



PRESS RELEASE

AMBD LAUNCHES THE CENTRAL SECURITIES DEPOSITORY

1. Autoriti Monetari Brunei Darussalam (AMBD) has implemented the Central Securities Depository (CSD) on Friday, 15th Sya'ban 1438 corresponding to 12th May 2017. This is the next phase of the National Payment and Settlement Systems Project, following the implementation of the Real Time Gross Settlement (RTGS) system for high-valued electronic transfers between banks in November 2014, Automated Clearing House (ACH) system for automated cheque processing in May 2016 and the introduction of the Direct Credit in the ACH system which allows electronic transfer of multiple low value payments.
2. The CSD system is an electronic platform used to register and maintain records of debt securities holdings for the participating banks replacing the manual book entry processes. Currently, the CSD participants consists of only the banks in the country. CSD participants can now view their accounts online and are able to transfer securities through the CSD system rather than manual transfer of physical instructions. At a later stage, the CSD system will be expanded to enable auction of new securities and provide a trading platform to facilitate a secondary market among the CSD participants.
3. Currently, the CSD system provides depository services for the Sukuk Al-Ijarah programme. AMBD, as an agent for the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam pertaining to the issuance and the administration of sukuk, will introduce other suitable forms of sukuk including longer term sukuk for the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam.
4. The CSD system is a vital component of the payment and settlement system and will become a cornerstone for the development of the capital market in Brunei Darussalam, including the establishment of the Brunei Stock Exchange. In-line with the objectives set in AMBD's Financial Sector Blueprint, the CSD system will help the country by supporting the expansion of the domestic sukuk programme and providing an electronic platform to channel sukuk into the local market. With the CSD system, AMBD will bring the management of local sukuk issuances under domestic control and will ease sukuk secondary market trading in Brunei Darussalam.

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