



PRESS RELEASE

AMBD POLICY STATEMENT 2/2019

1. Autoriti Monetari Brunei Darussalam (AMBD) today published its bi-annual policy statement for the second half of 2019.
2. In its Policy Statement 2/2019, AMBD noted that the global economy is expected to grow 3.0% in 2019. The domestic economy grew by 2.9% year-on-year in the first half of 2019. AMBD's inflation forecast for 2019 has been revised down to the range of -1% to 0% and inflation is forecasted to remain at similar levels for 2020.
3. AMBD also highlighted that the banking industry continues to have a robust capital position, surplus liquid assets and improved profitability. In AMBD's efforts to progressively implement the *Basel Core Principles for Effective Banking Supervision* and the Basel II framework, banks have submitted their first Internal Capital Adequacy and Assessment Process (ICAAP) documents in June 2019. AMBD is undertaking a Risk Perception Survey (RPS) among banks for the development of forward looking data and information.
4. With the full implementation of risk-based insurance supervision in 2017, AMBD is enhancing the framework and has introduced a profiling tool for insurance companies and Takaful operators. In line with AMBD's commitment to strengthen the risk management of insurance companies and Takaful operators in Brunei Darussalam, AMBD has issued requirements and guidance on outsourcing to set standards for sound practices on risk management of material outsourcing arrangements.
5. AMBD has also issued several guidelines during 2019 including the Guideline on Conducting the Regulated Activity of Giving or Offering Investment Advice in October 2019. In line with the initiatives identified in the Brunei Darussalam Financial Sector Blueprint 2016-2025 (FSBP), a risk-based supervision framework for the supervision of the capital market intermediaries has been developed.
6. Another guideline issued was the Guidelines on Product Transparency and Disclosure to financial institutions specifically for banks, finance companies, Takaful operators and insurance companies. AMBD has additionally issued revised and amended licensing conditions which took effect from 1 June 2019, as part of strengthening compliance of the money changing and money remittance businesses.
7. AMBD is reviewing the Notice on Cyber Intrusion and Incident Reporting and Information Technology Risk Management Guidelines to ensure the framework on technology risk

management remains relevant with the developments in technology and cybersecurity trends in the financial sector. AMBD will also be establishing the AMBD-Financial Institutions Technology Committee, as an avenue for the financial industry to discuss the opportunities and issues related to the use of technology and align their efforts to the Brunei Darussalam Financial Sector Blueprint 2016-2025 (FSBP).

8. In efforts towards further developing a more efficient money market in Brunei Darussalam, AMBD intends to launch its own programme of Islamic Bills (AMBD I-Bills) in early 2020. The AMBD I-Bills aim to support effective and efficient liquidity management for the banks.
9. The full version of AMBD Policy Statement 2/2019 can be found on AMBD's website at www.ambd.gov.bn. For further information and enquiries, members of the public may contact AMBD by calling the AMBD hotline at 2388388, or by emailing info@ambd.gov.bn.

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