



## NOTICE NO. BS/N-6/2015/35

### SERVICE FEES / CHARGES

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#### 1. INTRODUCTION

- 1.1. Financial Institutions (“FIs”) are expected in ensuring that fees and charges levied on financial products and services offered are equitable to both the customer and the FIs.
- 1.2. This Notice is issued pursuant to section 54 of the Autoriti Monetari Brunei Darussalam Order, 2010 and applies to all licensees under the following:-
  - 1.2.1. Banking Order, 2006;
  - 1.2.2. Islamic Banking Order, 2008; and
  - 1.2.3. Finance Companies Act, Chapter 89.
- 1.3. This Notice shall only apply to applicable fees and charges imposed on financial products and services offered to natural persons.
- 1.4. This Notice shall take effect from 8<sup>th</sup> June 2015.

#### 2. DEFINITIONS

- 2.1. For the purposes of this Notice-

“**Certificate of Balance**” means a certification of the outstanding balance of a customer’s accounts (either loans/financing or deposits) produced by the licensee;

“**Clearance Letter**” means a letter to confirm that a customer does not have any undischarged liabilities with the licensee before the customer transfer his/her salary to another licensee;

“**Credit/Financing Facility(ies)**” means secured and unsecured credit/financing facility(ies) provided to a customer by a licensee in the form of loan(s)/financing, advance(s), hire-purchase, credit cards or any other form or manner of credit/financing;

“**Early Repayment/Settlement**” means the early termination or settlement of a Credit/Financing facility in full;



“**Hire Purchase Facilities**” means facilities granted under hire-purchase agreement within the meaning of section 2 of the Hire Purchase Order, 2006;

“**Prepayment**” means partial prepayment of the outstanding Credit/Financing facility;

“**Restructure/Top-Up**” means restructuring/rescheduling of Credit/Financing facility, which includes topping-up of existing Credit/Financing facility and amendment/variation of existing contract of the Credit/Financing facility;

“**Unsecured Personal Credit/Financing Facility(ies)**” means an unsecured non-card Credit/Financing facility(ies) extended for personal purposes which is not collateralized by a lien on specific assets of the customer and which may or may not be salary assigned.

### 3. REGULATED SERVICE FEES / CHARGES

3.1. The following service fees and charges levied to all Unsecured Personal Credit/Financing Facilities and all Hire Purchase Facilities are hereby regulated as follows:-

3.1.1. Certificate of Balance fee shall not exceed BND30;

3.1.2. Clearance Letter fee shall not exceed BND30;

3.1.3. Restructure/Top-up fee shall not exceed BND150;

3.1.4. Early Repayment/Settlement fee shall not exceed the following amount:

	Remaining tenor of the Credit/Financing facility	Maximum Fees
A	More than half of the original tenor	2% of the outstanding amount <sup>1</sup> or maximum BND500, whichever is lower
B	Less than half of the original tenor	1% of the outstanding amount <sup>1</sup> or maximum BND250, whichever is lower

*[Corrigendum dated 5 June 2015]*

3.1.5. Prepayment fees shall not exceed 1% of the prepaid amount (and not on the total limit or outstanding amount) or BND200, whichever is lower.

<sup>1</sup> Total outstanding amount of the credit facility shall be defined as total principal amount of the total credit facility (excluding interest/profit) which remains unpaid at the point of settlement.



- 3.2. However, licensees may at their discretion waive/omit any of the above fees.
- 3.3. The regulated fees and charges above shall have a retrospective effect i.e. covering existing and new Credit/Financing facility.

#### **4. SERVICE FEE / CHARGES DISCLOSURE REQUIREMENTS**

- 4.1. Upon the taking of effect of this Notice, all licensees:
  - 4.1.1. shall provide customers with details of current service fees/charges that apply (or may apply) to the product or services entailed, in a clear and conspicuous manner, at the point of application;
  - 4.1.2. shall provide maximum publicity to all fees and charges imposed on products and services at all branches including on licensees' websites and relevant published materials;
  - 4.1.3. shall notify the Authority in writing at least two months in advance, of any revision to the existing fees and charges or, of any new fees and charges to be imposed on products and services offered to their customers;
  - 4.1.4. shall notify to its customers in writing at least one month in advance, of any revision to the existing fees and charges or, of any new fees and charges to be imposed on products and services offered to the particular customers;
  - 4.1.5. shall provide to their customers at no cost, a Loan/Financing Repayment Schedule, upon approval of a new Credit/Financing facility, which contains the minimum information stated as per **Schedule I**.
- 4.2. In the event a customer incurs any fees or charges such as late payment charges, licensees are encouraged to exclude such fees or charges in determining the total outstanding principal amount of a Credit/Financing facility and such fees or charges are encouraged to be excluded from incurring monthly interest/profit charges.

**MANAGING DIRECTOR**

**AUTORITI MONETARI BRUNEI DARUSSALAM**

Date: 10 Sya'ban 1436 / 28 May 2015



**SCHEDULE I**

Loan/Financing Repayment Schedule shall include the minimum information as below:-

<b>Approved Principal Amount:</b>	<b>(BND)</b>				
<b>Tenure:</b>	<b>(months)</b>				
<b>Rate:</b>	<b>(effective interest / profit rate)</b>				
<b>Date of Approval:</b>	<b>(dd/mm/yyyy)</b>				
<b>Month</b>	<b>Principal Opening Balance (BND)</b>	<b>Interest /Profit Charged (BND)</b>	<b>Principal Payment (BND)</b>	<b>Monthly Installment (BND)</b>	<b>Principal Closing Balance (BND)</b>
1					
2					
3					
Last month of Maturity					