



**NOTICE UNDER THE  
SECURITIES MARKETS ORDER, 2013**

**NOTICE NO. CMA/N-2/2019/14**

**NOTICE ON PROVIDING MARKET ACCESS TO A FOREIGN MARKET**

**1. INTRODUCTION**

- 1.1. This Notice is issued pursuant to Section 239(1) of the SMO and applies to all Investment Dealers who are providing or intend to provide market access to a Foreign Market to investors in Brunei Darussalam.
- 1.2. This Notice shall take effect on 4 November 2019 (effective date).

**2. DEFINITIONS**

- 2.1. For the purposes of this Notice –

“Authority” means Autoriti Monetari Brunei Darussalam;

“CMSL” means capital markets services licence;

“Counterparty Broker” means the person who is licensed, registered, approved or authorised by a Foreign Regulator to perform, including but not limited to, the regulated activity of dealing in investments (or its equivalent) as regulated by the Foreign Regulator in the Foreign Jurisdiction;

“Foreign Jurisdiction” means the jurisdiction in which the Counterparty Broker is licensed, registered, approved or authorised;

“Foreign Regulator” means the regulatory authority responsible for the licensing, registration, approval or authorisation and supervision of the Counterparty Broker in that Foreign Jurisdiction;

“Foreign Market” means a market that is provided by a securities exchange that is licensed, registered, approved or authorised by the Foreign Regulator in the Foreign Jurisdiction;

“Investment Dealer” means a CMSL holder who is licensed to conduct the regulated activity of dealing in investments under the SMO;

“IOSCO MMOU” means the International Organisation of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information;

“Market Access” means access to a Foreign Market through a Counterparty Broker;

“SMO” means the Securities Markets Order, 2013 and any regulations or other subsidiary legislation made thereunder; and

“SMR” means the Securities Markets Regulations, 2015.

- 2.2. Any expression used in this Notice shall, except where expressly defined in this Notice or where the context requires otherwise, have the same meaning as in the SMO.

### 3. **PURPOSE**

- 3.1 This Notice requires all Investment Dealers to notify the Authority prior to providing Market Access to a Foreign Market to investors in Brunei Darussalam.
- 3.2 This Notice shall be read together with Notice No. FCIU/N2/2017/1 Notice on Market Conduct Guideline No. CMA/G-2/2019/7 Guideline on Providing Market Access on a Foreign Market.

4. **NOTIFICATION AND REQUIREMENT ON PROVIDING MARKET ACCESS**

4.1. An Investment Dealer who intends to provide Market Access to a Foreign Market to investors in Brunei Darussalam is required to notify the Authority 30 days prior to the provision of such market access.

4.2. An Investment Dealer shall not provide Market Access to a Foreign Market unless it has satisfied the following –

- (a) proper arrangements are in place or will be put in place with the Counterparty Broker that enables the Investment Dealer to provide Market Access to a Foreign Market to investors in Brunei Darussalam;
- (b) the Foreign Regulator is a full signatory to the IOSCO MMOU. This is to ensure effective co-operation arrangements for –
  - (i) Prompt sharing of information by the relevant Foreign Regulator; and
  - (ii) Effective co-operation on investigation and enforcement; and
- (c) the Investment Dealer has conducted due diligence in selecting the Counterparty Broker.

5. **EXISTING ACCESS TO FOREIGN MARKETS**

Whilst an Investment Dealer who has been providing Market Access to a Foreign Market prior to the effective date of this Notice is not required to submit a notification to the Authority pursuant to paragraph 4.1 above, they are nevertheless required to comply with other provisions of this Notice within 12 months from the effective date thereof.

6. **DISCLOSURE OF FEES**

- 6.1. An Investment Dealer is required to comply with disclosure and transparency requirements set out under the Notice No. FCIU/N2/2017/1 Notice on Market Conduct.
- 6.2. An Investment Dealer shall disclose to its client details of any fee charges by the Investment Dealer to the client and any fee charges to the client as a result of the Counterparty Broker arrangement.
- 6.3. In the event of a failure to provide the fee charges in accordance with paragraph 6.2 above, an Investment Dealer must instead provide to its clients details on the basis for fee calculation.

7. **NOTIFICATION**

- 7.1. An Investment Dealer is required to notify the Authority of any variation or termination of the Counterparty Broker agreement signed by the Counterparty Broker no later than fourteen (14) days from the occurrence of the event.
- 7.2. An Investment Dealer shall also notify the Authority of any adverse development arising from the Counterparty Broker arrangement, no later than fourteen (14) days from the occurrence of the event.

8. **SUBMISSION OF INFORMATION**

- 8.1. An Investment Dealer is required to submit any additional documents and any other information as may be determined by the Authority.

**MANAGING DIRECTOR  
AUTORITI MONETARI BRUNEI DARUSSALAM**

Issue Date: 7 Rabiulawal 1441 / 4 November 2019