Amendment No. 2

Effective date: 1 March 2027

NOTICE TO BANKS AND FINANCIAL INSTITUTIONS

NOTICE NO. FCI/N2/2021/1 – AMENDMENT NO. 2

NOTICE ON MARKET CONDUCT

1. INTRODUCTION

1.1 This Notice is issued pursuant to Section 54 of the Brunei Darussalam Central Bank Order, 2010 and applies to all banks and financial institutions in Brunei Darussalam.

[Amendment No. 2 dated 31 August 2026)

1.2 The purpose of this Notice is part of BDCB's continuous effort to strengthen financial consumer protection by promoting better understanding of the products and services offered by banks and financial institutions among financial consumers. This will help financial consumers make informed financial decisions and in turn, increase their trust and confidence in dealing with banks and financial institutions.

[Amendment No. 2 dated 31 August 2026)

1.3 This Notice shall be read in conjunction with the following:

1.3.1 Notice to Financial Institution on Syariah Governance Framework [Notice No. IFAU/N/1/2018];

1.3.2 Notice and Guidelines to Islamic Banks, banks, finance companies, takaful operators and insurance companies on Corporate Governance and Disclosure of Corporate Governance Arrangements [Notice No. BU/N-2/2019/62, Guidelines No. BU/G-1/2019/19, Notice No. BU/N-1/2017/36, Notice No. BU/N-2/2017/37, Guidelines No. BU/G-1/2017/5, Guidelines No. BU/G-2/2017/6, Notice No. TIU/N-3/2017/7)

[Amendment No. 2 dated 31 August 2026)

1.3.3 Guidelines to Islamic banks, banks, finance companies, takaful operators, insurance companies on Product Transparency and Disclosure [Guidelines No. FCI/G1/2019/1, Guidelines No. FCI/G2/2019/1, Guidelines No. FCI/G3/2019/1, Guidelines No. FCI/G4/2019/1, Guidelines No. FCI/G5/2019/1, respectively);

[Amendment No. 2 dated 31 August 2026)

1.3.4 Guidelines on Fit and Proper Criteria for Financial Institutions' Frontline Staff Guidelines [No. FCI/G1/2018/1]; and

1.3.5 Notice for the Establishment of A Complaints Handling Function within Financial Institutions (No. FCI/N1/2021/1)

[Amendment No. 2 dated 31 August 2026)

1.3.6 Notice on Fair Treatment of Financial Consumers (No. CE/N-1/2026/1)

[Amendment No. 2 dated 31 August 2026)

1.3.7 any other notices, directives, circulars and other guidelines, which Brunei Darussalam Central Bank ("the Authority") may issue from time to time.

[Amendment No. 2 dated 31 August 2026)

1.4 The requirements of this Notice are supplementary to the requirements: -

1.4.1.1 Banking Act, Cap. 95;
1.4.1.2 Finance Companies Act Cap.89
1.4.1.3 Insurance Order, 2006;
1.4.1.4 Insurance Regulations, 2006;
1.4.1.5 Islamic Banking Act, Cap. 168;
1.4.1.6 Money Changing and Remittance Business Act Cap.174;
1.4.1.7 Securities Market Order, 2013;
1.4.1.8 Securities Market Regulations, 2013;
1.4.1.9 Takaful Order, 2008;
1.4.1.10 Takaful Regulations, 2008;
1.4.1.11 Payment and Settlement Systems (Oversight) Act, Cap. 251;
1.4.1.12 Pawnbrokers Order, 2005; and
1.4.1.13 Any other applicable laws.

[Amendment No. 2 dated 31 August 2026)

1.5 DELETED

[Amendment No. 2 dated 31 August 2026)

1.6 This Notice shall have effect from 1 March 2027.

[Amendment No. 2 dated 31 August 2026)

2. DEFINITIONS

2.1 For the purposes of this Notice –

2.1.1 "bank(s)" has the same meaning as Section 2 of the Brunei Darussalam Central Bank Order, 2010.

[Amendment No. 2 dated 31 August 2026)

2.1.2 "digital financial products and services" means financial products and services offered by banks and financial institutions via digital platforms through electronic channels and devices including Internet and mobile devices, self-service and point-of-sale terminals.

2.1.3 “financial consumer(s)” means any person who uses, has used, or may be intending to use any financial product or service offered by a bank or financial institution, and includes prospective and existing consumers / borrowers, depositors, insurance policyholders, takaful participants, and clients of a holder of a capital market services licence. This includes any person specified by the Authority who uses, has used, or may be intending to use any financial product or service in connection with a business or company, or who is insured or covered under a group insurance policy or takaful certificate where the premiums or contributions are paid by that person.

[Amendment No. 2 dated 31 August 2026]

2.1.4 “financial institution(s)” has the same meaning as Section 2 of the Brunei Darussalam Central Bank Order, 2010:

For the avoidance of doubt and for the purposes of this Notice, “financial institution[s]” shall also include the following:

a) Operators of payment systems that have been approved to operate in Brunei Darussalam under the Notice on Requirements for Payment Systems (Notice No. PSO/N-1/2020/1);

b) Perbadanan Tabung Amanah Islam Brunei established under the Perbadanan Tabung Amanah Islam Brunei Act (Chapter 163);

c) Any other person specified by BDCB, provided that they are licensed, approved or regulated by BDCB under any BDCB written law and any directions issued thereunder.

[Amendment No. 2 dated 31 August 2026)

2.1.5 “group” refers to the bank or financial institution Head Office or parent bank or financial institution, subsidiaries[1], affiliates[2] and any entity (including their subsidiaries, affiliates and special purpose entities[3]) that the bank or financial institution exerts control over or that exerts control over the bank or financial institution.

2.1.6 “outsourcing” means an arrangement whereby a bank and financial institution engages in a third party (the service provider) to provide a bank and financial institution with a service that may already or may conceivably be performed by the bank and financial institution itself which includes the following characteristics:

a) the bank or financial institution is dependent on the service on an ongoing basis but excludes services that involve the provision of a finished product;

[1] As defined in Notice for Complaints Handling Function Within Financial Institutions (Notice No. FCI/N1/2020/1)
[2] As above.
[3] As above.

b) the service is integral to the provision of a financial service by the bank or financial institution and/or the service is provided to the market by the service provider in the name of the bank and financial institution; and

c) it is prohibitive to change the service provider as substitutes are lacking in the market or may only be replaced at significant cost to the bank or financial institution.

2.1.7 "personal data" means data, whether true or not, about an individual who can be identified –

(a) from that data; or

(b) from that data and other information to which the organisation has or is likely to have access.

[Amendment No. 2 dated 31 August 2026)

2.1.8 "service provider" means any party which provides a service to the bank or financial institution, including a member of the group to which the bank or financial institution belongs.

3. DISCLOSURE AND TRANSPARENCY

3.1 Banks and financial institutions shall take affirmative action to ensure that their financial consumers have a reasonable and holistic understanding of products and services available. In this context, full disclosure and utmost transparency are the critical elements that empower financial consumers to make informed financial decisions. This is made possible by providing financial consumers with ready access to information that is free-of-charge and that accurately represents the nature and structure of the product or service, its terms and conditions, as well as its fundamental benefits and risks.

[Amendment No. 2 dated 31 August 2026)

3.2 Banks and financial institutions shall have complete and concise terms and conditions, that include all chargeable interest/profit, fees, charges and penalties. Depending on the nature of the businesses, these terms and conditions may be supplemented with an additional document, such as a product disclosure sheet, that summarises the important points of the terms and conditions in layman language and that provides an illustration of how interest/profit, fees, charges and penalties work and how they may affect financial consumers' financial position, in order to better facilitate their understanding. Documents that allow financial consumers to monitor their financial obligations, such as a schedule of payment, shall be provided to financial consumers upon entering a contract, or at the earliest opportunity, where applicable.

[Amendment No. 2 dated 31 August 2026)

3.3 The terms and conditions, either in soft or hard copy form, shall be provided to financial consumers at the point of entering a contract. Banks and financial institutions shall provide financial consumers reasonable time to review the terms and conditions prior to signing contracts or executing transactions.

[Amendment No. 2 dated 31 August 2026)

3.4 Any material change to the terms and conditions and its implications to financial consumers shall be communicated to financial consumers. Communication includes a public notice, letters, phone calls, text messages or any other electronic mode of communication including email. Banks and financial institutions shall provide a reasonable period to financial consumers to decide whether they wish to proceed with or terminate their subscription to the product or service.

[Amendment No. 2 dated 31 August 2026)

3.5 Banks and financial institutions or their representatives are required to disclose information on their products and services, in particular on any interest/profit, fees and charges and to make this information available at all relevant platforms and avenues, including at all premises, and on their website, if available. Such disclosures shall be timely, clear, concise, accurate, relevant, consistent and comparable. Disclosure shall occur both before and during the sale or subscription of a product.

3.6 Banks and financial institutions shall ensure financial consumers are made aware of the accountability and liability of involved parties in the case of errors, such as unauthorised or fraudulent transactions, for products or services offered by a service provider under an outsourcing arrangement with the bank or financial institution.

[Amendment No. 2 dated 31 August 2026)

3.7 Banks and financial institutions are required to ensure that front line staff or representatives who interact directly with financial consumers are properly and sufficiently trained, in particular in disclosing information in a transparent manner and in a language accessible to all. Front line staff or representatives are to be equipped with an appropriate level of knowledge of the characteristics of the financial products and services offered by the bank and financial institution, including any Syariah-compliant characteristics, if applicable. Further, front line staff or representatives shall be qualified to a fit and proper standard.

[Amendment No. 2 dated 31 August 2026)

3.8 In the case of digital financial products and services, banks and financial institutions shall consider how terms and conditions, as well as information on their products and services, are accessed and displayed and to ensure that they are easily navigated, taking into account factors such as different screen sizes, different user interfaces, scroll down time, etc., recognising that not all financial consumers may be digitally literate.

[Amendment No. 2 dated 31 August 2026)

3.9 Advertisements and promotional materials of the financial products offered by the banks and financial institutions shall not make false, misleading, or deceptive statements that may materially and/or adversely affect the decision of the financial consumer to avail of a service or acquire a product. Banks and financial institutions shall ensure that advertisements and promotional materials are legible and understandable by the general public. It shall disclose clear, accurate, updated and relevant information about the financial product or service.

4. DELETED

[Amendment No. 2 dated 31 August 2026)

5. PROTECTION OF FINANCIAL CONSUMER DATA AND INFORMATION

5.1 Banks and financial institutions shall have a written privacy policy and controls in place to handle, protect and safeguard financial consumers' personal data and information. Such policies and controls shall be adjusted or updated as appropriate to reflect any relevant changes in technology or updates in relevant legislations, industry standards and practices, or any risks associated.

[Amendment No. 2 dated 31 August 2026)

5.2 Banks and financial institutions shall have in place measures to inform financial consumers clearly and effectively of its written privacy policy, including what data will be collected and how it will be used and stored, prior to its collection and use.

[Amendment No. 2 dated 31 August 2026)

5.3 Upon the request of the banks and financial institutions for personal data, financial consumers shall be given the option to consent (either expressly or tacitly) or refuse to consent, and shall be informed of the implication where consent is refused. Where possible, banks and financial institutions shall limit the amount of personal data collected to only what is necessary for its intended purpose and may only be retained for the duration of its intended usage or where legally required to do so.

[Amendment No. 2 dated 31 August 2026)

5.4 Banks and financial institutions shall notify financial consumers in writing of any change in the privacy policy and clarify the implications of such changes, including if such changes will require additional consent from financial consumers.

[Amendment No. 2 dated 31 August 2026)

MANAGING DIRECTOR
BRUNEI DARUSSALAM CENTRAL BANK

Issue Date: 18 Rabiulawal 1448H / 31 August 2026