



**NOTICE NO. 2 / 2009**

**(PURSUANT TO SECTION 66 OF THE BANKING ORDER 2006)**

- 1. MAINTENANCE OF STATUTORY RESERVE FUND**
  - 2. DISTRIBUTION OF PROFITS**
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1. The requirements of Section 24(1) of the Banking Order 2006 states that every bank shall maintain a Reserve Fund and transfer to the Reserve Fund out of the net profits of each year, after due provision has been made for taxation, a sum determined under Section 24(1)(b)(i), (ii) and (iii) of the same.
2. For the avoidance of doubt, the Reserve Fund shall be maintained in Brunei Darussalam.
3. In accordance with Section 8 (2)(d) and Section 8(2)(e)(i) of the Banking Order 2006, the “paid-up capital’ referred to in Section 24(1)(b)(i), (ii) and (iii) of the same is as follows:-
  - (a) for a bank incorporated locally in Brunei Darussalam, a sum not less than B\$100,000,000;
  - (b) for a bank whose head office is located outside of Brunei Darussalam having a registered place of business (a branch) in Brunei Darussalam, a sum not less than B\$1,000,000,000.
4. All licensed banks shall effect such transfers to the reserve fund pursuant to 24(1)(b)(i), (ii) and (iii) of the Banking Order 2006.
5. In the event of non-compliance, the attention of all licensed banks is drawn to the provision to Section 24(3) of the Banking Order 2006.



6. In the case of a licensed bank whose head office is located outside of Brunei Darussalam having a registered place of business (a branch) in Brunei Darussalam, all transfers to the Reserve Fund under Section 24(1)(b)(i), (ii) and (iii) shall be made from the net profits of each year after due provision has been made for taxation but before repatriation of such net profits (or any part thereof) of its branch to its head office.
  
7. All licensed banks shall obtain the prior approval of the Authority before the repatriation of any net profits of each year from its branch in Brunei Darussalam to its head office.

#### **BANKING ORDER AUTHORITY**

Effective Date: 6 April 2009