

LAWS OF BRUNEI
REVISED EDITION 1984

CHAPTER 137
BRUNEI INVESTMENT AGENCY
ARRANGEMENT OF SECTIONS

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Brunei Investment Agency

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BRUNEI INVESTMENT AGENCY ACT

An Act to establish a body corporate to be called the Brunei Investment Agency the principal objects of which shall be the holding and management of the General Reserve Fund of the Government and all external assets of the Government, to provide the Government with money management services and to carry out such other objects as His Majesty the Sultan and Yang Di-Pertuan may specify.

S.4/84

- 20/85

S. 7/87

S. 43/92 waf. 2-12-92

S. 24/98 waf. 16-7-98

S. 22/99 waf. 28-4-99

Commencement: 1st July 1983

PART I

PRELIMINARY

1. This Act may be cited as the Brunei Investment Agency Act. Short title

2. In this Act, unless the context otherwise requires — Interpretation

“Agency” means the Brunei Investment Agency established under section 3 of this Act;

“bank” means a bank licensed under the Banking Act¹ or the Emergency (Islamic Banking) Order; Cap. 95¹

Am. S. 43/92
waf. 2-12-92

“board” means the board of directors of the Agency;

“director” means a director appointed under subsection (2) of section 5 of this Act and the chairman of the board and the deputy chairman;

“General Reserve Fund” means the moneys as defined in Article 7 (3) of the Constitution (Financial Procedure) Order; OF the Government and all external assets of the Government (S. 20/85 waf. 1-7-85)

“managing director” means a director appointed under subsection (1) of section 7 of this Act;

“Minister of Finance” in respect of the period prior to 1st January 1984 means the Menteri Besar and in respect of the period after 1st January 1984 where the context permits includes the Deputy Minister of Finance.

PART II

ESTABLISHMENT AND ADMINISTRATION OF
THE AGENCY

Establish-
ment of the
Agency

3. (1) There shall be established an Agency to be called the “Brunei Investment Agency” which shall be a body corporate and shall have perpetual succession and may sue and be sued in its own name.

(2) The Agency shall have a common seal and such seal may, from time to time, be broken, changed, altered and made anew as to the Agency seems fit, and, until a seal is provided under this section, a stamp bearing the inscription “The Brunei Investment Agency” may be used as the common seal.

(3) All deeds, documents and other instruments requiring the seal of the Agency shall be sealed with the common seal of the Agency by the authority of the Agency in the presence of the managing director and of some other person duly authorised by the Agency to act in that behalf and shall be signed by the managing director and by such duly authorised person, and such signing shall be sufficient evidence that the common seal of the Agency has been duly and properly affixed and that the said seal is the lawful common seal of the Agency.

(4) The Agency may by resolution or otherwise appoint an officer of the Agency or any other agent either generally or in a particular case to execute or sign on behalf of the Agency any agreement or other instrument not under

seal in relation to any matter coming within the powers of the Agency.

4. The principal objects of the Agency shall be — Principal objects

(a) to hold and manage in Brunei Darussalam and overseas the General Reserve Fund of the Government and all external assets of the Government;

(b) to provide the Government with money management services in respect of such sums as the Government may from time to time remit and in respect of interest, dividend and any other payments or corporate actions arising from the investment of such sums;

(ba) - - - Am S 22/99 waf 28.4.99

(c) to carry out such other objects as His Majesty the Sultan and Yang Di-Pertuan may by Order published in the *Government Gazette* specify.

5. (1) There shall be a board of directors of the Agency which shall be responsible for the policy and general administration of the affairs and business of the Agency. Board of directors

(2) The board shall consist of a Chairman and such number of other directors as His Majesty may appoint.

(3) The board may with the approval of His Majesty invite any person as it thinks fit to attend a meeting of the board for the purpose of giving advice to the board on any matter.

6. (1) The directors so appointed — Appointment of directors

(a) shall not act as delegates on the board from any commercial, financial, agricultural, industrial or other interests with which they may be connected;

(b) shall hold office for a term not exceeding 3 years and shall be eligible for reappointment;

(c) may be paid by the Agency out of the funds of the Agency such remuneration and allowances as may be determined by His Majesty.

(2) The provisions of paragraph (b) of subsection (1) of this section does not apply to a director who is appointed managing director under section 7 of this Act.

Appointment
of managing
director

7. (1) His Majesty shall appoint one of the directors appointed under section 5 of this ~~Order~~^{Act} to be the managing director.

(2) The managing director shall be engaged on such terms and conditions of service as His Majesty may decide.

(3) The managing director shall be entrusted with the day-to-day administration of the Agency, and may, subject to this Act, make decisions and exercise all powers and do all acts which may be exercised or done by the Agency.

(4) The managing director shall be answerable to the board for his acts and decisions.

(5) In the event of the absence or inability to act of the managing director, His Majesty may appoint a director to discharge his duties during the period of such absence or inability.

Disqualifica-
tion of
directors

8. His Majesty may terminate the appointment of any director appointed under subsection (1) of section 5 of this Act if he —

(a) resigns his office;

(b) becomes of unsound mind or incapable of carrying out his duties;

(c) becomes bankrupt or suspends payment to or compounds with his creditors;

(d) is convicted of an offence involving dishonesty or fraud or moral turpitude;

(e) is guilty of serious misconduct in relation to his duties;

(f) is absent, without leave, from three consecutive meetings of the board; or

(g) fails to comply with his obligations under section 11 of this Act.

9. If any director dies or resigns or otherwise vacates his office before the expiry of the term for which he has been appointed another person may be appointed by His Majesty for the unexpired period of the term of office of the director in whose place he is appointed.

Vacancies in the office of director

10. (1) The Chairman of the board shall summon meetings as often as may be required *but not less frequently than once in three months.*

Meeting and decisions of the board

Am. 5/7/87

(2) At every meeting of the board a quorum shall consist of 3 directors, and decisions shall be adopted by a simple majority of the votes of the directors present and voting except that in the case of an equality of votes the Chairman shall have a casting vote.

11. (1) A director who is directly or indirectly interested in a contract or investment made or disposed of, or proposed to be made or disposed of, by the Agency shall disclose the nature of his interest at the first meeting of the board at which he is present after the relevant facts have come to his knowledge.

Director's interest in contract to be made known

(2) A disclosure under subsection (1) of this section shall be recorded in the minutes of the board and, after the disclosure, the director —

(a) shall not take part in any deliberation or decision of the board with respect to that contract; and

(b) shall be disregarded for the purpose of constituting a quorum of the board for any such deliberation or decision.

(3) No act or proceeding of the board shall be questioned by any person who is not a member of the board on the ground that a director has contravened the provisions of this section.

Preservation
of secrecy

12. (1) Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any written law, no director, officer or employee of the Agency shall disclose to any person any information relating to the affairs of the Agency or any person which he has acquired in the performance of his duties or the exercise of his functions.

(2) Any person who contravenes the provisions of subsection (1) of this section shall be guilty of an offence under this Act and shall be liable on conviction to imprisonment for 3 years and to a fine of \$5,000.

Remunera-
tion not to be
related to
profits

13. No salary, fee, wage or other remuneration shall be computed by reference to the results of any money management services undertaken by or on behalf of the Agency pursuant to this Act.

Public
servants

14. (1) The directors, including the managing director, and the officers and employees of the Agency of every

description shall be deemed to be public servants within the meaning of the Penal Code.

Cap. 22

(2) The officers and employees of the Agency shall be deemed to hold office in the Public Service for the purposes of the Pensions Act and shall be eligible for the allowances, pensions and gratuities provided thereunder.

Cap. 38

PART III

PROVISIONS RELATING TO STAFF, TRANSFER OF FUNCTIONS, EMPLOYEES AND ASSETS, ETC

15. (1) The Agency may from time to time approve a list of posts (excluding the directors) which it thinks necessary for the purposes of this Act and may add to or amend this list.

List of posts and appointment of employees

(2) Subject to the provisions of this section —

(a) appointments and promotions to all posts shall be made by the Agency; and

(b) the termination of appointment, dismissal and disciplinary control of the employees of the Agency shall be vested in the Agency.

(3) In the discharge of its functions under subsection (2) of this section the Agency shall, if directed by His Majesty, in any particular case or generally, consult with the Public Service Commission before exercising any of its powers under subsection (2).

(4) Notwithstanding the provisions of this section, the Agency may appoint persons temporarily for a period not exceeding one year to posts in the list of posts for the time being in force.

(5) The Agency may, with the approval of His Majesty, make rules, not inconsistent with the provisions of this Act or of any other written law, for the appointment, promotion, disciplinary control and terms and conditions of service of all persons employed by the Agency.

(6) Without prejudice to the generality of subsection (5) of this section, the Agency shall prescribe the rates of remuneration payable to persons employed by the Agency and no person so employed shall be paid otherwise than in accordance with such rates.

Transfer of
assets and
liabilities to
the Agency

16. (1) Upon the coming into operation of this Act such movable property, assets, rights, interests and privileges as constitute any part of the General Reserve Fund, together with any debts, liabilities or obligations connected therewith or appertaining thereto shall be deemed to have been transferred to and vested in the Agency without the requirement of any further action.

(2) The Minister of Finance shall have power to do all acts or things that he considers necessary or expedient to give effect to the provisions of subsection (1) of this section.

(3) If the question arises as to whether —

(a) any of the functions, duties and powers; or

(b) any movable property, assets, rights, interests, privileges, debts, liabilities and obligations,

have been transferred to or vested in the Agency under subsection (1) of this section, a certificate executed by the Minister of Finance shall be conclusive evidence of such transfer or vesting.

PART IV

POWERS, DUTIES AND FUNCTIONS OF THE
AGENCY

17. (1) The Agency may, for the purpose of carrying out the provisions of this Act, exercise and discharge the following powers, duties and functions, that is to say, it may —

Powers,
duties and
functions of
the Agency

(a) open and operate securities and cash clearing accounts and place deposits on such terms as it may decide;

(b) purchase, acquire by exchange or other means, hold, sell or otherwise dispose of various types of investment assets as shall be specifically authorised by this Act or by His Majesty on the recommendations of the Board;

(c) borrow money, establish credits and give guarantees in any currency inside and outside Brunei Darussalam on such terms and conditions as it may deem fit;

(d) open and operate accounts with central banks outside Brunei Darussalam;

(e) purchase, acquire or develop, inside or outside Brunei Darussalam facilities for accounting for and reporting on the assets and liabilities of the General Reserve Fund and any other assets or liabilities vested in the Agency;

(f) enter into contracts with third parties inside or outside Brunei Darussalam for the purpose set forth in section 20 of this Act;

(g) underwrite loans and securities in which it may invest;

(h) undertake the issue and management of loans publicly issued by the Government or by any public authority;

(i) pay the expenses of the Agency, including specifically any payments contemplated by sections 6 (1) (c), 7 (2), 15 (6) and 20 (b) of this Act out of the assets transferred to and vested in the Agency pursuant to section 16 (1) of this Act; and

(j) do generally all such things as may be commonly done by investment managers and are not inconsistent with the exercise of its powers or the discharge of its duties under this Act.

(2) After the coming into operation of this Act, there shall be vested in the Agency such other functions, duties and powers as His Majesty may, from time to time, by notification in the *Government Gazette*, specify.

Investment
of funds

18. Investments which the Agency may hold, as provided in paragraph (b) of subsection (1) of section 17 of this Act shall include —

(a) gold coin or bullion and other precious metals;

(b) real property and interests therein;

(c) notes, coin, bank balances and money at call in such country or countries as may be approved by the board;

(d) Treasury bills of such government or governments as may be approved by the board;

(e) securities of, or guaranteed by, such government or governments or international financial institutions as may be approved by the board;

(f) such other classes of investments assets as may be authorised by the board from time to time and set forth in a written investment guideline to the Agency; and

(g) such other specific investments not otherwise authorised hereunder as may be authorised by His Majesty on the recommendation of the board.

19. (1) The Agency shall act as a financial agent of the Government.

Agency as a financial agent of the Government and manager of its external assets

(2) Whenever the Agency receives and disburses Government moneys it shall keep account thereof.

(3) The Agency may act generally as representative for the Government on such terms and conditions as may be agreed between the Agency and the Government, where the Agency can do so appropriately and consistently with the provisions of this Act and with its duties and functions.

20. In the exercise of its powers and the performance of its functions under this Act the Agency may —

Representatives

(a) establish offices and representatives at such places outside Brunei Darussalam as it thinks fit;

(b) arrange or contract with and authorise a person or persons, which may be individuals or corporate entities, to act as agent or representative of the Agency outside Brunei Darussalam, including the performance of investment management, legal, auditing and measurement of investment performance activities on behalf of the Agency, and in conjunction with the performance of such activities such agents or representatives may be paid fees for services rendered and may be reimbursed by the Agency for out-of-pocket expenses.

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PART V

MISCELLANEOUS

Agency's
financial year

21. The financial year of the Agency shall begin on the 1st day of January and end on the 31st day of December of each year except that for the year 1983 the financial year shall begin on the date of the establishment of the Agency and shall end on the 31st day of December 1983.

Audit

22. The accounts of the Agency shall be audited by the Auditor General or by such independent auditors as His Majesty may appoint.

Preparation
and publica-
tion of annual
account and
annual report

~~**23.** The Agency shall within 6 months from the close of its financial year —~~

~~(a) transmit to His Majesty a copy of the annual accounts; and~~

~~(b) transmit to His Majesty a report by the board on the working of the Agency throughout the year.~~

Power to
appoint
attorney

24. The Agency may, by instrument under its common seal, appoint a person (whether in Brunei Darussalam or in a place outside Brunei Darussalam) to be its attorney, and the person so appointed may, subject to the instrument, do any act or execute any power or function which he is authorised by the instrument to do or execute.

Validity of
act and
transactions
of Agency

25. The validity of an act or transaction of the Agency shall not be called in question in any court on the ground that any provision of this Act has not been complied with.

Guarantee by
Government

26. The Government shall be responsible for the payment of all moneys due by the Agency but nothing in this section authorises a creditor or other person claiming

against the Agency to sue the Government in respect of his claim.

27. No prosecution in respect of any offence under this Act shall be instituted without the consent in writing of the Attorney General.

Fiat of Attorney General

28. Notwithstanding the provisions of any other written law, a Court of a Magistrate has jurisdiction to try all offences under this ~~Order~~ Act and to impose the full penalty prescribed therefor.

Jurisdiction

29. The Agency may, with the approval of His Majesty, make regulations for the better carrying out of the objects and purposes of this Act.

Power of Agency to make regulations

30. Notwithstanding the provisions of section 1 of this Act the Minister of Finance may at any time before the date of the coming into operation of Part II of this Act do all such acts and incur all such expenses as he may consider necessary in connection with the establishment of the Agency; and upon that date all such acts and expenses shall be deemed to have been done and incurred by the board.

Preliminary acts and expenses

PART VI

TRANSITIONAL

31. Any legal proceeding or cause of action pending or existing immediately before the commencement of this Act by or against the Government in respect of any functions or assets which under and by virtue of this Act are transferred to, or vested in, the Agency, may be continued and enforced by or against the Agency as it might have been by or against the Government, as the case may be, had this Act not come into operation.

Transitional provisions