

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Brunei Darussalam**



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This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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Profile last updated: 8 February 2017

RELEVANT JURISDICTIONAL AUTHORITY

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| Organisation | The Brunei Darussalam Accounting Standards Council (BDASC) |
| Role of the organisation | The Brunei Darussalam Accounting Standards Council (BDASC) was established on 1 August 2011 following the consent of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam. Under the Accounting Standards Order (ASO), 2010, the BDASC undertakes the responsibility to prescribe the accounting standards to be implemented in the country and for any matters connected therewith. The BDASC states that the creation of the BDASC was intended as an important positive step towards ensuring consistency in accounting standards, facilitating comparison of financial statements between different entities, and enhancing the credibility and transparency of financial reporting in Brunei Darussalam. |
| Websites | BDASC: http://bdasc.org/ Ministry of Finance: http://www.mof.gov.bn/English/ASC/Pages/default.aspx |
| Email contact | bdasc@mof.gov.bn |

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

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| Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards? | Yes. |
| Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards? | Yes. |
| What is the jurisdiction's status of adoption? | Brunei Darussalam adopted full IFRS Standards for publicly accountable entities effective 1 January 2014. |
| Additional comments provided on the adoption status? | <p>By command of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Brunei Darussalam Accounting Standard Council (BDASC) has announced a prescription on the adoption of IFRS Standards issued by IASB for publicly accountable entities in Brunei Darussalam with effect from 1 January 2014.</p> <p>As a starting point, the full IFRS adoption is only required for public accountable entities such as banks, financial institutions, insurance companies, and takaful companies. (Takaful companies are similar to mutual insurance companies.)</p> <p>The BDASC states that the effective date of 1 January 2014 was chosen by taking into account the transition period needed to give ample time to the affected parties to undertake the necessary actions towards adoption of IFRS Standards, including time to understand and interpret the IFRS practices as well as technical considerations such as information systems re-engineering.</p> |
| If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction. | Not applicable. |

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

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| Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements? | There is no stock exchange in Brunei Darussalam. |
| If YES, are IFRS Standards REQUIRED or PERMITTED? | Not applicable. |
| Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones? | Not applicable. |
| Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market? | Not applicable. |

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| For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market? | Not applicable. |
| For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market? | IFRS are required for institutions with public accountability such as banks, financial institutions, insurance companies, and takaful companies effective 1 January 2014. |
| If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future? | Yes, BDSAC will announce a detailed formal plan to implement IFRS Standards for publicly accountable entities in the near future. |

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

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| Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements? | Not applicable. |
| If YES, are IFRS Standards REQUIRED or PERMITTED in such cases? | Not applicable. |
| Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones? | Not applicable. |

IFRS ENDORSEMENT

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| Which IFRS Standards are required or permitted for domestic companies? | IFRS Standards as issued by the IASB, ie standards and amendments are adopted/endorsed as and when issued by the IASB. |
| The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with: | IFRS Standards. |
| Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)? | No. |
| Are IFRS Standards incorporated into law or regulations? | The BDASC was established under Accounting Standards Order 2010, which was an Order made under Article 83(3) of the Constitution of Brunei. Consequently, standards adopted by the BDASC are authoritative. Accounting Standards Order 2010 may be found here: http://bdasc.org/aso.php |
| If yes, how does that process work? | Incorporation of IFRS Standards into law will be part of the formal IFRS Standards adoption plan currently being developed by BDASC. |
| If no, how do IFRS Standards become a requirement in the jurisdiction? | Not applicable. |

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| Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place? | Yes. |
| If yes, what is the process? | Public input will be invited both at a dialogue session and by an exposure draft. |
| If no, how do new or amended IFRS Standards become a requirement in the jurisdiction? | Not applicable. |
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| Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards? | No. |
| If yes, what are the changes? | Not applicable. |
| Other comments regarding the use of IFRS Standards in the jurisdiction? | None. |
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| TRANSLATION OF IFRS STANDARDS | |
| Are IFRS Standards translated into the local language? | No. |
| If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards? | Not applicable. |
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| APPLICATION OF THE IFRS FOR SMEs STANDARD | |
| Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs? | No. |
| If no, is the adoption of the IFRS for SMEs Standard under consideration? | For small and medium enterprises (SMEs), the BDASC is still in the process of reviewing the suitable accounting standards as well as formulating criteria for SMEs and cottage industries. |
| Did the jurisdiction make any modifications to the IFRS for SMEs Standard? | Not applicable. |
| If the jurisdiction has made any modifications, what are those modifications? | Not applicable. |
| Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so? | Not applicable. |
| For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use? | Not applicable. |
| Other comments regarding use of the IFRS for SMEs Standard? | None. |
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