



**FINANCIAL INTELLIGENCE UNIT
AUTORITI MONETARI BRUNEI DARUSSALAM**

**GUIDANCE ON OBLIGATIONS UNDER
THE ANTI-TERRORISM (TERRORIST FINANCING) REGULATIONS, 2013**

Introduction

1. In a global effort to combat terrorist financing, the United Nations Security Council (UNSC) requires countries to implement the targeted financial sanctions regimes to comply with the UNSC resolutions (UNSCRs or resolutions) relating to the prevention and suppression of terrorism and terrorist financing. These resolutions require countries to freeze, without delay, the funds or other assets of, and to ensure that no funds or other assets are made available, directly or indirectly, to or for the benefit of, any designated person.
2. In December 2012, the Anti-Terrorism (Terrorist Financing) Regulations, 2013 (the Regulations) issued under section 70 of the Anti-Terrorism Order, 2011 implement in Brunei Darussalam the following UNSCRs relating to terrorism and terrorist financing, including any subsequent or successor resolutions:-
 - Resolution 1988 (2011) concerning the Taliban and associated individuals and entities who constitute a threat to the peace, stability and security of Afghanistan;
 - Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals and entities; and
 - Resolution 1373 (2001).
3. The Regulations set out prohibitions and offences in dealing with a “Designated Person” by any person, including financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs), in Brunei Darussalam or any citizen or such FIs and DNFBPs of Brunei Darussalam outside of Brunei Darussalam. “Designated Person” is defined as:
 - a) An individual or entity associated with ISIL (Da'esh) and Al-Qaida as designated by the ISIL (Da'esh) & Al-Qaida Sanctions Committee on the ISIL (Da'esh) & Al-Qaida Sanctions List;
 - b) An individual or entity associated with the Taliban in constituting a threat to the peace, stability and security of Afghanistan as designated by the 1988 Sanctions Committee on the 1988 Sanctions List;

- c) An individual or entity designated by the Minister under regulations made under the Anti-Terrorism Order 2011 pursuant to Resolution 1373 and any subsequent or successor resolutions; and
 - d) An individual or entity declared by the Minister as a terrorist or a terrorist group under section 65 of the Anti-Terrorism Order 2011.
4. The Brunei Darussalam consolidated list of designated persons under the Regulations is available on the Autoriti Monetari Brunei Darussalam (AMBD) website at:
[http://www.ambd.gov.bn/pages/combating-the-financing-of-terrorism-\(cft\)-matters](http://www.ambd.gov.bn/pages/combating-the-financing-of-terrorism-(cft)-matters)

Purpose and Objective

- 5. This guidance paper is for the FIs and DNFBPs supervised by AMBD and should be read in conjunction with the Anti-Terrorism (Terrorist Financing) Regulations, 2013. List of all types of FIs and DNFBPs supervised by AMBD is available in **Appendix 1**.
- 6. The objective of this guidance paper is to help FIs and DNFBPs implement their obligations under the Regulations.

Actions required by FIs and DNFBPs

- 7. You are expected to take the following actions on an ongoing basis to fulfill your obligations under the Regulations, as follows:
 - a) *Search for property of Designated Persons:*

(i) New Customers:

You are expected to screen the names of new customers, including the beneficial owners of such customers where applicable, against the consolidated list of Designated Persons. The searching should be conducted at the time of on-boarding the customer. If a new customer or a beneficial owner of such customer is on the list of Designated Persons, FIs and DNFBPs are prohibited under the Regulations from establishing business relations with the customer.

(ii) Existing Customers:

You are expected to screen the names of all existing customers, including the beneficial owner(s) thereof where applicable, on a regular basis against the consolidated list of Designated Persons.

“Regular basis” means at least weekly, and in the case of larger FIs or DNFBPs a more frequent schedule should be considered.

If you have reasonable grounds to suspect or believe that an existing customer or beneficial owner is a Designated Person, you must take the action set out in paragraph 7(b) below.

(iii) New Listing of Designated Person(s) by UNSCR:

You are expected to screen the names of newly listed Designated Persons immediately following their designation.

“Immediately” means no later than 24 hours following the designation under the Regulations as the case may be.

If you have reasonable grounds to suspect or believe that a newly Designated Person is your customer or a beneficial owner of your customer, you must take the action set out in paragraph 7(b) below.

(iv) Persons Associated with Designated Persons:

In executing the actions set out under paragraph 7(a), you should keep in mind that other persons may be authorised or is dealing on behalf of a Designated Person. When screening against list of Designated Persons, you should record any persons known to be associated with the Designated Persons.

Regulation 20 of the Anti-Terrorism (Terrorist Financing) Regulations, 2013 requires you to report circumstances that may involve actions or knowledge of persons associated with Designated Persons.

(v) Determination that a customer, beneficial owner or other associate is a Designated Person:

If a name on your records matches or substantially matches that of a Designated Person, you should compare the personal identifiers, if any, on the Designated Persons list (for example: date of birth, place of birth, nationality, address, etc.) to the full range of personal information in your records.

This would include, for example, details or copies of documents used to verify the identity of an individual customer or beneficial owner, or the existence of a customer entity, or other verified or easily verifiable information required to be collected or otherwise obtained in the normal course of establishing or maintaining a business relationship, some or all of which was verified at the time of entering the relationship.

Other steps to verify personal customer information could include comparing it with publicly available information and/or contacting the customer directly to update the customer’s file. On the basis of all that information, along with any other pertinent information reasonably available, you should determine whether the person in your records is a Designated Person.

(vi) False Positives:

You should be aware that an individual or entity on your records may not be a Designated Person even where the name fully matches one contained in the list of Designated Persons. This may be the case where, for example, there are mismatches between the personal identifiers on the Designated Persons list and the personal information about the individual or entity on your records.

Similarly, an individual or entity on the your records may be a Designated Person even where the names do not match fully. This may be the case where, for example, the personal identifiers on the Designated Persons list and personal information about the individual or entity in your records match fully or very closely.

b) Freeze without delay property of Designated Persons

If you determine that you are dealing with a Designated Person using the actions set out in paragraph 7(a) above, or otherwise have reasonable grounds to suspect or believe that you are, you must identify any funds or any other assets belonging to such person(s) and freeze them immediately.

“Immediately” means within a matter of hours after such determination. This is to prevent the transfer or removal of such funds or other assets that may be for, or related to, terrorism or terrorist financing.

c) Prohibit any new or further dealings with Designated Person:

You must decline and not enter into any further dealings including the provision of any financial services to any Designated Person. This includes, but is not limited to, investment advice, credit card services, remittances or currency exchange services, etc.

d) Prohibit access to economic resources by Designated Person:

The Regulations prohibit you from providing access to any property including any assets that can be used to generate income, or which may be used for terrorism or terrorism related activities.

8. FIs and DNFBPs that use commercial software products to automate the gathering of information on customers and beneficial owners should consider extending the use of such products to searching for the names of Designated Persons and others, as outlined in paragraph 7 above. FIs and DNFBPs who exercise this option should ensure that the commercial product used is continuously updated with the names of Designated Persons as contained on the consolidated lists published by AMBD.

Reporting Obligations

9. Regulation 20 of the Anti-Terrorism (Terrorist Financing) Regulations, 2013 requires FIs and DNFBPs to inform the Financial Intelligence Unit (FIU), AMBD if it knows or has reasonable cause to suspect, that a person:
 - (i) is a Designated Person; in most cases this would be the customer or the beneficial owner of the customer;
 - (ii) has dealt or is dealing with property owned, held or controlled by a designated person; this could be the beneficial owner of a customer, or an authorized agent or other person authorized to deal with the account assets; or
 - (iii) made or is making property or financial services available (directly or indirectly) to a Designated Person or for the benefit of a Designated Person. This could be another FI or DNFBP and could include a person or entity outside of Brunei Darussalam.
10. The report should be in a form of a suspicious transaction report (STR) and must be submitted **immediately** to the FIU, no **more than 24 hours** after the suspicion or reasonable grounds to suspect is established, to allow prompt action by the relevant authorities.
11. Your compliance officer should complete the STR form available online at the Integrated Financial Intelligence System (IFIS) website (<https://ifis.ambd.gov.bn>).
12. Technical requirements are included in the Reporting Instructions document that is provided upon registration with IFIS.
13. All FIs and DNFBPs must be registered with IFIS. If your institution is not yet registered, please contact IFIS helpdesk at 2382614 or email at ifishelpdesk@ambd.gov.bn



Details to be included in the STR to FIU on Designated Persons

14. Reports on Designated Persons must include (but not necessarily be limited to) the following details:
 - The name and confirmation that the customer, beneficial owner or other person that matches the names in the consolidated list of designated persons;
 - All identification information on the persons;
 - Where the person being reported on is associated with a Designated Person but is not listed as a Designated person, the information on which the knowledge or suspicion is based;

- As much information about the property including information about the owner and controller of the property if they are not the Designated Person, or the customer; and
- Nature and amount or quantity of fund or property held for the customer at the time it was detected.

Assistance from Authority

15. Regulation 19 enables you to seek assistance of AMBD to determine whether or not an asset is owned or controlled by a Designated Person. If you suspect a property in your possession may be a freezable property, you may apply in writing for assistance from AMBD. Applications must be addressed to the FIU. Applicants must include all details of the property and as much information about the property, its owner and/or controller.
16. Freezing of property or assets should not be postponed or put on hold until such time as there is a final determination if the owner or controller of asset is a Designated Person. You must act swiftly to ensure there is no delay in the freezing of the assets.

Release of frozen property of designated persons

17. Any dealings with, or provision of access to, frozen properties can only be conducted upon presentation of a certificate issued by AMBD. Any such authorized dealings will only cover basic expenses dealings or extraordinary expense dealings as set out in Regulation 17.

Comments and how to contact the FIU

18. This guidance paper will be reviewed on a periodic basis. If you have any comments or suggestions to help improve this paper, please send your comments by email to fiu@ambd.gov.bn.
19. For further information, please contact the FIU at:

Financial Intelligence Unit
Autoriti Monetari Brunei Darussalam
Level 7, Ministry of Finance Building
Commonwealth Drive
Bandar Seri Begawan BB 3910
Brunei Darussalam
Tel: +673 2382614

Date: May 2018

Financial Institutions (FIs)

APPENDIX 1

1. Banks
2. Finance Companies
3. Islamic Trust Fund
4. Insurance/Takaful Companies
5. Money Changers
6. Money Remitters
7. Pawnbrokers
8. Registered Agents & Trust Companies
9. Capital Market Services
 - (i) Capital Market Services Licence
 - (ii) Capital Markets Services Representative Licence
 - (iii) Collective Investment Schemes Licence
 - (iv) Recognised operator of Foreign Trading Facility
10. Securities Dealer
11. Mutual Fund Manager

Designated Non-Financial Businesses and Professions (DNFBPs)

1. Accountants
2. Auditors
3. Advocates and Solicitors
4. Goldsmiths and Jewelers
5. Real Estate Agents
6. Company Service Providers