

**LAWS OF BRUNEI**

**CHAPTER 32**  
**CURRENCY**

**1 of 1967**

**1984 Ed. Cap. 32**

Amended by

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**REVISED EDITION 1984**

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**CHAPTER 32**  
**CURRENCY**

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**CURRENCY ACT**

**An Act to establish a Brunei Darussalam Currency Board and a Brunei Darussalam Currency and for matters relating thereto and connected therewith**

*Commencement: Parts I, II and V 28th January 1967  
Parts III and IV 12th June 1967  
(except Section 17(1)(b))  
Section 17(1)(b) 1st September 1967  
[S 25/67; S 118/67; S 237/67]*

**PART I****PRELIMINARY****Short title.**

1. This Act may be cited as the Currency Act.

**Interpretation.**

2. In this Act unless the context otherwise requires —

“Board” means the Brunei Darussalam Currency Board;

“Bank” means a bank as defined in subsection (1) of section 2 of the Banking Act (Chapter 95) and an Islamic Bank licensed under the Emergency (Islamic Banking) Order, and for the purposes of this Act shall be deemed to include the Crown Agents for Oversea Governments and Administrations.

*[S 43/92]*

“Commissioners” means the Board of Commissioners of Currency, Malaya and British Borneo constituted in accordance with the Malaya British Borneo Currency Agreement 1960;

“Demand liabilities” means the Board’s currency notes and coins in circulation and its other demand liabilities;

“Members” means Members of the Board;

**PART II****THE BOARD****Establishment and Constitution of the Board.**

3. (1) There is hereby established a Board which shall be known as the Brunei Darussalam Currency Board.

(2) The Board shall be a body corporate and shall have perpetual succession and a corporate seal, and may sue and be sued in its own name.

(3) The Board shall consist of the following Members — [S 9/98]

(a) the Minister of Finance or in his place a person designate by name by His Majesty the Sultan and Yang Di-Pertuan;

[S 10/98]

(b) such number of other persons, one of whom shall possess recognised banking or financial experience, as His Majesty the sultan and Yang Di-Pertuan may appoint.

(4) The Minister of Finance shall be Chairman of the Board: [S 10/98]

Provided that where His Majesty the Sultan and Yang Di-Pertuan has designated a person in place of the Minister of Finance under subsection (3)(a), that person shall be Chairman of the Board.

**Objects of the Board.**

4. The principal objects of the Board shall be to issue currency in accordance with section 9, to maintain external reserves in order to safeguard the international value of that currency, and to promote monetary stability in Brunei Darussalam.

**Proceedings of the Board.**

5. (1) The Board shall meet at least twice in each calendar year and at such other times as may be deemed necessary by the Chairman.

(2) A quorum of the Board shall consist of 2 members one of whom shall be the Chairman.

(3) Decisions of the Board shall be taken by a simple majority of votes and in the event of an equality of votes the Chairman shall have a casting vote:

Provided that the Chairman shall only have a casting vote when all members of the Board are present.

[S 9/98]

(4) Subject to the provisions of this Act the Board shall regulate its own proceedings.

#### **Board may make appointments.**

6. To facilitate the general conduct of the Board's business, the Board may appoint, as it shall deem necessary —

(a) sub-committees from among the members for such purposes and with such powers as it may determine;

(b) a Secretary and other staff;

(c) agents and representatives for such tasks and in such places as it may define and delimit.

#### **Members.**

7. (1) The appointment of members shall be on such terms and conditions as may be specified in their letters of appointment.

(2) The office of a member of the Board shall be deemed to be a distinct and separate office from any other office or offices which may concurrently be held by him.

(3) The Chairman, members and officers and employees of the Board shall not be personally liable for any acts or omissions done or made with the authority of the Board.

**PART III****BRUNEI DARUSSALAM CURRENCY****Creation of a Brunei Darussalam Currency.**

8. (1) There is hereby created a Brunei Darussalam Currency.

(2) The unit of currency shall be the Brunei dollar which shall have a parity of 0.290299 grammes of fine gold:

Provided that the parity of the Brunei dollar may be changed as His Majesty, on the recommendation of the Board, may determine.

(3) The Brunei dollar shall be divided into 100 cents.

**Board's sole right to manage and issue currency.**

9. (1) The Board shall have the sole right to manage currency in Brunei Darussalam and to issue in Brunei Darussalam notes and coins which are legal tender, and shall so manage and so issue.

(2) Subject to the provisions of this Act no person shall issue any notes or coins, or any document or token which resembles or is likely to pass as legal tender.

(3) Any person contravening subsection (2) shall be guilty of an offence: Penalty, imprisonment for 7 years and a fine.

(4) In any criminal proceedings in which the genuineness of any currency note or coin shall be in question, a certificate signed by the Chairman of the Board that he is satisfied by personal examination that such note or coin is or is not forged, shall be held to be conclusive evidence of the same, and neither the Chairman nor any Officer of the Board shall be cross-examined with regard to the contents of such certificate unless the court otherwise orders.

**Printing of notes and minting of coins.**

10. The Board shall —

(a) arrange for the printing of currency notes and the minting of coins and for all matters relating thereto and for the security of such notes and coins; and

(b) issue, receive and, in its discretion, exchange notes and coins at Bandar Seri Begawan and at such agencies elsewhere as it may establish or appoint for the purpose.

### **Dealings in sterling.**

**11.** (1) Subject to subsection (2) the Board shall on demand by any person issue and redeem currency notes and coins against sterling for immediate delivery in London at the parity specified in section 8(2).

(2) The Board shall be entitled to —

(a) charge and a levy from any person obtaining currency notes and coins or sterling a commission at such rate or rates not exceeding two-thirds of 1% as it may from time to time prescribe;

(b) prescribe from time to time the minimum amounts of currency which it will issue or redeem in respect of any one transaction; and

(c) prescribe the hours during which it will issue and redeem currency.

(3) The Board shall publish in the *Gazette* the rate or rates and the minimum amounts and the hours prescribed by it in accordance with subsection (2):

Provided that the Board may in its discretion issue or redeem its currency notes and coins for any bank at less than its published rates of commission.

### **Denominations, weights and designs.**

**12.** (1) The Board shall, with the approval of His Majesty, determine the denominations, forms and designs of currency notes and coins, and the standard weights and composition of coins together with the amount of remedy and variation allowed.

(2) The Board shall publish in the *Gazette* the denomination and other characteristics of notes and coins issued by it.

**Legal tender.**

**13.** (1) Currency notes if not mutilated or imperfect shall be legal tender at their face value for the payment of any amount.

(2) Coins shall, if such coins have not been tampered with, be legal tender at their face value for the payment of any amount in the case of coins of denomination exceeding \$1, up to an amount not exceeding \$10 in the case of coins of denomination of 50 cents and \$1 and up to an amount not exceeding \$2 in the case of coins of any lower denomination.

(3) A coin shall be deemed to have been tampered with if it has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by having anything stamped or engraved thereon, whether the coin has or has not been thereby diminished or lightened.

(4) Notwithstanding the provisions of subsections (1) and (2) of this section the Board shall have power, on giving not less than 3 months' notice, to call in any of its notes and coins on payment of the face value thereof and any such notes or coins shall, on the expiration of the notice, cease to be legal tender.

**Lost and damaged currency.**

**14.** (1) No person shall be entitled to recover from the Board the value of any lost, stolen, mutilated or imperfect currency note or coin.

(2) The circumstances and conditions under which such value may be refunded as of grace shall be within the absolute discretion of the Board.

**Transactions deemed to be in Brunei dollars.**

**15.** Every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of or the liability to pay any money which, but for this subsection, would have been deemed to be made, executed, entered into, done and had, in and in relation to currency issued by the Commissioners shall in Brunei Darussalam be deemed instead to be made, executed, entered into, done and had, in and in relation to Brunei Darussalam dollars:

Provided that this section shall not affect any obligation to pay any money in any country other than Brunei Darussalam where currency issued by the Commissioners is legal tender.

## PART IV

## ASSETS, RESERVES AND POWERS

**Assets to be of 2 principal kinds.**

16. The assets of the Board shall be of 2 principal kinds, to be known as external assets and other assets respectively, which shall be held in accordance with sections 17 and 18.

**External assets, Liquidity Ratio Securities.**

17. (1) The external assets of the Board shall —

(a) consist of gold, sterling or currencies, other than the Brunei Darussalam currency, convertible into gold or sterling, and shall comprise liquid assets expressed and payable in gold or the said currencies and securities expressed and payable in the said currencies;

(b) amount at all times to not less than 70% of the amount of the Board's demand liabilities:

Provided that the figure of 70% may be varied on an unanimous resolution of the Board to that effect approved by His Majesty.

(2) The said liquid assets shall —

(a) include only gold, notes and coins, bank balances, money at call with banks and Treasury Bills;

(b) amount to not less than 30% of the Board's demand liabilities.

(3) The said securities shall —

(a) be issued or guaranteed by the Government of the United Kingdom or such other governments or international monetary institutions as may be approved by His Majesty on the recommendation of the Board;

(b) be readily marketable and due to mature within 5 years of their acquisition by the Board;

(c) for the purpose of subsection (1)(b) be valued in accordance with the provisions of section 27(6).

(4) Until such date as may be determined by the Board currency notes and coins of the Commissioners shall be deemed for the purposes of this section to be external assets.

**Other assets.**

**18.** Other assets of the Board shall consist of any assets not being assets of the kinds specified in section 17 acquired and held under section 20.

**Any deficiency of assets to be the liability of the Government.**

**19.** If at any time the total assets of the Board fall below the aggregate amount of the Board's currency notes and coins in circulation together with its other liabilities such deficiency shall be made good by the Government upon demand by the Board and the Consolidated Fund shall be charged accordingly.

**Powers of Board.**

**20.** The Board may —

(a) open accounts with and accept deposits payable on demand on behalf of bank and other monetary institutions abroad and banks in Brunei Darussalam;

(b) purchase, sell, discount and rediscount Treasury Bills of Government payable in Brunei dollars forming part of a public issue and maturing within 93 days;

(c) purchase and sell publicly issued securities of or guaranteed by Government payable in Brunei dollars and maturing in not more than 20 years:

Provided that the par value or the cost price which ever shall be the higher of the total holding of such securities does not exceed 15% of the aggregate amount of the Board's demand liabilities;

(d) act as agents for any international monetary institution established under governmental auspices;

(e) acquire, hold and dispose of movable and immovable property where such action is necessary for the purpose of discharging its functions under this Act;

(f) subject to the provisions of this Act, do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.

### **Reserve fund.**

21. (1) The Board shall establish a Reserve Fund.

(2) There shall be paid into the Reserve Fund by the Board —

(a) the annual net profits of the Board so long as the Reserve Fund amounts to less than 10% of the Board's demand liabilities at the end of the financial year in which the net profits were earned;

(b) any monies received by the Board from the Government in accordance with the provisions of subsection (3).

(3) There shall be paid to the Board by the Government any moneys received by the Government from the Commissioners, by way of distribution of any surplus assets of the said Commissioners in accordance with sub-clause (4) of clause 19 of the Malaya British Borneo Currency Agreement, 1960:

Provided that such payments by the Government to the Board shall not exceed the amount that is necessary at any time to raise the value of the Reserve Fund to an amount equivalent to 10% of the aggregate amount of the Board's demand liabilities.

**PART V****ADMINISTRATIVE AND GENERAL****Profits.**

22. The net profits of the Board for each financial year shall be determined by the Board after meeting all expenditure for that year and making such provision as it thinks fit for bad and doubtful debts, depreciation in assets, replacement of currency notes and coins, contributions to staff and superannuation funds, and all other reasonable contingencies, and the balance of the net profits after any payment to the Reserve Fund in accordance with section 21 shall be paid into the Consolidated Fund.

**Exemption from Taxation, Customs and Stamp Duties.**

23. The Board shall be exempt from the provisions of any law relating to income taxation or Company taxation and from the payment of Customs and Stamp duties under the provisions of any written law.

**Liquidation.**

24. The Board shall not be placed in liquidation except pursuant to an Act passed in that behalf and then only in the manner provided by such Act.

**Financial Year.**

25. The financial year of the Board shall begin on the 1st day of January and end on the 31st day of December of each year.

**Audit.**

26. (1) The accounts of the Board shall be audited by the Auditor General.

(2) Not less than 6 times a year the Minister shall appoint Boards of Survey to verify the stocks of unissued notes and coins and the Board's cash and bank balances in Brunei Darussalam, and shall lay down regulations to be observed by the said Boards of Survey:

Provided that not less than 2 such Boards of Survey each year shall be appointed and enter upon their duties without the prior knowledge of the Board or of any of its officers or employees.

### **Reports and returns Valuations of investments.**

27. (1) Within 3 months of the close of each financial year the Board shall submit its annual accounts to the Auditor General and the Auditor General shall cause them to be audited within 5 months of the end of the financial year.

(2) Within 6 months of the close of each financial year the Board shall —

(a) transmit to His Majesty and the Minister a copy of its annual accounts certified by the Auditor General;

[S 9/98]

(b) submit to His Majesty and the Minister a report on its operation during the year.

[S 9/98]

(3) The Minister shall lay a copy of the annual accounts of the Board, together with the certificate of the Auditor General and the report on the Board's operations for the year, before the Legislative Council at its next meeting after he has received such accounts, certificate and report.

(4) The Board shall, as soon as may be after the end of every third month, make up a return of the circulation of its currency notes and coins together with its other demand liabilities as at the close of business on the last business day of that month, and shall transmit a copy of this return to the Minister, who shall cause it to be published in the *Gazette*.

[S 9/98]

(5) The Board shall include in the quarterly return the proportion which the value of its external assets bears to the amount of the Board's demand liabilities.

(6) The investments of the Board in securities shall be valued in the Board's accounts at not more than their current market price or their cost to the Board, whichever shall be the lower.