



GUIDELINE NO. SM/G-1/2021/3
GUIDELINES FOR REMITTANCE COLLECTION SERVICE

1. INTRODUCTION

- 1.1 These Guidelines are issued pursuant to section 32 of the Autoriti Monetari Brunei Darussalam Order, 2010.
- 1.2 As part of the conditions for remittance license specifically under condition B.16, remittance businesses licensed under the Money-Changing and Remittance Businesses Act, Cap 174 [“the MCRBA”] [herein referred to as ‘Remittance Licensees’] who are carrying on remittance collection service are required to submit to the Authority according to the specified format, the list of employees appointed and designated as remittance collectors as well as the location/area/district where remittance collection service will be carried out and are required to carry on remittance collection service in an orderly, safe and secure manner.
- 1.3 These Guidelines are intended to facilitate compliance to the above condition and provide guidance in carrying on remittance collection service by setting out the standards that Remittance Licensees are expected to adhere to.
- 1.4 Remittance Licensees are expected to observe the Guidelines to the fullest extent and should demonstrate that the appropriate measures and controls are in place to manage the risk exposure of respective Remittance Licensees in carrying on remittance collection service.
- 1.5 These Guidelines should be read together with the following:-
 - 1.5.1 The MCRBA and its subsidiary legislation;
 - 1.5.2 Criminal Asset Recovery Order, 2012 and its subsidiary legislation;
 - 1.5.3 Licensing Conditions for Remittance Business [“*Syarat-Syarat Lesen Bagi Kiriman Wang*”];
 - 1.5.4 General Guidance Paper To Financial Institutions And Designated Non-Financial Businesses And Professions On Anti-Money Laundering And Combatting The Financing Of Terrorism;

- 1.5.5 Guidance Paper To Financial Institutions For The Obligation To Submit A Suspicious Transaction Report (STR) Under Section 15 Of Criminal Asset Recovery Order And Section 47 Of Anti-Terrorism Order;
 - 1.5.6 Cash Transaction Reporting General Guidance Paper For Financial Institutions And Designated Non-Financial Businesses And Professions;
 - 1.5.7 Guidance Paper to Financial Institutions On Anti-Money Laundering And Combating The Financing Of Terrorism (AML/CFT) Transaction Monitoring Programme;
 - 1.5.8 Standard Technology Risk Management Guidelines (Guideline No. TRS/G-1/2019/1);
 - 1.5.9 Notice on Early Detection of Cyber Intrusion And Incident Reporting (Notice No. FTU/N-1/2017/1);
 - 1.5.10 Notice For The Establishment Of A Complaints Handling Function Within Financial Institutions (Notice No. FCIU/N1/2017/1);
 - 1.5.11 Notice on Market Conduct (Notice No.FCIU/N2/2017/1);
 - 1.5.12 Guidelines on Fit and Proper Criteria for Financial Institutions' Frontline Staff (Guideline No. FCI/G1/2018/1); and
 - 1.5.13 Guidelines, Directions, Notices, and Circulars that the Authority may issue from time to time.
- 1.6 These Guidelines are not exhaustive and are subject to revision from time to time as deemed necessary by the Authority.
 - 1.7 These Guidelines take immediate effect.

2. APPLICATION

These Guidelines are applicable to Remittance Licensees who carry on remittance business pursuant to the MCRBA.

3. INTERPRETATION

- 3.1 For the purpose of these Guidelines, the following terms have the following meanings, except where the context otherwise requires:-

<u>Term</u>	<u>Interpretation</u>
“Authority”	means Autoriti Monetari Brunei Darussalam;
“IT asset”	refers to software, hardware, data and other components that makes up the IT environment (e.g. network, system and computer);
“MCRBA”	means the Money-Changing and Remittance Businesses Act, Chapter 174 and any regulations or other subsidiary legislation made thereunder;
“place of business”	means in relation to a Remittance Licensee, the principal address of the Remittance Licensee where it has been registered to carry on remittance business
“remittance collection service”	means the service provided by Remittance Licensees in which customer funds are collected by employees appointed and authorised as remittance collectors on behalf of Remittance Licensees for remittance purposes at designated places other than at their place of business; and
“remittance collectors”	means employees appointed and authorized by Remittance Licensees to collect customer funds on behalf of Remittance Licensees for remittance purposes at designated places other than at their place of business.

3.2 Any expression used in these Guidelines, except where expressly defined in these Guidelines or where the context requires, have the same meaning as in the MCRBA.

4. STANDARDS FOR CARRYING ON REMITTANCE COLLECTION SERVICE

4.1 Remittance Licensees should perform and conduct risk assessment to identify, assess and mitigate the risks associated with the remittance collection service prior to providing remittance collection service.

4.2 Following the risk assessment conducted in 4.1 above, Remittance Licensees should develop and put in place adequate measures and controls to mitigate the risks which includes providing written and comprehensive internal policies and procedures pertaining to remittance collection service and should be in line with paragraph 5 and 6 of these Guidelines.

4.3 Remittance Licensees should appoint and designate remittance collectors to carry on remittance collection service and their appointment should be in accordance to paragraph 5 of these Guidelines.

- 4.4 Remittance collection service should only be carried out at the designated location/area/district as submitted to the Authority.
- 4.5 Remittance Licensees should also notify the Authority of any termination and/or change in the appointment of remittance collectors and location/area/district of collection.
- 4.6 Remittance Licensees should only provide remittance collection service to registered customers whose identity has been obtained and verified during registration process.
- 4.7 In accordance to condition B.22 of the conditions for remittance license, Remittance Licensees should include remittance collection service in their business continuity plan to address and manage risks associated should the service be affected by disasters which could result in operational failure and business disruption.
- 4.8 Remittance Licensees should provide sufficient and necessary resources to ensure proper delivery of their remittance collection service. This includes but is not limited to providing the following:-
 - 4.8.1 Remittance collector ID;
 - 4.8.2 Transportation;
 - 4.8.3 IT assets (mobile phone, laptop, broadband internet, portable receipt printer, etc.);
 - 4.8.4 Receipt book;
 - 4.8.5 Ultraviolet money detector; and
 - 4.8.6 Bag with a secure locking mechanism.
- 4.9 The remittance collector ID in 4.8.1 above should contain the following details:-
 - 4.9.1 Official business/company name and logo;
 - 4.9.2 Full name, passport photo and identification card number (IC) of the remittance collector; and
 - 4.9.3 Issuance and expiry date of the remittance collector ID.
- 4.10 Transportation in paragraph 4.8.2 above, refers to transportation provided by Remittance Licensees or remittance collectors own personal transport.
- 4.11 Remittance Licensees should:-
 - 4.11.1 Ensure the transport used:-
 - 4.11.1.1 Is in good condition; and
 - 4.11.1.2 Adheres to rules and regulations set by the Land Transport Department, Ministry of Transport and Infocommunications;

- 4.11.2 Record and keep the list of transportation (provided by Remittance Licensees or remittance collectors own personal transport) used to carry on remittance collection service; and
- 4.11.3 Not use public transportation (buses and taxis (land and water)) including ride sharing service providers to carry on remittance collection service.
- 4.12 For IT assets mentioned in paragraph 4.8.3 or any other IT assets provided, Remittance Licensees should refer to the Standard Technology Risk Management Guidelines (Guideline No. TRS/G-1/2019/1) issued by the Authority effective 1 January 2020.
- 4.13 If it is not possible for Remittance Licensees to provide IT assets for remittance collectors to carry on remittance collection service, remittance collectors may declare their personal devices to Remittance Licensees as IT assets. These personal devices should be treated as IT assets if it is used to store information about the remittance collection service, transactions and customer details.
- 4.14 Remittance Licensees who provide access to remittance collectors into their remittance system should ensure that adequate security controls are in place for this arrangement. For example, to restrict user access and authorisation to the remittance system, and to access through a secure network.
- 4.15 In carrying on remittance collection service, Remittance Licensees should ensure information and documents pertaining to transactions and customer details are kept private and secured.
- 4.16 Remittance Licensees should revoke remittance collector IDs and inform the general public not to transact with remittance collectors that are no longer employed by them via their official website, social media or local newspapers.
- 4.17 Remittance Licensees should conduct regular or periodic checks to ensure remittance collectors perform their roles and responsibilities effectively and in accordance to procedures specified in paragraph 6 of these Guidelines.

5. APPOINTMENT OF REMITTANCE COLLECTORS

- 5.1 Remittance Licensees should conduct thorough screening which includes reference and background checks for any misconduct or criminal activity whether in Brunei Darussalam or elsewhere before appointing remittance collectors.
- 5.2 Remittance collection service should only be carried out by competent, trusted and reliable employees. At a minimum, it is recommended for Remittance Licensees to appoint experienced employees who have been working for Remittance Licensees or have experience working in the remittance sector for at least 3 years.

- 5.3 The roles and responsibilities of remittance collectors should be clearly stated/defined in their job description. Roles and responsibilities of remittance collectors should include, but is not limited to, the following:-
- 5.3.1 To carry on remittance collection service in accordance to the procedures specified in paragraph 6 of these Guidelines;
 - 5.3.2 To take all necessary measures to protect and secure customer funds during incidents and emergencies; and
 - 5.3.3 To report immediately to owner/director/manager/supervisor and relevant agencies in case of any incidents or emergencies.
- 5.4 Remittance Licensees should ensure remittance collectors are regularly trained to effectively fulfil their roles and responsibilities. For example, in conducting know your customer/customer due diligence procedures, detecting counterfeit notes, cash handling and so on.
- 5.5 Appointed remittance collectors should not hold other key roles within the remittance business such as Compliance officer, Complaints handling and IT Officer.

6. PROCEDURES FOR REMITTANCE COLLECTION SERVICE

- 6.1 The procedures for remittance collection service should include but is not limited to the following:-
- 6.1.1 For remittance collection service to be carried out by at least two (2) remittance collectors for each remittance collection assignment;
 - 6.1.2 For remittance collection service to be carried out in a safe and secure area/location;
 - 6.1.3 Present and show remittance collectors' ID before carrying out any transactions;
 - 6.1.4 Request customers to produce an original copy of an identification document (national identification card (IC) or passport) for identity verification and validation prior to carrying out transactions;
 - 6.1.5 Issue official receipt after carrying out each remittance transaction as required under condition B.10 of the conditions for remittance license including information on collection location/area/district;
 - 6.1.6 Record every transaction in a log book (hard copy or softcopy) to be reviewed at the end of each business day, and verified as well as signed by the owner/director/manager/supervisor or authorised employee as required under condition B.21 of the conditions for remittance license. The log book should be safely stored and carefully handled during transmission and handover;

- 6.1.7 For customer funds to be kept securely after each transaction at all times by not exposing it publicly, placing it in a bag with a secure locking mechanism and never leaving the bag unattended; and
- 6.1.8 Depending on the amount of customer funds collected and proximity to Remittance Licensees' respective banks or business premise, remittance collectors should perform the following to mitigate the risk of loss of customer funds:-
 - 6.1.8.1 Minimise detours to other destinations and not deviate away from scheduled remittance collection service time and route; and
 - 6.1.8.2 Immediately send and secure customer funds back to Remittance Licensees' business premise or deposit customer funds directly to Remittance Licensees' customers account in their respective banks in accordance to condition B.13 of the conditions for remittance license.

**MANAGING DIRECTOR
AUTORITI MONETARI BRUNEI DARUSSALAM**

Date: 22 Syaaban 1442/ 7 April 2021