673-2453 777

Email: admin@dsunlit.com

U.S. Embassy Bandar Seri Begawan works closely with the Foreign Commercial Service, U.S. Embassy Singapore, to provide trade assistance to a U.S. company or its local representative in organizing a promotional event in Brunei which could include seminars, luncheons, cocktail receptions, etc. The service is tailored to the specific needs of the U.S. Company.

Department of Commerce website for Commercial Services:

<http://www.trade.gov/cs/>

Pricing

[Return to top](#)

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.

Brunei currently does not charge any sales tax, value-added tax or goods and services tax. Hotel and rest and recreation facilities may charge up to a 10% service fee . They may also charge gratuity.

Brunei instituted the Price Control Act (Cap 142) and administered by the Department of Economic Planning and Development, Prime Minister's Office (www.depd.gov.bn). Maximum prices for selected goods such as those that are categorized as basic necessities (motor vehicles, infant milk powder, and cigarettes) may be fixed by the Price controller for consumer protection purposes. The Act controls the market activity of the specified goods.

Sales Service/Customer Support

[Return to top](#)

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.

Protecting Your Intellectual Property

[Return to top](#)

Brunei was removed from the United States Trade Representative's (USTR) Special 301 report in 2013, and stayed off the list in 2014, in recognition of its improving IPR protections, increasing enforcement, and efforts to educate the public about the importance of IPR.

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 Your 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. Your U.S. trademark and patent registrations will not protect you in Brunei. There is no such thing as an "international copyright" that will automatically protect an author's writings 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, so you should consider applying for trademark and patent protection even before selling your 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.

While the U.S. Government stands ready to assist, there is little that can be done if the rights holders have not taken the fundamental steps necessary to secure and enforce 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 law suit. 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. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Brunei require constant attention. 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, based in the United States or in the region. These include:

- The U.S. Chamber of Commerce
- 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 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 US, contact the US 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 www.stopfakes.gov.
- For US 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 for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: 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 contacted at: Peter.Fowler@USPTO.GOV

Due Diligence

[Return to top](#)

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. Researched and prepared by the U.S. Embassy Bandar Seri Begawan Commercial Assistant, ICPs enable U.S. small- and medium-sized businesses to more effectively evaluate overseas companies. Companies can obtain detailed answers about the specific overseas companies of interest, competitors, credit rating, profit and loss numbers, key officers, and our opinion on the overall viability of the firm in its market.

Department of Commerce website for Commercial Services:

<http://www.trade.gov/cs/>

Legal Services: The legal sector is governed under the Legal Profession Act (CAP.132 of Laws of Brunei). Section 4 of the Act provides the Chief Justice with the authority to admit a qualified individual as an advocate and solicitor. An application by a qualified person for admission is made by letter addressed to the Chief Justice at the office of the Chief Registrar. The Chief Registrar issues the license and maintains the advocate and solicitor's name on the roll. Law firms do not need to obtain a separate license to practice. The Law empowers the Law Society of Brunei to make rules in relation to the regulation of practice and disciplinary rules.

The Attorney General
The Law Building Bandar Seri Begawan
BA 1910, Brunei Darussalam
Telephone: (673) 223 1200 or (673) 224 4872.
<http://www.agc.gov.bn/>

Accounting and Tax Services: There are a number of large accounting firms operating in Brunei, namely KPMG, Deloitte & Touche, Ernst & Young, and Price Waterhouse Coopers. Brunei, in 2011, instituted the Accountants Order and Accounting Standards Order 2010 which oversees the registered public accountants providing accounting services. The Accountant Order stipulates the qualification of public accountants, the registration of accounting firms and requires practitioners to participate in the practice monitoring program and the disciplinary proceedings.

Engineering and Architectural Services: Engineering Services are regulated by the Ministry of Development. Currently, construction related engineering services are regulated through administrative procedures but legislation to regulate the whole spectrum of this sector is being finalized. The main disciplines include Civil and Structural; Mechanical and Electrical; and Chemical and Petroleum. Consultants are required to register with the Ministry of Development to be able to practice in Brunei.

Limitations: No limitations exist whereby only citizens or a sub-set of the population are allowed to own or sell within the manufacturing or service sectors.

However, Brunei government does not permit foreigners to own land. Foreign businesses and individuals are permitted long term leases on buildings for their operations and residences.

Ministry of Industry and Primary Resources: <http://www.industry.gov.bn>
Brunei Economic Development Board: <http://www.bedb.com.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.mof.gov.bn>

[Return to table of contents](#)

[Return to table of contents](#)

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 regional hub.

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 and the fishing industry/aquaculture are sizable industries as Brunei imports more than 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 Extraction](#)
- [Commercial Aviation](#)
- [Infrastructure Construction](#)
- [Military Armored Vehicle, Tank, and Tank Component Manufacturing](#)
- [Franchising](#)
- [Power, Distribution, and Specialty Transformer Manufacturing](#)
- [Telecommunications](#)

Agricultural Sectors

- [Food Manufacturing](#)
- [Fishing Industry/Aquaculture](#)

Niche Technology Market Sectors

- [Research and Development in Biotechnology](#)
- [Medical Equipment and Supplies Manufacturing](#)

Overview

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	(743,368)*	N/A	N/A	N/A
Total Local Production	10,872,692	N/A	N/A	N/A
Total Exports	11,946,799	11,447,200	N/A	N/A
Total Imports	330,739	271,280	N/A	N/A
Imports from the U.S.	546	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

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

Data Sources:

Total Local Production: N/A

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: N/A

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 159,000 barrels of oil per day (bbl/day) and 1,230 MMscf/day of natural gas. 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. The target is to grow production from 400,000 BOEPD in 2010 to about 430,000 BOEPD by 2017. Under the Brunei Vision (Wawasan) 2035, 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 and to more than 650,000 BOEPD by 2035. The Energy Department at the Prime Minister's Office recently published an Energy White Paper (2013) that established a framework for action to help realize the National Vision. The White Paper presented three strategic goals to drive the growth in the energy sector:

Strategic Goal 1 – Strengthen and Grow Oil and Gas Upstream and Downstream Activities

Strategic Goal 2 – Ensure Safe, Secure, Reliable and Efficient Supply and Use of Energy

Strategic Goal 3 – Maximize Economic Spin-off from Energy Industry - Boost Local Content and Secure High Participation of Local Workforce.

Sub-Sector Best Prospects

[Return to top](#)

- Exploration,
- Geophysical surveying and mapping services,
- Drilling operating,
- Operating oil and gas field properties,
- Site preparation

Opportunities

[Return to top](#)

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
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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; Enquiry@BruneiLNG.com
Website: <http://www.bruneilng.com>

Brunei National Petroleum Company Sdn Bhd
2nd Floor, Block A,B,C,
Yayasan Sultan Haji Hassanal Bolkiah Complex, Jalan Pretty,
Bandar Seri Begawan BS8711, Brunei Darussalam
Tel: (673) 2230720 (0-5)
Fax: (673) 2230654 / 2230712
Email: pb@pb.com.bn

The Energy White Paper may be found at:
<http://www.usasean.org/sites/default/files/uploads/Energy%20White%20Paper%202014.pdf>

Brunei Government Contacts

Brunei Economic Development Board
Block 2D, Jalan Kumbang Pasang,
Bandar Seri Begawan, BA 1311,
Brunei Darussalam
Phone: +673 223-0111
Fax: +673 223-0063
Website: <http://www.bedb.com.bn>

Energy Department,
Prime Minister's Office,
Jalan Menteri Besar, BB3913

Bandar Seri Begawan,
Brunei Darussalam.

Tel: (673) 2384488 / 2380222 / 2383033 / 2383035

Email: energy@jpm.gov.bn and info.ed@jpm.gov.bn

Website: <http://www.energy.gov.bn/Pages/default.aspx>

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

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

Commercial Aviation

[Return to top](#)

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	23,478	N/A	N/A	N/A
Total Imports	42,993	N/A	N/A	N/A
Imports from the U.S.	24,937	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

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

Royal Brunei Aircraft

- Airbus 319 = 2
- Airbus 320 = 4
- Boeing 787 = 4
- Airbus – purchased = 7

Sub-Sector Best Prospects

[Return to top](#)

- Air commuter carriers, scheduled
- Scheduled air passenger carriers
- Scheduled air cargo carriers

Opportunities

[Return to top](#)

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.

Web Resources

[Return to top](#)

Brunei Contacts

Royal Brunei Airlines
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Tel: +673 221-2222
Fax: +673 224-4737
Website: <http://www.bruneiair.com>

Ministry of Communication
Jalan Menteri Besar
Bandar Seri Begawan BB3910 Brunei Darussalam
Email: info.mincom@mincom.gov.bn
Tel: (673)-2380127 (Administration and Services)
(673)-2381646 (Transportation)
(673)-2380389 (Communications)
(673)-2380398 (Information Technology & Research and Development)
(673)-2383838 Ext 1102 (Policy & Planning)

Department of Civil Aviation,
Ministry of Communication,
Brunei International Airport, Bandar Seri Begawan BB2513 Brunei Darussalam
Email: info.dca@civil-aviation.gov.bn
Tel: +673 2330142
Fax: +673 2331706
<http://www.civil-aviation.gov.bn>

Construction

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	527,045	N/A	N/A	N/A
Total Local Production	472,769	N/A	N/A	N/A
Total Exports	604	N/A	N/A	N/A
Total Imports	214,000	312,903	N/A	N/A
Imports from the U.S.	15,384.6	79,032	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: DEPD

Imports from U.S.: DEPD

The construction industry, with about 1,500 registered enterprises in 2014, 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.

During the 2014 Legislative Council (LegCo) meeting, the Brunei Economic Development Board (BEDB) was allocated a total of BND\$20 million (USD\$16 million) for the continued development of the 1,500 homes for the national housing scheme in Tutong. A further BND \$104 million (USD\$83.3 million) is expected to be spent this year on countrywide national housing projects. In the transportation sector, BND\$400 million (USD\$320 million) has been provided to support business and trade which includes the construction of a bridge to connect the exclave of Temburong District to Brunei Muara District and another across the Brunei River to connect residential areas in then north of the country to the capital, cutting short what is currently a considerable commute. Money will also be allocated to the continued upgrade of the International Airport and the upgrading of highways in the south of the country to enhance connectivity with the Malaysian state of Sarawak. Additionally, under the 10th National Development Plan, there is a provision of \$61.6 million (USD\$49.3 million) for the development of an oil and

gas refinery at Pulau Muara Besar. The joint project between China's Hengyi Industries and the Brunei Economic Development Board (BEDB) represents one of the largest direct foreign investments in Brunei to date, with phase 1 of the investment amounting to USD\$4 billion. Despite the expenditure on infrastructure, LegCo announced the project to build a series of flyovers on the main highway to ease congestion is still a long way from completion. The majority of the proposed sites are still at the tendering stage.

Large construction contracts come mainly from the Brunei government and Brunei Shell Petroleum Co. Brunei follows a policy of awarding 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.

Sub-Sector Best Prospects

[Return to top](#)

- Concrete product (e.g., structural precast, structural prestressed) installation
- Rebar contractors
- Erecting structural steel
- Reinforcing steel contractors
- Placing and tying reinforcing rod at a construction site
- Structural steel contractors
- Precast concrete panel, slab, or form installation

Opportunities

[Return to top](#)

The 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 to provide services to the project and to the 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

[Return to top](#)

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/>

Military Armored Vehicle, Tank, and Tank Component Manufacturing

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	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 = (Total Local Production + Total Imports) – (Total Exports)

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 3.3% of GDP. The RBAF relies 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 and delivery will be completed in late 2014. Brunei's naval capabilities are focused on Exclusive Economic Zone security, domain awareness and offshore oil facility protection.

Opportunities

[Return to top](#)

The Brunei Government has approved a US \$585 Million budget for the Ministry of Defence for 2014-2015 fiscal year. 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, as it did during the Association for Southeast Asian Nations (ASEAN) Humanitarian Assistance and Disaster Relief (HA/DR) exercises in 2013 and in other regional HADR responses, 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.

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

[Return to top](#)

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

Tender List

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

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

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	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 = (Total Local Production + Total Imports) – (Total Exports)

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. Burger King, Auntie Anne's Pretzels, McDonalds, KFC, Pizza Hut, and Dairy Queen are common sights in Brunei and are very popular. Starbucks and Burger King are new to the market in 2014. The franchise industry is also popular among investors because it is perceived to be an attractive and relatively safe form of investment.

Opportunities

[Return to top](#)

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

[Return to top](#)

Ministry of Finance Registrar of Companies

Website: <http://www.mof.gov.bn/index.php/divisions/registry-of-companies-and-business-names>

Power, Distribution, and Specialty Transformer Manufacturing

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	78.8	N/A	N/A	N/A
Total Imports	2,171	N/A	N/A	N/A
Imports from the U.S.	20.6	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

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 was launched in 2012 by President Obama, Sultan Haji Hassanal Bolkiah of Brunei, and President Yudhoyono of Indonesia to support renewable energy technology development in Brunei and across the region.

Brunei's renewable energy sector was not ranked in the U.S. Department of Commerce Renewable Energy Top Markets for U.S. Exports 2014 – 2015 report. Brunei's renewable energy market is currently in its infancy. Several companies operate in the country, namely Berakas Power Management Corporation and Wira Energy Brunei. The only renewable facility is the 1.2-MW Tenaga Suria Brunei solar plant in Seria. The plant is being run as a pilot project for three years by Mitsubishi Corporation in partnership with the Energy Department of the Prime Minister's Office to evaluate the capacity and output of different photovoltaic cells in generating solar-generated electricity. Currently, the plant produces about 1,700 MWh of solar energy per year. The target is to increase the country's share of renewable energy in the total power generation mix by 2.7 percent, or 124,000 MWh, by 2017 and by 10 percent, or 954,000 MWh, by 2035.

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.

Sub-Sector Best Prospects

[Return to top](#)

Electric Bulk Power Transmission and Control

Opportunities

[Return to top](#)

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.

A Memorandum of Understanding between the Energy Department Prime Minister’s Office and U.S. Ex-Im Bank signed in March 2014 calls for expanded information sharing regarding trade and energy business opportunities in the Asia-Pacific region as well as exploring options for utilizing up to US\$1 billion in Ex-Im Bank credit to finance U.S. exports in support of selected projects in the region. This creates new opportunities for U.S. companies, subject matter experts, and consultants to engage with Brunei as it seeks a new, sustainable economic future closely integrated with the Asia-Pacific region.

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.

The U.S. Department of Commerce launched the Renewable Energy and Energy Efficiency Export Initiative (RE4I) with 11 other U.S. Government agencies to better position U.S. exporters of these technologies for success in international markets. Each U.S. Government agency involved in the RE4I can offer specific programs to support U.S. companies looking to sell products and services abroad. A guide to U.S. Government export promotion programs from across the RE4I agencies can be found at www.export.gov/reee/guide.

Web Resources

[Return to top](#)

Brunei Government Contacts

Energy Department,
Prime Minister's Office,
Jalan Menteri Besar, BB3913
Bandar Seri Begawan,
Brunei Darussalam.
Tel: (673) 2384488 / 2380222 / 2383033 / 2383035
Email: energy@jpm.gov.bn and info.ed@jpm.gov.bn

Brunei National Petroleum Company Sdn Bhd
2nd Floor, Block A,B,C,
Yayasan Sultan Haji Hassanal Bolkiah Complex, Jalan Pretty,
Bandar Seri Begawan BS8711, Brunei Darussalam
Tel: (673) 2230720 (0-5)
Fax: (673) 2230654 / 2230712
Email: pb@pb.com.bn

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Science and Technology Research Building
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E-mail: 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
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

Information on the Partnership:

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

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

For updated information programs, opportunities, market research, and news from across the U.S. Government, please visit the RE41 website at: www.export.gov/reee.

Telecommunications

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	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	34,738	N/A	N/A	N/A
Imports from the U.S.	73,321	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

Driven both by government intervention and consumer demand, Brunei's information and communications 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 Brunei toward this goal.

With almost 50% of the population between the ages of 15 and 40 years, Brunei's relatively young population is widely information and technology-savvy. The 440,000 mobile telephones in Brunei outnumber the 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.

In 2014 the Brunei government issued a National Broadband Blueprint, with a primary objective being to increase the ICT industry's contribution to GDP to 6% by 2015. Brunei's connectivity has improved but continues to suffer from insufficient broadband capacity and high costs. Brunei was ranked 45 out of 148 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 (USD51.80) 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.

Sub-Sector Best Prospects

[Return to top](#)

- Broadband Internet service providers, wired (e.g. cable, DSL)
- Local telephone carriers, wired
- Cable television distribution services
- Long-distance telephone carriers, wired
- Closed circuit television (CCTV) services
- VoIP service providers, using own operated wired telecommunications infrastructure
- Direct-to-home satellite system (DTH) services
- Telecommunications carriers, wired
- Satellite television distribution systems

Opportunities

[Return to top](#)

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 (USD2.47 million) consulting contract to South Korea-based KT Corporation and Malaysian consulting firm Alliance Geotechnical Services (AGS). As part of the contract KT is providing technology consulting services for the Brunei's National Data Centre project.

Web Resources

[Return to top](#)

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/Pages/default.aspx>

Ministry of Communications

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

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

Website: <http://www.aiti.gov.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/WEF_GlobalInformationTechnology_Report_2014.pdf

Food Manufacturing

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	452,172	N/A	N/A	N/A
Total Local Production	72,692	N/A	N/A	N/A
Total Exports	2,255	N/A	N/A	N/A
Total Imports	381,735	73,000	N/A	N/A
Imports from the U.S.	8,751	8,871	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

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 2013 alone, Brunei imported approximately B\$599.83 million (USD477.95 million) worth of food products, a figure that lagged just behind imported machinery and manufactured goods. Brunei exported a modest B\$14.305 million (USD11.4 million) in food products in 2013.

Opportunities

[Return to top](#)

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.

Web Resources

[Return to top](#)

U.S. Government Contacts

Alice Kwek
Foreign Agricultural Service
U.S. Embassy Singapore
Tel: +65 6476-9294
Fax: +65 6476-9517
E-mail: Alice.Kwek@fas.usda.gov
Website: <http://www.fas.usda.gov>

Fishing Industry/Aquaculture

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	78,856	20,496.05	N/A	N/A
Total Local Production	40,538	18,252.10	N/A	N/A
Total Exports	2,339	1,935.5	N/A	N/A
Total Imports	40,657	21,693.5	N/A	N/A
Imports from the U.S.	222	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: DEPD

Total Exports: DEPD

Total Imports: DEPD

Imports from U.S.: N/A

With one of the highest per capita consumption rates of about 15,500 metric tons in the region, fish is a critical part of the Brunei diet. 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 began in 2014. This commitment has garnered accolades from environmental groups.

Sub-Sector Best Prospects

[Return to top](#)

Farm raising finfish and shellfish, boat and fishing equipment supplier

Opportunities

[Return to top](#)

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 B\$71 million (USD\$56.5 million) per year, and with a growth projection of B\$112 million (USD\$89.2 million) by 2015, 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 (USD\$13.5 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.

Key Contacts and Web Resources

[Return to top](#)

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>

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

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

Research and Development in Biotechnology

Overview

[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	N/A	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	0.716	N/A	N/A	N/A
Total Imports	1,589	N/A	N/A	N/A
Imports from the U.S.	111	N/A	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

Total Imports: N/A

Imports from U.S.: N/A

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.

Sub-Sector Best Prospects

[Return to top](#)

- Recombinant DNA research and experimental development laboratories
- DNA technologies (e.g., microarrays) research and experimental development laboratories
- Cloning research and experimental development laboratories
- Protein engineering research and experimental development laboratories
- Nucleic acid chemistry research and experimental development laboratories
- Nanobiotechnologies research and experimental development laboratories

Opportunities

[Return to top](#)

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.

Universiti Brunei Darussalam Research: <http://www.ubd.edu.bn/researchs/>

Assistance Schemes for Business Startups and SMEs:
[http://www.bedb.com.bn/documents/sme/BEDB.SME.Guide.Booking\(2012\).pdf](http://www.bedb.com.bn/documents/sme/BEDB.SME.Guide.Booking(2012).pdf)

Medical Equipment and Supplies Manufacturing[Return to top](#)**Overview**[Return to top](#)*Unit: USD thousands*

	2012	2013	2014	2015
Total Market Size	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	18,076.9	27,822.6	N/A	N/A
Imports from the U.S.	3,307	6,612.9	N/A	N/A

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: N/A

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.

Sub-Sector Best Prospects[Return to top](#)

- Manufacturing laboratory instruments, X-ray apparatus, electromedical apparatus (including electronic hearing aids), and thermometers (except medical)--are classified in Industry 33451, Navigational,
- Measuring, Electromedical, and Control Instruments Manufacturing;
- Manufacturing molded glass lens blanks--are classified in Industry 32721, Glass and Glass Product Manufacturing;
- Manufacturing molded plastics lens blanks--are classified in Industry 32619, Other Plastics Product Manufacturing;
- Retailing and grinding prescription eyeglasses--are classified in Industry 44613, Optical Goods Stores;
- Manufacturing sporting goods helmets and protective equipment--are classified in Industry 33992, Sporting and Athletic Goods Manufacturing;

- Manufacturing general purpose hospital, laboratory and/or dental furniture (e.g., stools, tables, benches)-- are classified in Industry 33712, Household and Institutional Furniture Manufacturing;
- Manufacturing laboratory scales and balances, laboratory furnaces and ovens, and/or laboratory centrifuges--are classified in Industry 33399, All Other General Purpose Machinery Manufacturing;
- Manufacturing laboratory distilling equipment--are classified in Industry 33324, Industrial Machinery Manufacturing; and
- Manufacturing laboratory freezers--are classified in Industry 33341, Ventilation, Heating, Air- Conditioning, and Commercial Refrigeration Equipment Manufacturing.

Opportunities

[Return to top](#)

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 implementation in late 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 manufactures to establish a presence in Brunei if they wish to sell devices in the local market. Though not a binding directive, the AMDD required all ASEAN countries to adopt laws with the same provisions within their own constitutions.

Key Contacts and Web Resources [Return to top](#)

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/brn.pdf

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Brunei generally has very low tariffs. The Customs Import Duty Order 2012 and Excise Duty Order 2012 were created with the aim of facilitating trade and attracting foreign direct investment. Basic foodstuffs and goods for many industrial uses 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 are at 5%. Tariff and excise rates for Brunei are available at:

<http://www.mofat.gov.bn/index.php/information-for-exporters-and-importers/import/custom-duties-and-preferential-tariff-rates>

<http://www.mof.gov.bn/index.php/departments/royal-custom-a-excise-department>

<http://hts.usitc.gov/>

Trade Barriers

[Return to top](#)

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\$539.92 (USD435.41) million in 2013. Following the successful conclusion of the negotiations, the proposed Trans-Pacific Partnership (TPP) 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

[Return to top](#)

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 Orders 2012 and 2007. Import permits are required for some products. Licenses for import are available from the relevant government agencies. Nonprohibited goods can be imported under open general license.

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/index.php/departments/royal-custom-a-excise-department>

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 (Food) Act (Chapter 182), and Public Health (Food) 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) certificates, 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

[Return to top](#)

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

[Return to top](#)

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/index.php/departments/royal-custom-a-excise-department>

Labeling and Marking Requirements

[Return to top](#)

Under the Public Health (Food) Act (Chapter 182), Public Health (Food) 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.

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

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

[Return to top](#)

Brunei imposes restrictions/prohibitions on the import of certain goods under the Customs Order 2006 (Section 31). Imports and manufacture of alcohol and alcohol products are restricted for religious reasons under the Customs (Prohibition and

Restriction of Imports and Exports) Amended Order 1990. 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/index.php/departments/royal-custom-a-excise-department>

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 cover 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 (Malay only)

Brunei's Customs legislation was amended to harmonize its tariff nomenclature, make custom-related information more readily available to traders and the public, align its laws with the WTO agreements and intellectual property protection, and improve the appeal procedures. All imports into Brunei must be accompanied by:

- A bill of lading/delivery order or airway bill
- Packing list;
- Commercial invoice;
- Three copies of the customs declaration form, which include the number of individual packages;
- Detailed description of the goods being imported; gross and net weights or quantities of packages;
- Value (f.o.b. and c/i.f.);
- Place of shipment and destination; and
- Country of origin.

The invoice must be signed by the exporter or seller. The importer can request an exemption of duty determination to be issued by the Brunei Economic Development Board and a certificate of origin may be requested.

Detailed information on Customs regulation can be found from:

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>

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

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

[Return to top](#)

In April 2010, the National Standards Council created and endorsed the National Standards Center as the accreditation body of Brunei. As of 2014, 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-sized enterprises, including:

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

Under section nine of Telecommunications Order, 2001, companies importing 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.

Conformity Assessment

[Return to top](#)

Brunei's Conformity Assessment Procedure is available:
<http://www.mod.gov.bn/en/Theme/Home.aspx>

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

Product Certification

[Return to top](#)

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-sized 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 Public Health (Food) Act (Chapter 182). A registration letter is issued within five to seven working days from date of application.

Accreditation

[Return to top](#)

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.

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/>

NIST Notify U.S. Service

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/>

Contact at Embassy:

- Matthew B. Stannard
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Head, Food Safety and Quality Control Division

Department of Health Services

Ministry of Health

Brunei Darussalam

Tel: +673 233-1100

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E-mail: fsqc@moh.gov.bn

Website: www.moh.gov.bn

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

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Kampung Anggerek Desa

Jalan Berakas BB3713

Brunei Darussalam.

Tel : +673 232-3232

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E-mail: info@aiti.gov.bn

Trade Agreements

[Return to top](#)

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. 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

[Return to top](#)

Ministry of Development:

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

Royal Customs and Excise Department:

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

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>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Attitude Toward FDI

Brunei has an open economy favorable to foreign trade and foreign direct investment (FDI) as it continues its economic diversification efforts away from its long reliance on oil and gas exports. FDI is important to Brunei as it plays a key role in economic and technological development. Brunei encourages FDI 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 FDI and trade.

The 2014 World Bank and the International Finance Corporation report indicated that Brunei's ease of doing business ranking had improved by 20 points to rank 59th out of 189 countries. The report attributed the improvement to the establishment of the Public Credit Bureau under the Autoriti Monetari (Monetary Authority) Brunei Darussalam, which consolidated credit information within the country. The report also indicated

improvements to indicators including protecting investors, paying taxes, and trading across borders. The rankings for five of the ten indicators slipped, including: starting a business; dealing with construction permits; registering property; enforcing contracts; and resolving insolvency.

Responding to the report, Brunei's Minister of Industry and Primary Resources called for more focused and comprehensive structural, operational and regulatory reforms to be undertaken by relevant ministries to ensure significant improvements in future reports. He urged the government to keep pace with the aggressive rate of reforms to remain a viable and competitive economy capable of adapting to the needs of a modern and vibrant business environment and to improve the efficiency and productivity of government services. Brunei has maintained its ranking as the number four country in the Association of Southeast Asian Nations (ASEAN) in terms of ease of doing business.

Laws/Regulations of FDI:

The basic legislation on investment includes the Investment Incentive Order 2001 and Income Tax (As Amended) Order 2001. Brunei does not yet have its own stock exchange, but a securities market order reportedly is under development. Brunei's constitution does not provide for judicial independence but in practice the court system operates without government interference. Brunei's legal system includes parallel systems, one based on Common Law and the other based on Sharia Law. Brunei's national strategy, Wawasan (National Vision) 2035, emphasizes attracting FDI as an important driver of growth. The Brunei Economic Development Board (BEDB) seeks to diversify Brunei's economy and create employment opportunities for its people. The BEDB administers incentives and loans to encourage investment projects from abroad.

The Ministry of Industry and Primary Resources is the main coordinating agency for investment and industrial development in the primary sector, manufacturing, and tourism. The Ministry encourages and helps local and foreign investors to participate in ventures to produce goods and services for export and local markets and to satisfy national food security and employment needs.

Industrial Strategy:

Through its Investment Incentives Order 2001, Brunei seeks to stimulate economic development by encouraging the establishment and expansion of specified industrial and economic enterprises. The authority to administer this legislation is currently vested in the Minister of Industry and Primary Resources, who is able to offer investment incentives in the form of tax relief for the following:

Pioneer Industries: Any limited company which has been granted a pioneer certificate will then be given pioneer incentives including exemption from the 30 percent corporate

tax for a period ranging from five years for a fixed capital expenditure of B\$500,000 to B\$2.5 million (USD\$397,000 to USD\$1,987,000); eight years for an expenditure over B\$2.5 million; and 11 years for a project located in a designated high-tech industrial park, with permitted extensions; exemption from taxes on imported duties on machinery, equipment, components parts, accessories or building structures; exemption from taxes on imported raw materials not available or produced in Brunei intended as feedstock for the production of Pioneer products; and carry forward losses and allowances.

Industries that have been declared as pioneer industries and pioneer products include: **Agribusiness** (fertilizers and pesticides); **Agricultural, Construction, Building & Heavy Equipment** (cement finishing mill, manufacture of electrical industrial machinery and apparatus, rolling mill plant, sheet metal-forming); **Chemicals, Petrochemicals, Plastics & Composites** (plastics and synthetic, manufacture of non-metallic mineral products, gas); **Consumer Goods & Home Furnishings** (furniture, ceramic and potteries, tissue paper, toys); **Environmental Technologies** (related waste industry); **Food Processing & Packaging** (slaughtering, preparing and preserving halal meat, canning, bottling and packaging); **Health Technologies** (pharmaceuticals); **Information & Communication** (manufacture of radio, television and communication equipment and apparatus); **Industrial Equipment & Supplies** (glass, woodbase); **Marine Technology** (ship repair and maintenance, supporting services to water transport); **Metal Manufacturing & Products** (aluminum wall tile); **Services** (aircraft catering services); **Textiles, Apparel & Sporting Goods** (textiles).

Additional details are available at

http://www.bedb.com.bn/doing_incentives_pioneer.html

Pioneer Service Companies: Pioneer service companies may be eligible for tax relief, depending on the fixed capital expenditure, for a period of 8 years with given extension not exceeding 11 years in total.

Activities that have been declared as pioneer services include:

Agribusiness (agriculture technology related services and activities); **Architecture & Engineering** (any engineering or technical services including laboratory, consultancy and research and development activities, development or production of any industrial design); **Automotive & Ground Transportation** (operation or management of any mass rapid transit system); **Education** (provision of education related services); **Finance** (business, management and professional consultancy services, financial services, venture capital fund activity); **Health Technologies** (medical services); **Information & Communication** (computer-based information and other computer related services, publishing services); **Media & Entertainment** (maintaining and operating a private museum, provision of leisure and recreation related services and activities); **Services** (services and activities related to warehousing facilities); **Travel** (services and activities relating to the organization or management of exhibitions and conferences)

Additional details are available at
http://www.bedb.com.bn/doing_incentives_pioneerservice.html.

Production For Export: The Minister of Industry and Primary Resources may approve a company proposing to engage in specified activities either wholly or partly for export as an export enterprise. Certified companies may be exempted from income tax; from import duties on machinery, equipment, component parts, accessories or building structures; and from import duties on raw materials for a period of six to 15 years depending on the company's fixed capital expenditure and pioneer status.

Qualified activities have included:

Agribusiness (agriculture, forestry and fishery activities).

Additional details are available at
http://www.bedb.com.bn/doing_incentives_production.html.

Service For Export: Specified services may be eligible for exemption from income tax and deduction of allowance and losses. The tax relief period of an export service company shall begin on its day of commencement and shall not exceed 11 years. Any given extension shall not exceed 3 years at one time and not exceed 20 years in total. Qualified services have included:

Architecture & Engineering (technical services including construction, distribution, design and engineering services); **Education** (educational and training service); **Industrial Equipment & Supplies** (fabrication of machinery and equipment, and procurement of materials, components and equipment); **Information & Communication** (data processing, programming, computer software development, telecommunications and other related ICT services); **Services** (consultancy, management supervisory or advisory services relating to any technical matter or to any trade or business; professional services including accounting, legal, medical and architectural services.)

Additional details are available at http://www.bedb.com.bn/doing_incentives_service.html

Foreign Loan for Product Equipment: There is a 20% withholding tax for interest paid to non-resident lenders. However the government may grant a tax exemption for any approved foreign loan if the loan is utilized for the purchase of production equipment.

Additional information is available at

http://www.bedb.com.bn/doing_incentives_foreign.html

Information on additional forms of business and investment incentives is available at
http://www.bedb.com.bn/doing_incentives.html.

Limits on Foreign Control:

There has been no restriction on total foreign ownership of companies incorporated in Brunei Darussalam. The Companies Act requires locally incorporated companies to have at least one of the two directors – or if more than two directors, at least two of them

– to be ordinarily resident in Brunei Darussalam. The Companies Act allows the board to be totally non-resident; however, the company concerned would have to apply to the appropriate authorities for permission and show justifications for such decisions. Notwithstanding whether the company is locally or foreign owned and managed, the rates of corporate income tax is the same.

Privatization Program:

Brunei's Ministry of Communication has made corporatization and privatization part of its Strategic Plans 2008-2017, which call for the Ministry to shift its role from a service provider to a regulatory body with policy-setting responsibility. In that role, the Ministry will develop specific policies through corporatization and privatization; establish a regulatory framework and business facilitation. Currently, the Ministry is studying initiatives to privatize and corporatize four state-owned agencies: the Ports Department, the Maritime and Port Authority of Brunei Darussalam, the Postal Services Department and Brunei International Airport management. These services are not yet completely privatized and there is no timeline for privatization, as the Ministry is still in the process of considering the initiative. Guidelines regarding the role of foreign investors and the bidding process are not yet available. The strategy can be found at: www.mincom.gov.bn.

Screening of FDI:

Post is informed that Brunei, through BEDB, has one or more processes to screen, review or approve foreign investments. The processes are kept confidential. Post has received no complaints from U.S. businesses about the screening process.

Competition Law:

Brunei does not have any general competition legislation pertaining to the regulation of competition issues. Brunei formally started the process of drafting the Brunei Competition Order in May 2012, which reportedly emulates the legislation and best practices in the international jurisdiction including prohibitions against anti-competitive agreements, abuse of dominance, and anti-competitive mergers. It is not known when the law will be approved and implemented.

The Monopolies Act is still in effect. The Act was designed to make provisions for the granting of certain monopoly rights to firms and to protect the monopolies granted, limited to defense procurement and the collection and export of wildlife products.

Investment Trends:

Brunei is a participant in the Trans-Pacific Partnership (TPP) negotiations, through which the United States and its 10 Asia-Pacific partners are seeking to establish a

comprehensive, next-generation regional agreement to liberalize trade and investment. This agreement will advance U.S. economic interests with some of the fastest-growing economies in the world, act as an important tool to expand U.S. exports which are critical to the creation and retention of jobs in the United States, and serve as a potential platform for economic integration across the Asia-Pacific region. The TPP agreement will include ambitious commitments on goods, services, and other traditional trade and investment issues. It will also address a range of emerging issues not covered by past agreements, including trade and investment in innovative products and commitments to help companies operate more effectively in regional markets. In addition to the United States and Brunei, the TPP negotiating partners currently include Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Brunei's annual trade balance decreased by 16.8 per cent from BND\$11,765.5 million (USD\$9,488.31 million) in 2012 to BND\$9,788.4 million (USD\$7,830.72 million) in 2013. Meanwhile the total trade showed a decline of 8.9 per cent from BND\$20,675.9 million (USD\$16,672.11 million) in 2012 to BND\$18,829.6 million (USD\$15,063.68 million) in 2013. The U.S. goods trade surplus with Brunei was BND\$676 million (USD\$541 million) in 2013, a decrease of USD\$470 million (BND\$587 million) from 2012. U.S. goods exports in 2013 were USD\$559 million (BND\$699 million), up 254.4 percent from the previous year. Corresponding U.S. imports from Brunei were USD\$17 million (BND\$21 million), down 81 percent. Brunei is currently the 100th largest export market for U.S. goods. The stock of U.S. foreign direct investment (FDI) in Brunei was USD\$42.64 million (BND\$55 million) in 2011 (latest data available), down from USD\$43.33 million (BND\$57 million) in 2010.

Table 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2013	(60 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	(69 of 177)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	(59 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	(74 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2009	\$31,590	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Conversion and Transfer Policies

[Return to top](#)

Foreign exchange:

In June 2013 the Financial Action Task Force (FATF) announced that Brunei Darussalam is no longer subject to FATF's monitoring process under its on-going global Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) compliance process. Brunei Darussalam will work with the Asia-Pacific Group (APG) as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report. The report cited Brunei's significant progress in improving its AML/CFT regime and noted that Brunei had established the legal and regulatory framework to meet its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified in June 2011.

Expropriation and Compensation

[Return to top](#)

Expropriation Policies:

There is no history of expropriation of foreign owned property in Brunei. There have been cases of domestically owned private property being expropriated for infrastructure development. Compensation was provided in such cases and claimants were given the opportunity to have claims heard.

Onshore companies are governed by the Companies Act while offshore companies are governed by the International Business Companies Order of 2000. There are no specialized commercial courts. Brunei's constitution does not provide for judicial independence but in practice the court system operates without government interference. Post has received no complaints from companies regarding the judicial system.

Bankruptcy:

Brunei's bankruptcy act is available at http://www.agc.gov.bn/agc1/images/LAWS/ACT_PDF/cap067.pdf. Recent amendments to the act increased the minimum threshold for declaring bankruptcy from BND\$500 to BND\$10,000 and enabled the trustee to direct the Controller of Immigration to impound and retain the bankrupt's passport, certificate of identity or travel document to prevent him from leaving Brunei Darussalam. The amendments also saw the imposition of a number of duties on the bankrupt to deliver all his property under his possession, books, paper etc. to the trustee.

No distinction is made between the rights of local and foreign creditors, shareholders or holders of other financial contracts. All creditors, local or foreign, are afforded the same rights under the Bankruptcy Law to enable creditors to recover whatever they can from the sale of the debtor's/bankrupt's property or from the contributions, to the Official Receiver.

There is no specific provision in the Bankruptcy Act (Cap, 67) that outlines which currency dividends must be paid in. The current practice is that the Official Receiver will convert the creditor's proof of debt from foreign currency to Brunei Dollars on the day the calculation made and dividends distributed.

Being a debtor or a bankrupt under the Receiving Order or Adjudication Order does not render one a criminal under the Bankruptcy Act (Cap 67). However, Part VIII of the Bankruptcy Act provides for 'Bankruptcy Offences,' outlines action and conduct for which a debtor, a bankrupt or a creditor may be prosecuted. If the debtor, bankrupt or creditor is found guilty of any of the offences, he/she may be imprisoned up to two years.

Investment Incentives

Companies producing goods and services for export can apply for a renewable 10-year tax exemption. Corporate tax relief of up to 5 years is available for companies that invest between B\$500,000 to B\$2.5 million (USD\$400,000 to USD\$1.9million) and up to 8

years for amounts exceeding B\$2.5million (USD\$2 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.

Right to Private Ownership and Establishment

[Return to top](#)

All businesses in Brunei must be registered with the Registrar of Companies within the Attorney General's Chambers. Except for sole proprietorships, foreign investors can fully own incorporated companies, foreign company branches or representative offices. Partnerships generally require the participation of 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 in Brunei Darussalam. 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 and permanent residents.

For Industrial land under the management of the BEDB, there is no requirement for local shareholding for Foreign Direct Investment Projects. However, the activities within the industrial sites would have to be export oriented.

Protection of Property Rights

[Return to top](#)

Real Property:

Mortgages are recognized and enforced in Brunei, however only Bruneians can own land property in Brunei. Since July 2009, the Land Code (Strata) Act Chapter 189 allows non-citizens to own property, with the terms of a 99 year lease for certain kinds of properties such as townhomes, duplexes, condominiums and apartments. Most banks have stopped granting housing loans to foreigners and permanent residents. The 2011 data from the International Monetary Fund (IMF) showed no foreign direct investment (FDI) for real estate, rentals and business activity. In 2009 and 2010, the sector saw B\$3 million (US\$2.11 million) in FDI per year while in 2007 and 2008 it logged B\$2 million of FDI value.

Amendments to the Land Code are in the works to ban past practices of proxy sale of land to foreigners and permanent residents using the power of attorney (PA) and Trust Deeds (TD). PA and TD are no longer recognized as viable mechanisms in land deals involving non-citizens. The move to ban the PA and TD was announced at the 8th

Legislative Council meeting on March 12, 2012. The proposed laws will also have retroactive effect, converting all existing property owned through PA and TD into 60-year leases. The rationale for the restriction is to ensure sufficient land ownership by citizens. PA's are still in land development transactions allowing for only 5 year ownership for land developers and 25 year ownership for banks. The PA in these cases was allowed to be used as collateral.

Intellectual Property (IP) Rights:

Brunei's IP protection and enforcement regime is still in development but is increasingly strong and effective. The country was removed from the Special 301 report in 2013, and stayed off the list in 2014, in recognition of its improving IPR protections, increasing enforcement, and efforts to educate the public about the importance of IPR.

Brunei's Copyright (Amendment) Order 2013 was finalized and adopted in December 2013, a development long requested by the U.S. government. The change further enhanced enforcement provisions for copyright infringement by increasing penalties for offences; adding new offenses; strengthening the enforcement powers of the Royal Brunei Police Force and the Ministry of Finance Customs and Excise Department; and allowing for sanctioned private prosecution. The amendments are designed to deter copyright infringements with fines of BND\$10,000 (USD\$8,000) to BND\$20,000 (USD\$16,260) per infringing copy, imprisonment for a term up to five years or both. The new penalty is up to four times more severe than the previously existing penalty. Enforcement agencies are authorized to enter premises and arrest without warrant, to stop, search and board vehicles and also to access computerized and digitized data. The amendments further allow for admissibility of evidence obtained covertly and protect the identity of informants.

Brunei transferred its Registry of Trademarks from the Attorney General's Chambers (AGC) to the BEDB effective June 2013. The transfer expanded the 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 officially changed on July 1 to the Brunei Intellectual Property Office (BruIPO). The change created a national IP office, making policy coordination easier. The World Intellectual Property Organization's Singapore office described the move as a very positive step in terms of strengthening the IP protection efforts, because it provides comprehensive management of IP.

In September 2013, Brunei acceded to the Geneva (1999) Act of the Hague Agreement Concerning the International Registration of Industrial Designs to protect IP from industrial designs, making it the second ASEAN Member country, following Singapore, to accede. The accession emphasized Brunei's commitment under the ASEAN Intellectual Property Rights Action Plan 2011 – 2015. Brunei also plans and has publicly committed to acceding to other World Intellectual Property Organization's (WIPO)

treaties including the Madrid Protocol for the International Registration of Marks and the WIPO Performances and Phonograms Treaty (WPPT). In addition, Brunei is actively negotiating the Trans-Pacific Partnership's IP chapter with the United States and other TPP participants. The Recording Industry Association of Malaysia, which in the past had criticized Brunei for a lack of support for IPR protection, opened its own office in Brunei in 2013.

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. BEDB BruIPO has been charged to administer the PCT system as well as the Hague System for international registrations of both Patents and Industrial Designs 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 the highest levels of intellectual property protection. BEDB BruIPO is also working towards implementing its own Plant Variety Protection System by 2014 whilst also looking into becoming a member of the International Union for the Protection of New Varieties of Plants (UPOV) by 2015. Brunei 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 as well as the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the purposes of patent procedure.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

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

Resources for Rights Holders:

Contact at Mission:

- **Matthew B. Stannard**
- **Political/Economic/Consular Officer**
- **+673 238-4616**
- **stannardmb@state.gov**

Country/Economy resources:

The United States Embassy in Bandar Seri Begawan maintains a list of local attorneys at <http://brunei.usembassy.gov/list-of-attorneys.html>

Transparency of Regulatory System

[Return to top](#)

Brunei's foreign direct investment policies are not fully transparent, particularly with respect to limits on foreign equity participation, partnership requirements, and the identification of sectors in which foreign direct investment is restricted.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Brunei recently signed an Memorandum of Understanding (MOU) with the Securities Commission Malaysia (SCM) to boost cooperation in the capital markets. The MOU was designed to strengthened collaboration in the development of fair and efficient capital markets in the two countries. It also provided a framework to facilitate greater cross-border capital market activities and cooperation in the areas of regulation as well as capacity building and human capital development, particularly in the area of Islamic capital markets.

Competition from State Owned Enterprises

[Return to top](#)

Brunei operates state-owned monopolies in key sectors of the economy, such as oil and gas, telecommunications, transport, and energy generation and distribution. However, Brunei has not yet notified its state trading enterprises to the WTO Working Party on State Trading Enterprises. There is no published list of SOE's, but specific examples include:

- 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, both privatized state companies. 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 Brunei Investment Agency (BIA) manages the Government of Brunei's General Reserve Fund, and their external assets. Established in 1983, its assets are reportedly worth USD\$30 billion. It has holdings in corporations, real estate,

and currencies. BIA's activities are not publicly disclosed. It is ranked the lowest in transparency ratings by The Sovereign Wealth Fund Institute.

- 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 exploring 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

[Return to top](#)

Corporate social responsibility (CSR) is still a relatively new concept in Brunei, and there are no specific government programs encouraging foreign and local enterprises to follow generally accepted CSR principles. However there is a general awareness of corporate social responsibility among both producers and consumers, and individual private and public sector organizations have formalized CSR programs and policies. There are no reporting requirements and no independent NGOs in Brunei that promote or monitor CSR.

Political Violence

[Return to top](#)

Brunei has no recent history of political violence. The country experienced an uprising in 1962, when it was a British protectorate, which ended through the intervention of British troops. The country has been under emergency law ever since.

Corruption

[Return to top](#)

There are no international, regional, local or nongovernmental organizations operating in the country/economy that monitor corruption.

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 them, 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. This country is party to [add instrument to which this country is party], 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/dataoecd/59/13/40272933.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. [Insert information as to whether your country is 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, 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. [Insert information as to whether your country 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>) [Insert information as to whether your country is 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.) [Insert information as to whether your country is a party to the Council of Europe 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 a free trade agreement (FTA) in place with the United States. Brunei was one of the original members of the Trans Pacific Strategic Economic Partnership Agreement (P4), a Free Trade Agreement between Brunei Darussalam, Chile, Singapore and New Zealand signed on 18 July 2005. The P4 later evolved into the Trans-Pacific Partnership (TPP) with the addition of new members, namely the United States, Australia, Peru, Vietnam and Malaysia. The TPP negotiations are currently ongoing.

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 on 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 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 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 tcc.export.gov/Report_a_Barrier/index.asp.

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. 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. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. 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.

Public sector corruption, including bribery and graft of public officials remains a minor challenge for U.S. companies operating in Brunei. Brunei, since January 1, 1982 has enforced the Emergency (Prevention of Corruption) Act. In 1984, the Act was renamed to the Prevention of Corruption Act (Chapter 131). The Anti-Corruption Bureau (ACB) was established on February 1, 1982 for the purpose of enforcing the Act. The Prevention of Corruption Act provides specific powers to the ACB for the purpose of investigating into complaints against corruption. The Act also provides power for ACB to investigate certain offences under the Penal Code and offences under other written laws, provided such offences were disclosed during the course of ACB investigation into offences under the Prevention of Corruption Act.

The 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 in the public sector. This has prompted the ACB to focus on the private sector, as the private sector plays a critical role in Brunei's economic diversification. Brunei is a member of the International Association of Anti-Corruption Authorities. In Transparency International's Corruption Perception Index (CPI) 2013, Brunei is ranked 60th out of 177 countries.

Resources to report corruption:

Government Point of Contact

- Name: Hj Md Juanda Hj A. Rashid
- Title: Director
- Organization: Anti Corruption Bureau Brunei Darussalam
- Address: Old Airport Berakas, BB 3510 Brunei Darussalam
- Tel: +673 238-3575 / +673 238-3197
- Fax: +673-2383193
- Mobile: +673 8721002
- Email: info.bmr@acb.gov.bn

There are no international, regional, local or nongovernmental organizations operating in the country/economy that monitor corruption.

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/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- 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/policy_research/surveys_indices/cpi/2009. 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/publications/gcr>.
- 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

[Return to top](#)

Bilateral Investment Agreements

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 Transpacific Strategic Economic Partnership Agreement. Brunei currently has Bilateral Investment Treaties with China, Germany, India, the Republic of Korea, Oman, Bahrain, India and South Africa.

Brunei was the ASEAN Coordinator in negotiations for the [ASEAN-Australia-New Zealand Free Trade Agreement](#) (AANZFTA), which was signed in Thailand on 27 February 2009 and entered into force on 1 January 2010. Brunei is a negotiating party to the TPP and the Regional Comprehensive Economic Partnership (RCEP).

OPIC and Other Investment Insurance Programs

[Return to top](#)

OPIC and other investment insurance programs are unlikely given Brunei's affluence.

Labor

[Return to top](#)

The 2011 labor force estimate was 185,900 persons with an unemployment rate of 1.7 per cent, according to the Brunei Darussalam Statistical Yearbook 2011. 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. The largest percentage of those work in construction, followed by wholesale and retail trade and then professional, technical, administrative and support services. Most unskilled laborers in Brunei are immigrants from Indonesia, Malaysia and the Philippines on renewable two year contracts.

The skilled labor pool includes both immigrants on short term visas and Bruneian citizens and permanent residents, who often are well educated but who 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 Employment Order 2009 and Workmen's Compensation Act. Expatriate employment is controlled by a Labor Quota system from the Labor Department and the issuance of employment passes, by the Immigration Department.

The Brunei government is actively seeking to increase the number of Bruneians working in the private sector. Brunei's 2014 Energy White Paper calls for the number of persons employed in the energy sector to increase from 20,000 in 2010 to 50,000 in 2035, and for the number of locals employed in the sector to increase from 10,000 to 40,000 in the same period. To advance this goal, all companies competing for a tender in the oil and gas industry are required to have at least half of their employees Bruneians.

The law, including related regulations and statutory instruments, protects the right of workers to form and join unions. Under the Trade Unions Act, unions must be registered with the government. All workers, including civil servants other than those serving in the military and those working as prison guards or police officers, may form and join trade unions of their choice without previous authorization or excessive requirements. Foreign workers are excluded from most labor law protections, including freedom of association. The only union in the country was composed of Brunei Shell Petroleum workers. There were no other active unions or worker organizations.

While the law permits the formation of trade union federations, it forbids affiliation with international labor organizations unless there is consent from the minister of home affairs and the Department of Labor. The government prohibits strikes, and the law makes no explicit provision for the right to collective bargaining. The law prohibits employers from discriminating against workers in connection with union activities, but it does not provide for reinstatement for dismissal related to union activity. There were no reports of government interference in union activity, and worker organizations were independent of the government. Employer discrimination against union members was not reported.

Various domestic laws prohibit the employment of children under age 16. Parental consent and approval by the Labor Commission are required for those under age 18. Female workers under age 18 may not work at night or on offshore oil platforms. The Department of Labor, which is part of the Ministry of Home Affairs, effectively enforced laws related to the employment of children. There were no reports of violations of child labor laws.

The law does not set a minimum wage, but most employed citizens commanded good salaries. Wages for employed foreign residents were wide ranging. Some foreign embassies set minimum wage requirements for their nationals working in the country. The standard workweek is Monday through Thursday and Saturday, with Friday and Sunday off, allowing for two rest periods of 24 hours each week. The law provides for paid annual holidays, overtime for work in excess of 48 hours per week, and double time for work performed on legal holidays. The law also stipulates that an employee may not work more than 72 hours of overtime a month. Laws regarding hours were frequently not observed in practice.

Occupational health and safety standards were established by government regulations. The Labor Department inspected working conditions both on a routine basis and in response to complaints. There were approximately 40 labor inspectors in the Labor Department in 2013. The government usually moved quickly to investigate abuses, and abusive employers faced criminal and civil penalties. The Labor Department had the power to terminate the license of abusive employers and revoke their foreign labor quota. The majority of abuse cases were settled out of court through agreements where the employer paid financial compensation to the worker. The government generally enforced labor, health, and safety regulations effectively, but enforcement in the unskilled labor sector was lax. This was true especially for foreign laborers at construction sites, where wage arrears and inadequate safety and living conditions were reported. The government may close a workplace where health, safety, or working conditions are unsatisfactory, but this did not happen during the year.

Government data from 2011, the most recent available, indicated approximately 85,000 foreigners lived in the country temporarily. The law protected the rights of foreign workers through inspections of facilities and a telephone hotline for worker complaints. Immigration law allows for prison sentences and caning for workers who overstay their work permits, for workers who fall into irregular status due to their employers' negligence, for irregular immigrants seeking work, as well as for foreign workers employed by companies other than their initial sponsor. The law also requires recruiting agencies to be registered.

Government mediation by the Labor Department continued to be the most common means used to resolve labor disputes. The commissioner responsible for labor had the additional authority to protect foreign worker rights. The government prosecuted employers who employed irregular immigrants or did not process workers' documents, rendering them irregular. When grievances could not be resolved, regulations require employers to pay for the repatriation of the foreign workers and all outstanding wages. By custom, particularly for low-skilled workers, some employers held employee passports and restricted employee activities during non-work hours.

Foreign workers who filed grievances sometimes did not receive their back wages. Foreign migrant workers often signed contracts with employment agents or other

sponsors in their home countries that reduced their promised salaries through payments to the agencies or sponsors. The government forbade wage deductions to agencies or sponsors and mandated that employees receive their full salaries; nevertheless, foreign workers continued to pay high fees to manpower agents to obtain work in the country. There were cases reported of nonpayment of salaries. The majority of cases involved domestic and construction workers. In many cases courts levied judicial penalties including convictions and fines against employers found guilty of nonpayment of wages.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Muara Port is Brunei's main seaport with an established Free Trade Zone called the Muara Export Zone (MEZ). Its aim is to promote and develop Brunei Darussalam as a trade hub of the region. The establishment of MEZ is an initial step towards developing other Free Trade Zones in the country.

Foreign Direct Investment Statistics

[Return to top](#)

		2011	2012	2013
ASEAN		7.0	39.3	(72.6)
	Malaysia	4.4	6.5	(57.8)
	Singapore	2.6	32.8	(14.8)
	Others	-		
EUROPEAN UNION		569.7	747.8	753.3
	Germany	-	(20.1)	19.0
	Netherlands	0.9	265.7	143.1
	United Kingdom	565.8	498.7	539.0
	Others	3.0	3.4	52.2
OTHER COUNTRIES		292.7	293.8	227.7
	Hong Kong SAR	17.2	108.8	116.4
	Japan	69.7	69.4	19.8
	USA	23.2	40.1	(6.7)
	Others	182.6	75.4	98.1
TOTAL		869.4	1,080.8	908.4

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

Sources and Destination of FDI

[Return to top](#)**FOREIGN DIRECT INVESTMENT BY ECONOMIC ACTIVITY AND COUNTRY OF ORIGIN, 2013**

USD Million

Country of Origin	Economic Activity						Total
	(1)	(2)	(3)	(4)	(5)	(6)	
ASEAN							
Malaysia	(10.4)	-	(41.04)	1.29	2.9	0.64	(46.6)
Singapore	(33.5)	9.35	(1.45)	0.16	9.75	3.70	(11.93)
EUROPEAN UNION :							
Germany	17.6	(2.33)	-	-	-	-	15.32
Netherlands	108	-	-	6.45	-	0.88	115.4
United Kingdom	407.98	(0.16)	-	28.22	(0.88)	(0.48)	434.67
Others	39.59				4.0	(0.64)	42.09
OTHERS :							
Hong Kong SAR	-	42.1	-	0.08	50.88	0.72	93.87
Japan	24.59	(9.51)	0.24	-	0.24	0.40	15.96
USA	(0.80)	-	-	(0.88)	(3.79)	-	(5.4)
Other countries	8.95	25.8	-	2.9	12.17	29.34	79.11
Total	562.1	65.24	(42.33)	38.38	74.59	34.59	732.58

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

Note : (1) Mining and Quarrying
(2) Manufacturing
(3) Construction
(4) Wholesale and Retail Trade
Financial and
(5) Insurance
(6) Other Activities
Activities

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[Return to table of contents](#)

[Return to table of contents](#)

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)

[Return to top](#)

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

How Does the Banking System Operate

[Return to top](#)

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

[Return to top](#)

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

[Return to top](#)

There are five 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

[Return to top](#)

Government contractors are required to collateralize their future contract proceeds and seek project financing from local banks until the project is completed. Authoriti Monetari Brunei Darussalam (AMBD) imposes a single-borrower limit for large projects. In order to finance mega projects, banks tend to pool their efforts in a “club-deal” arrangement similar to a syndicate loan which may also involve the participation of foreign banks. The foreign banks bolster the capacity that the local banks lack in supporting these projects.

Web Resources

[Return to top](#)

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/countrylimitationschedule/index.cfm>

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/>

USDA Commodity Credit Corporation:

<http://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc>

U.S. Agency for International Development

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

Regional Resources

Asian Development Bank

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

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 the royal 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. Female business visitors should not reach to shake a man's hand unless he extends it, but can touch a hand to the chest as a sign of respect instead.

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. The consumption of alcohol in any public place is prohibited and should be avoided. Offering alcohol to a Muslim is a crime in Brunei. Public consumption of food or drink during Ramadan is illegal in Brunei; takeout can be purchased in restaurants and should be eaten in a private location.

Travel Advisory

[Return to top](#)

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

[Return to top](#)

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/Electric

[Return to top](#)

Brunei has a good telecommunication system and is in the midst of a major fiber-to-home improvement project which will increase bandwidth access. There are three operators providing telecommunications services in Brunei: Syarikat Telekom Brunei Berhad (TelBru), DST Communications (DSTCom) and B-mobile Communications Sdn Bhd. Most hotels have wifi and wifi is also available at many cafes and restaurants.

Brunei Voltage: The voltage in Brunei is 240 V.

Brunei Electrical Frequency: The electrical frequency in Brunei is 50 Hz.

Brunei Plug/Socket Type(s): Brunei uses the G plug. Universal travel adapters can be bought from hardware and electrical stores.

Brunei GSM Frequencies: Brunei uses the GSM 900 frequency. When travelling, mobile phones used in Brunei must support the GSM frequency.

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 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.

Transportation

[Return to top](#)

The international airport is a fifteen-minute drive from downtown Bandar Seri Begawan, the capital, and should cost approximately B\$25-30 (USD 19.90-23.90). 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 are the most reliable form of transportation and can be hired with ease at competitive rates.

Language

[Return to top](#)

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

common. The Chinese community that makes up 12% of the total population generally speaks Mandarin and 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 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

[Return to top](#)

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 Brunei medical system will send patients to 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.

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/brn/en/>.

Local Time, Business Hours, and Holidays

[Return to top](#)

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 and closed on Saturdays. By law, 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. During Ramadan government work hours and other business hours may be shortened to facilitate personnel who are fasting.

2014 Official Holidays

<u>Date</u>	<u>Day</u>	<u>Holiday</u>
Jan 1	Wednesday	New Year's Day
Jan 14	Friday	Prophet Muhammad's Birthday
Jan 31	Friday	Chinese New Year
Feb 23	Sunday	Brunei National Day
May 27	Tuesday	Israk Mi'raj
May 31	Saturday	Armed Forces Day
Jun 28	Saturday	1st Day of Ramadan*
Jul 15	Tuesday	His Majesty Sultan's Birthday
Jul 16	Wednesday	Nuzul Al-Quran*

Jul 28	Monday	Hari Raya Aidilfitri* (Marks the end of Ramadan)
Jul 29	Tuesday	Hari Raya Aidilfitri*
Jul 30	Wednesday	Hari Raya Aidilfitri*
Oct 5	Wednesday	Hari Raya Aidil Adha*
Oct 25	Saturday	Islamic New Year*
Dec 25	Thursday	Christmas Day

** Actual Holiday Subject to Sighting of the Moon*

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

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 eau de toilette. 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.

Web Resources

[Return to top](#)

Brunei Travel Information

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

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

Brunei Darussalam International Chamber of Commerce & Industry

Tel: +673 223-6601

Fax: +673 222-8389

E-mail: shazalisulaiman@kpmg.com.sg

Indian Chamber of Commerce

Tel: +673 234-0974

Fax: +673 234-0976

E-mail: Nazmitex@yahoo.co.in

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click 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.

Please click on the link below for information on upcoming trade events.

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The U.S. Commercial Service (USCS) maintains an active “Partner Post” program with the U.S. Department of State in countries and markets in which USCS does not have its own operations, such as Brunei. Through this program, USCS Singapore provides guidance and support to U.S. Embassy Bandar Seri Begawan in offering Commercial Service products and services (e.g. IPS and Gold Key Service) appropriate to the market.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

http://brunei.usembassy.gov/doing_business_in_brunei.html.

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.

[Return to table of contents](#)