



Effective date: 23 December 2016

**NOTICE FOR TAKAFUL OPERATORS AND BROKERS
NOTICE NO. TIU/N-2/2016/2**

NOTICE ON ACCOUNTING STANDARDS FOR THE PREPARATION OF ANNUAL ACCOUNTS



1. INTRODUCTION

- 1.1. This Notice is issued pursuant to Section 90 of the Takaful Order, 2008 ("the Order") and is applicable to all registered takaful operators and takaful brokers.
- 1.2. This Notice shall take effect immediately.

2. DEFINITIONS

- 2.1. For the purpose of this Notice:
 - 2.1.1 "Brunei Darussalam Accounting Standards Council" means the council established under the Accounting Standards Order [ASO], 2010, primarily tasked to issue accounting standards application to companies and other incorporated bodies in Brunei Darussalam.
 - 2.1.2 "International Financial Reporting Standards (IFRS)" means accounting standards as set out by the International Accounting Standards Board [IASB].
 - 2.1.3 "requirement for takaful operators and takaful brokers to prepare statements of account and other statements" means the requirement under sections 60[1] and 60 [2] of the Order to prepare statements of accounts and other statements in a form and manner as prescribed by the Authority, based on international accounting standards.

3. PREPARATION OF ANNUAL ACCOUNTS

- 3.1. For the purpose of preparing annual accounts, takaful operators and takaful brokers shall keep books and records according to International Financial Reporting Standards (IFRS) as prescribed by Brunei Darussalam Accounting Standards Council, wherever possible. In the event that IFRS conflicts with *Hukum Syara'*, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards shall be complied with. These conflicts include, but are not limited to treatment of participants' equity.
- 3.2. Takaful operators and takaful brokers shall adhere to the format and presentation of financial statements laid out in IFRS.
- 3.3. In valuing the assets of the takaful operator and takaful funds, takaful operators and takaful brokers shall to value their assets in accordance to the IFRS.
- 3.4. In determining the liabilities of an takaful operator, takaful operators are required to apply valuation that is in accordance with international standards for valuation of actuarial liabilities with such changes as may be determined by the Authority and any additional directions that may be made by the Authority.

**MANAGING DIRECTOR
BRUNEI DARUSSALAM CENTRAL BANK**