



Effective date: 1 September 2024

**NOTICE FOR FINANCIAL INSTITUTIONS AND
DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS
NOTICE NO. FIU/N-1/2024/1**

NOTICE ON OBLIGATIONS TO CONDUCT ACTIONS IN RESPECT OF DESIGNATED PERSONS



1. INTRODUCTION

- 1.1. This Notice is issued pursuant to Section 67 of the Anti-Terrorism Order, 2011 (“A-TO, 2011”) and is to be read in conjunction with: -
 - 1.1.1. Section 47 of “A-TO, 2011; and
 - 1.1.2. the Anti-Terrorism (Terrorist Financing) Regulations, 2013 (“A-T(TF)R, 2013”)
- 1.2. As part of the global effort to combat terrorist financing, the United Nations Security Council (“UNSC”) requires countries to implement targeted financial sanctions regimes. This is in order to comply with UNSC Resolutions (“UNSCRs”) relating to the prevention and suppression of terrorism and terrorist financing. UNSCRs 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.
- 1.3. Under this Notice, Financial Institutions (“FIs”) and Designated Non-Financial Businesses and Professions (“DNFBPs”) are subject to the following obligations: -
 - 1.3.1. in relation to the consolidated list of Designated Persons (Paragraph 3); and
 - 1.3.2. in relation to filing a Suspicious Transaction Report (“STR”) concerning Designated Persons (Paragraph 4).
- 1.4. The A-T(TF)R, 2013 have also set out prohibitions and offences in relation to dealing with a Designated Person or entity, that are applicable to all individuals including FIs and DNFBPs within Brunei Darussalam, as well as citizens and such FIs and DNFBPs of Brunei Darussalam located outside the country.
- 1.5. The Brunei Darussalam consolidated list of Designated Persons under the A-T(TF)R, 2013 is available on the Brunei Darussalam Central Bank (“BDCB”) website at: <http://www.bdcb.gov.bn>
- 1.6. Further to 1.1 above, where applicable, this Notice shall be read together with any relevant Legislations, Notices and Guidelines issued by the Authority, in particular:
 - 1.6.1. Criminal Asset Recovery Order, 2012 (“CARO, 2012”);
 - 1.6.2. Guidelines on the Obligation to Submit a Suspicious Transaction Report (“STR”) under Section 15 of the CARO, 2012 and Section 47 of the A-TO, 2011 [Guideline No. FIU/G-2/2022/2];
 - 1.6.3. Guidance Paper to Financial Institutions on Anti-Money Laundering and Combating the Financing of Terrorism (“AML/CFT”) Transaction Monitoring Programme; and
 - 1.6.4. Any other Notices, Directives or Guidelines, which the Authority may issue from to time.



- 1.7. This Notice shall take effect on 1 September 2024 and replace the Guidance on Obligations Under the A-T(TF)R, 2013 issued in May 2018.

2. DEFINITIONS

- 2.1. For the purpose of this Notice:
- 2.1.1. “Authority” means the Brunei Darussalam Central Bank established by Section 3(1) of the Brunei Darussalam Central Bank Order, 2010;
- 2.1.2. “Beneficial Owner” has the same meaning attributed to it in Section 2 of CARO, 2012;
- 2.1.3. “deal”, in relation to any property, includes –
- a) receiving, acquiring or possessing the property;
 - b) concealing or disguising the property (whether by concealing, or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it or otherwise);
 - c) disposing of or converting the property;
 - d) bringing the property into or removing the property from Brunei Darussalam;
 - e) using the property to borrow money, or as security (whether by way of charge, mortgage or pledge or otherwise); or
 - f) where a debt is owed to the person holding the property, making a payment to any person in reduction of the amount of the debt.
- 2.1.4. “Designated Non-Financial Businesses and Professions” shall have the same meaning as defined under Section 2 of the A-TO, 2011;
- 2.1.5. “entity” shall have the same meaning as defined under Section 2 of the A-TO, 2011;
- 2.1.6. “Financial Institution” shall have the same meaning as defined under Section 2 of the A-TO, 2011; and
- 2.1.7. “Immediately” means no later than 24 hours following the designation under the A-T(TF)R, 2013 as the case may be.
- 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, A-TO, 2011 and the A-T(TF)R, 2013.



3. ACTIONS REQUIRED BY FIs AND DNFBPs IN RESPECT OF THE CONSOLIDATED LIST OF DESIGNATED PERSONS

3.1. Pursuant to Regulations 3, 4, 5 and 6 of the A-T(TF)R, 2013, FIs and DNFBPs shall take the following actions:-

3.1.1. In regards to new customers:

- a) FIs and DNFBPs shall screen the names of new customers, including the Beneficial Owner(s) of such customers thereof where applicable, against the consolidated list of Designated Persons. This shall be conducted at the time of onboarding the customer; and
- b) In the instance that the new customer or Beneficial Owner is listed on the consolidated list of Designated Persons, FIs and DNFBPs shall not establish business relations with the potential customer or Beneficial Owner.

3.1.2. In regards to existing customers:

- a) FIs and DNFBPs shall screen the names of all existing customers, including the Beneficial Owner(s) against the consolidated list of Designated Persons for every new transaction conducted and as part of their ongoing due diligence as prescribed under Section 13 of CARO, 2012.
- b) FIs and DNFBPs shall immediately screen the names of all existing customers against the new listing of Designated Person(s) by the UNSCRs as well as the updates made to the consolidated list of Designated Persons.
- c) FIs and DNFBPs shall take appropriate actions such as freezing assets and fulfilling reporting obligations, in accordance with Regulations 6, 7 and 20 of the A-T(TF)R, 2013, in the following circumstances:
 - i. Where there are reasonable grounds to suspect or believe that a newly Designated Person is a customer or a Beneficial Owner of a customer; or
 - ii. Where there are reasonable grounds to suspect or believe that an existing customer or Beneficial Owner is a Designated Person or belongs to the Consolidated List of Designated Persons.
- d) FIs and DNFBPs shall screen and identify any frozen funds or assets against persons or entities delisted from the consolidated list of Designated Persons. In such instances, FIs and DNFBPs shall release frozen funds or assets belonging to such delisted persons and entities.



3.2. In identifying persons associated with Designated Persons or Entities, FIs and DNFBPs shall take the following actions:-

3.2.1. Conduct a verification process, as follows:

- a) If a name matches or substantially matches that of a listed Designated Person, FIs and DNFBPs shall compare personal identifiers, if any, against the consolidated list of Designated Persons. These personal identifiers shall include, but not limited to, the following:
 - i. Name or alias;
 - ii. National identity card number or social security number (“SSN”) or details of any official document of identity;
 - iii. Date and place of birth;
 - iv. Nationality or citizenship;
 - v. Customer identification number or account number(s); and
 - vi. Address.
- b) In relation to 3.2.1.a) above, FIs and DNFBPs must ensure that the details or copies of documents used for confirming the identity of individual customers, Beneficial Owners or the existence of a customer entity are maintained. Additionally, FIs and DNFBPs shall collect or obtain other verified or easily verifiable information during the normal course of establishing or maintaining a business relationship. Such information are to be verified at the time of entering the business relationship.
- c) FIs and DNFBPs shall also consider taking further steps to verify personal customer information by cross-referencing the information with publicly available data and, without exception, directly contacting the customer to update their information. Following this, along with any other pertinent information reasonably available, FIs and DNFBPs shall determine whether the person in their records is a confirmed Designated Person.

3.2.2. In determining persons associated with Designated Persons, FIs and DNFBPs shall take into account third parties acting on behalf of the Designated Persons:

- a) in fulfilling the actions set out under the A-T(TF)R, 2013, FIs and DNFBPs must recognise that third parties may be authorised or is dealing on behalf of a Designated Person; and
- b) in relation to fulfilling the requirements set out in 3.1 above, FIs and DNFBPs shall record any persons known to be associated with the Designated Persons and submit an STR, including details on the circumstances that may involve actions or knowledge of persons associated with Designated Persons.



- 3.2.3. In determining false positives, FIs and DNFBPs shall take into account the matching requirements of name and personal identifiers, including partial name of an individual or entity, as follows:
- a) Where there is a partial match between the personal identifiers on the consolidated list of Designated Persons and those within the customer records of the FI or DNFBP, an individual or entity may not be a Designated Person even when the name fully matches with the names on the consolidated list of Designated Persons. FIs and DNFBPs shall take the necessary steps to verify and confirm that it is a false positive, prior to establishing/resuming business relations with the customer; and
 - b) Where the personal identifiers on the consolidated list of Designated Persons closely or fully match the personal information about the individual or entity, an individual or entity may nevertheless be a Designated Person, even when the name does not fully match with the names on the consolidated list of Designated Persons.
- 3.3. FIs and DNFBPs that use commercial software products to automate the gathering of information on customers and Beneficial Owners should extend to the use of such products to screen for the names of Designated Persons and entities, as outlined in 3.1 above.
- 3.4. In relation to 3.3, 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 in the consolidated list published by BDCB.

4. REPORTING OBLIGATIONS

- 4.1. Pursuant to Regulation 20 of the A-T(TF)R, 2013, FIs and DNFBPs shall submit reports in the form of an STR and must be submitted immediately to the Financial Intelligence Unit (“FIU”) through the Integrated Financial Intelligence System (“IFIS”) website at: <https://ifis.bdcg.gov.bn>
- 4.2. In relation to 4.1 above, the STR concerning Designated Persons are to be submitted **no more than 24 hours** after the suspicion or reasonable grounds for suspicion is established, in order to allow prompt action by the relevant authorities.
- 4.3. All FIs and DNFBPs are to be registered with IFIS.

**MANAGING DIRECTOR
BRUNEI DARUSSALAM CENTRAL BANK**