



Amendment No. 1

Effective date: 5 January 2024

GUIDELINE NO. CMA/G-1/2022/10 – AMENDMENT NO. 1

GUIDELINE ON THE ISSUANCE OF DEBENTURES



1. INTRODUCTION AND APPLICABILITY

- 1.1. This Guideline is issued pursuant to section 32 of the Brunei Darussalam Central Bank Order, 2010.
- 1.2. The aim of this Guideline is to provide guidance to any person who wishes to issue debentures (such as corporate bonds) and sets out the necessary standards for any issue of debentures in Brunei Darussalam.
- 1.3. The Authority expects all issuers to adhere to this Guideline, where applicable, so as to ensure consistency and efficiency in processing the issuance of debentures.
- 1.4. This Guideline is not exhaustive and is subject to revision from time to time as deemed necessary by the Authority.
- 1.5. This Guideline is to be read together with the SMO and all applicable rules and regulations made thereunder and any other applicable laws.
- 1.6. This Guideline shall take effect on 1 March 2022.

2. DEFINITION OF THE TERMS

- 2.1. For the purpose of this Guideline:
 - 2.1.1. “ACMF” means ASEAN Capital Markets Forum;
 - 2.1.2. “ASEAN Green Bond Standards” means the ASEAN Green Bond Standards as applicable and as revised from time to time by ACMF;
 - 2.1.3. “ASEAN Social Bond Standards” means the ASEAN Social Bond Standards as applicable and revised from time to time by ACMF;
 - 2.1.4. “ASEAN Sustainability Bond Standards” means the ASEAN Sustainability Bond Standards as applicable and revised from time to time by ACMF;
 - 2.1.5. “ASEAN Sustainability-Linked Bond Standards” means the ASEAN Sustainability-Linked Bond Standards as applicable and revised from time to time by ACMF;
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 - 2.1.6. “Authority” means Brunei Darussalam Central Bank;
 - 2.1.7. “CMSL” means capital markets services licence;
 - 2.1.8. “International Credit Rating Agency” refers to a credit rating agency that operates in more than one jurisdiction, is either licensed or registered by a relevant authority



that is a member of IOSCO and is capable of assigning international ratings that are widely accepted by international investors;

- 2.1.9. “issuance document” refers to a registration statement and prospectus for public offerings, or notification made to the Authority pursuant to paragraph 3.9 for private offerings;
 - 2.1.10. “SMO” means Securities Markets Order, 2013 and any regulations or other subsidiary legislation made thereunder;
 - 2.1.11. “SMR” means Securities Markets Regulations, 2015; and
 - 2.1.12. “sophisticated investors” means any person who falls within any of the specific classes of investors specified in section 20 of the SMO.
- 2.2. Any expression used in this Guideline shall, except where expressly defined in this Guideline or where the context requires otherwise, have the same meaning as in the SMO.



PART I General Guidelines

Part I sets out the guidelines, principles and standards for offerings of debentures which are applicable to issuers of Brunei dollar or foreign-currency denominated debentures.

3. GENERAL REQUIREMENTS AND GUIDELINES

As stated in the SMO, there are two types of offerings:

- (i) public offering – offers of securities to the public; and
- (ii) private offering and exempt transactions - offers of securities which are exempted from the public offering registration requirements under section 117 of the SMO.

Public Offerings

- 3.1. Any issuer of debentures that wishes to issue the debentures through a public offering is required to file a registration statement and prospectus with the Authority as stated in section 116(1) of the SMO.
- 3.2. The registration statement and prospectus must contain all the necessary information and fulfil any other relevant requirements in the SMO and SMR and in particular sections 118 and 119 of the SMO.
- 3.3. The fees payable for filing of the documents under paragraph 3.1 are as stated in the Securities Markets (Fees) Regulations, 2015.
- 3.4. The completed registration statement and prospectus should be filed and submitted to the Authority at least 40 days before the proposed issuance date.
- 3.5. Any amendments to the registration statement and prospectus must be submitted to the Authority.
- 3.6. Submission of documents pursuant to paragraph 3.1 along with any supporting documents should be made in English. Any document which is made in a language other than English **should be accompanied by an English translation confirmed by the issuer's adviser as being an accurate translation of the original documents.** In any event, the English version will be regarded as the main application by the Authority.

Private Offerings

- 3.7. All private offerings are exempted from the requirement to file a registration statement and prospectus to the Authority.



- 3.8. It is a requirement under Notice No. CMU/N-1/2016/5 on 'Notification on Private Offerings and Exempt Securities and Transactions' that issuers of debentures which are offered by way of private offering provide a written notification to the Authority within fourteen (14) days from the date of the offer. The notification should include details of the offering such as product name, product type, name of issuer, issue date, tenor, maturity and the number of investors; in a form determined by the Authority.



PART II
Guidelines for All Issuances of Debentures

4. CREDIT RATING

- 4.1. All debentures which are offered by way of public offering should be rated investment grade by a credit rating agency which is licensed, recognised or designated under the SMO or by a credit rating agency of global renown.
- 4.2. Issuances of debentures and debenture issuance programmes above BND100 million which are offered to sophisticated investors in Brunei Darussalam are encouraged to be rated by a credit rating agency which is licensed, recognised or designated under the SMO or by an International Credit Rating Agency.
- 4.3. For the purpose of assessing and evaluating the credit risk of debentures, an issuer should provide relevant information on a continuous and timely basis in particular, new or additional information that was not previously available for consideration to the credit rating agency. This is to ensure that the rating for the debentures can be continuously made available to investors.

5. TRUSTEES

- 5.1. All issuers involved in issuances of debentures are encouraged to enter into a trust deed with an appointed trustee.
- 5.2. Prior to an offering, all certified true copies of the trust deeds should be submitted to the Authority as supporting documents to the issuance document.

6. LAW FOR ISSUANCE

- 6.1. The choice of governing law and jurisdiction in an issuance of debentures in Brunei Darussalam is at the preference of the issuer.

7. UTILISATION OF PROCEEDS

- 7.1. An issuer should ensure that the proceeds of the issued debentures are utilised in accordance with the purposes disclosed in the prospectus and/or offering documents.

8. MODE OF ISSUANCE AND SETTLEMENT

- 8.1. All debentures issued in Brunei Darussalam should be deposited with a depository or custodian licensed by the Authority.



PART III Disclosures After Approval and Issuance of Debentures

Part III sets out the post and continuous disclosures after approval and issuance of debentures.

9. POST AND CONTINUOUS DISCLOSURE

- 9.1. An issuer should ensure the information provided in its prospectus is clear, accurate and not misleading.
- 9.2. An issuer should ensure full disclosure of information is made which a reasonable investor would view as material to their decision whether to invest or to remain invested.
- 9.3. An issuer should ensure that there is timely disclosure of information which is reasonably material to an investment decision.
- 9.4. Issuer of debentures must not provide statements, promises or forecasts which they know to be misleading or recklessly makes a statement, promise or forecast which is misleading, false or deceptive.
- 9.5. Issuers of debentures are expected to act at the highest standards of integrity and fair dealing when issuing debentures.
- 9.6. Issuer of debentures are expected to submit a report to the Authority within 14 days following any changes made to the following information relating to the debentures:
 - 9.6.1 product name;
 - 9.6.2 product type;
 - 9.6.3 issuer;
 - 9.6.4 issue date;
 - 9.6.5 changes to credit rating;
 - 9.6.6 tenor;
 - 9.6.7 maturity;
 - 9.6.8 country risk;
 - 9.6.9 type of security;
 - 9.6.10 currency;
 - 9.6.11 coupon rate;
 - 9.6.12 maturity; and
 - 9.6.13 **any other information which may have a material effect on a customer's investment decision.**
- 9.7. An issuer and appointed trustee are expected to make timely disclosure of material information to investors and ensure the accuracy and completeness of such information to enable investors to make an informed assessment of the issuer and the issuance.



PART IV
Additional Guidelines

Part IV sets out additional guidelines for issuances of specific types of debentures.

10. ADDITIONAL GUIDELINES FOR ISSUANCE OF ASEAN GREEN, SOCIAL, SUSTAINABILITY AND SUSTAINABILITY-LINKED BONDS

[Amendment No. 1 dated 5 January 2024]

10.1. All issuance and labelling of bonds as an ASEAN Green Bond, ASEAN Social Bond, ASEAN Sustainability Bond or ASEAN Sustainability-Linked Bonds in Brunei Darussalam are encouraged to comply with the applicable standards issued by the ACMF as outlined in paragraph 10.2 below.

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10.2. The issuer should ensure that the issuance of the bonds referred to in paragraph 10.1 adopts the standards issued by the ACMF respectively as follows:

10.2.1 In the case of ASEAN Green Bonds, the ASEAN Green Bond Standards;

10.2.2 In the case of ASEAN Social Bonds, the ASEAN Social Bond Standards;

10.2.3 In the case of ASEAN Sustainability Bonds, the ASEAN Sustainability Bond Standards;
and

10.2.4 In the case of ASEAN Sustainability-Linked Bonds, the ASEAN Sustainability-Linked Bond Standards.

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11. SUBMISSION OF APPLICATION

11.1. All submissions relating to an application and any correspondence should be addressed to:

Managing Director,
Brunei Darussalam Central Bank,
Level 14, Ministry of Finance and Economy Building,
Commonwealth Drive,
Bandar Seri Begawan BB3910,
Brunei Darussalam

Attention to:
Supervision II,
Regulatory and Supervision Group

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MANAGING DIRECTOR
BRUNEI DARUSSALAM CENTRAL BANK