



**GUIDELINES TO ISLAMIC BANKS  
GUIDELINES NO. BU/G-10/2018/18**

**GUIDELINES ON RISK MANAGEMENT FRAMEWORK**

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1. The Guidelines on Risk Management Framework (“these Guidelines”) set forth the expectations of Autoriti Monetari Brunei Darussalam (“the Authority”) with respect to an Islamic bank’s risk management framework.
2. For the purposes hereof, risk management framework means, collectively, the governance, systems, structures, policies, procedures and people that identify, measure and evaluate, control and mitigate, monitor, and report risk on a bank-wide (and group-wide) basis.
3. These Guidelines are foundational and must be read with other relevant Guidelines issued by the Authority and the pronouncements of the Basel Committee on Banking Supervision.
4. These Guidelines as elaborated upon further in **ANNEX 1** are issued pursuant to section 127 of the Islamic Banking Order, 2008 and applies to all Islamic banks in Brunei Darussalam (hereinafter referred to as “bank(s)”).
5. These Guidelines shall take immediate effect.
6. The Authority expects Islamic banks to embrace the spirit of these Guidelines and adhere to these Guidelines on a “comply or explain” basis.

**MANAGING DIRECTOR  
AUTORITI MONETARI BRUNEI DARUSSALAM**

Date: 19 Rabiulakhir 1440H / 27 December 2018