



## **NOTICE TO ISLAMIC BANKS**

**NOTICE NO. BU/N-1/2019/61**

### **FORMS OF ASSETS APPROVED BY THE AUTHORITY**

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#### **INTRODUCTION**

1. This Notice is issued pursuant to Section 66 of the Islamic Banking Order, 2008 and applies to all Islamic banks in Brunei Darussalam whose head office is situated outside Brunei Darussalam.
2. This Notice shall take immediate effect.

#### **FORM OF ASSETS**

3. Section 8(2)(e)(ii) of the Islamic Banking Order, 2008 prescribes that an Islamic bank whose head office is situated outside Brunei Darussalam shall hold net head office funds of not less than B\$30,000,000 in respect of its business in Brunei Darussalam, at all times, in the form of assets approved by the Authority.
4. For the purposes of Section 8(2)(e)(ii) of the Islamic Banking Order, 2008, the below paragraphs 4.1 to 4.7 are the specified assets approved by the Authority. These assets shall be in Brunei Dollars and located in Brunei Darussalam at all times:
  - 4.1. Any Brunei dollar note or coin;
  - 4.2. Any balances with the Authority;
  - 4.3. Any balances with banks in Brunei Darussalam;
  - 4.4. Any placements with banks in Brunei Darussalam;
  - 4.5. Any Brunei Darussalam Government Securities;
  - 4.6. Any loans or advances (made to persons in Brunei Darussalam); and
  - 4.7. Any immovable property.



5. For the purpose of paragraph 4 above:
- 5.1. “Balances with the Authority” means any deposit placed with the Authority, excluding balances used to meet any requirements in relation to minimum liquid assets or minimum cash balances;
  - 5.2. “banks” means bank or Islamic bank as defined under Section 2 of the Banking Order, 2006 or Section 2 of the Islamic Banking Order, 2008;
  - 5.3. “Brunei Darussalam Government Securities” means any debt securities issued by the Government under any written law; and
  - 5.4. The value of the assets in paragraphs 4.1 to 4.7 shall be the carrying amount in accordance with IFRS. Carrying amount is defined as the carrying amount net of allowance for credit losses and fair value adjustments.

**MANAGING DIRECTOR**  
**AUTORITI MONETARI BRUNEI DARUSSALAM**

Issue Date: 23 Rabiulawal 1441H/ 20 November 2019