

Based on information collected up to March 2004

## 1. TARIFF MEASURES

### Structure of the tariff schedule

Brunei applies a nine-digit tariff nomenclature based on the Harmonized Commodity Description and Coding System. The tariff schedule has one column of duty rates.

### Tariff Publications

Current information on customs related matters is available from the Royal Customs and Excise Department, Jalan Menteri Besar, Berakas BB 3910, Negara Brunei Darussalam.

### Tariff rates

#### 11 Statutory Custom Duties

All dutiable goods imported into Negara Brunei Darussalam are subject to customs duties in accordance with the schedule of the Customs Duty Order 1973. Duties are assessed either on specific or ad valorem basis. Some 70 percent of items including basic foodstuffs, and goods for industrial use are zero rated. Most other goods are subject to rates of 10%, 20% or 30%. A 10% rate applies to gold jewellery. Timber, electrical equipment and appliances, photographic materials, furniture, and public transport type motor vehicles and spare parts are dutiable at 20%. A rate of 30% is set on cosmetics and perfumes. Motor vehicles including station wagons and racing cars are subject to rates of 40%, 60%, 80%, 100% or 200% depending on engine size. Specific duties apply to cigarettes and alcoholic beverages.



#### 12 MFN Duties

A commercial and economic agreement was signed between the Brunei and the European Union providing for MFN tariff treatment.



#### 16 Temporary reduced duties

The Industrial Incentive Act of 1975 provides for tax advantages in four industrial categories: industries related to national food security, local market industries, industries based on local resources, and export market industries. In addition, companies granted pioneer status, and established companies planning expansion are eligible for exemption from import duties.



## 19.2 Regional and sub-regional agreements

The Association of South-East Asian Nations (ASEAN) decided in 1992 to establish an ASEAN Free-Trade Area (AFTA) by the year 2008, later brought forward to 2003 for the six original founding members of ASEAN: Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Vietnam joined in 1995, Laos and Myanmar in 1997, and Cambodia in April 1999. In December 1998, the ASEAN members decided to accelerate the completion of the ASEAN Free-Trade Area. In this regard, the six original founding members would advance their tariff reductions to 0-5% from 2003 to 2002. In May 2000, Malaysia received approval from its ASEAN partners for an extension of its commitments under AFTA to reduce tariffs in the automobile sector and selected agricultural products until 2005. Vietnam would implement its tariff reductions to 0-5% by 2003, and Laos and Myanmar by 2005.

In the year 2015, final reductions will be achieved by these four countries. Since 1 of January 2003, the ASEAN countries have announced the abolishment of tariffs on 60 per cent of traded goods and the introduction of a 5% on import tariffs within its six original members, i.e. Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Products affected essentially by this measure are electronic products, machinery items and petrochemicals. And goods excluded from the tariff reduction agreements are goods of key industries in some of the member countries; for example, the Philippines and Indonesia will delay the 5% cap on sugar and petroleum, and Malaysia will shelve the cap on car imports until 2005. As for Cambodia, Myanmar, Lao People's Democratic Republic and Vietnam, the four ASEAN's latecomers, will introduce the 5% tariff cap only in 2010.

ASEAN member states decided, in December 1998, to expand access to the 1996 Basic Agreement on the ASEAN Industrial Cooperation (AICO) Scheme, which promotes joint manufacturing industrial activities between ASEAN-based companies. AICO provides tariff preferences on inputs sourced in the region.

The eight ASEAN summit was held in Phnom Penh, Cambodia, from 4 to 6 November 2002. During this meeting, several free trade plans were developed involving 14 Asian countries, i.e. the 10 ASEAN members such as Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam with China, India, Japan and the Republic of Korea. The objectives of these free-trade plans are to quicken the pace of trade liberalization and foster multilateralism in the region

At the 19th ASEAN summit held from 6 to 8 October 2003 in Bali (Indonesia) members reinforced regional integration and fostered economic cooperation, signing a strategic partnership with China, a framework for economic comprehensive partnership with Japan, and a framework agreement for economic cooperation with India.

Brunei is a participant in the East Pacific Economic Cooperation (APEC) forum, formed in 1989. The objective of the agreement is to implement free trade among the member countries by the year 2020, with advanced industrialized countries realizing the goal by the year 2010. Individual action plans for each member country were established to outline a path to the goal. Brunei has pledged to reduce tariffs on 688 items as part of its APEC Commitment. On 10 November 2000, APEC leaders agreed to EVSL (early voluntary sectoral liberalization) in 15 sectors, that is liberalization before the

agreed goals of 2010 or 2020, respectively.

The 15 sectors comprise automotive products, chemicals, civil aircraft, energy, environmental goods and services; fish and fish products, food, forest products, gems and jewellery, medical equipment and instruments, natural and synthetic rubber, oilseeds and oilseed products, toys; also mutual recognition agreement for telecommunication products. Of these 15 sectors, nine were to be accelerated under the ATL initiative (ATL) namely: chemicals, energy, environmental goods and services, fish and fish products, forest products, gems and jewellery, medical equipment and instruments and toys, as well as the mutual recognition agreement for telecommunications products.

BIMP-EAGA, the East ASEAN Growth Area established in March 1994 by Brunei Darussalam, Indonesia, Malaysia and the Philippines is also, the largest growth area in Asia and aims at developing trade opportunities through the pooling of common and complementary resources and encouraging the free movement of resources across borders.



### **19.3** Bilateral agreements

A new trade initiative between the ASEAN and the U.S.A. has been set up as the Enterprise for Asean Initiative (EAI), which objectives aim at developing the Southeast Asian Region, and enhance close U.S. ties with ASEAN. The EAI offers bilateral free trade agreements (FTAs) between the United States and individual ASEAN countries, by determining jointly the launching of FTA negotiations. ASEAN members and China leaders decided in Brunei on November 2001 to work on creating a free trade area within the next ten years.

ASEM or the Asia-Europe Meeting, held its first summit meeting in 1996, in Thailand with seven members of ASEAN of which Brunei Darussalam, together with the European Commission and the 15 members of the European Union, Japan, China and Korea; ASEM objectives aim at reducing non-tariff barriers.

At their third meeting in Seoul, Korea, in October 2000, members reiterated their commitment to trade liberalization.

TREATI, or Trans-Regional EU-ASEAN Trade Action Plan, was launched on 9 July 2003 by the European Commission with the objective of boosting trade between the two regions. This action aims at enhancing relations with ASEAN members.



## **2. PARA-TARIFF MEASURES**

### **23.2** Excise taxes

Excise taxes legislation lays in the Excise Act amended of 1984, and are levied as follows: B\$5 per gallon on locally produced Samsoo and medicated Samsoo.



## **24**      **Decreed customs valuation**

Used motor vehicles may only be imported subject to customs valuation.



### **3. PRICE CONTROL MEASURES**

#### **31.9**      **Administrative pricing n.e.s.**

Imported rice and sugar under monopoly by the Department of Information Technology and State Stores, are subject to maximum retail prices.

Under the Price Control Act and the Emergency Price Control Act Amendment Order of 1999, administered by the Economic Planning and Development Department in the Ministry of Finance, administrative pricing is set on the following items: rice, sugar, motor vehicles, petroleum products, cigarettes, infant milk, milo bread, coffee, and tea.



### **4. FINANCE MEASURES**

#### **49**      **Finance measures n.e.s.**

Duty drawback provisions under Part X of the Customs Law Amendment of 1984, allows repayment of import duties paid when goods are re-exported unprocessed within 12 months period and payment for each consignment should not be less than B\$100.



### **5. AUTOMATIC LICENSING MEASURES**

#### **52**      **Import monitoring**

Import monitoring of beef and poultry in order to protect local market supplies.



### **6. QUANTITY CONTROL MEASURES**

#### **Non-automatic licensing**

Licensing under the authority of  
Royal Customs and Excise Department,  
Jalan Menteri Besar,  
Berakas BB 3910,  
Negara Brunei Darussalam

#### **61.4**      **Barter or counter trade**

The Department of Information Technology and State Stores, Ministry of

Finance subject to licensing the importation of sugar and salt, rice paddy and the products thereof, separated, skimmed or filled milk; equally licensing for converted timber, timber, classes 1A, 1B, 1C, Nibong, Rotans, by the Forestry Department, Ministry of Industry and Primary Resources.



**61.6 Licence combined with or replaced by special import authorization**

Registration requirement for all importers with the Government in order to be eligible for conducting the clearance of imported goods from Customs Control.

Most items may be imported under Open General Licence. However, for environmental, health, safety, security or religious reasons, the Royal Customs and Excise Department has introduced the Approval Permit System. This system is applicable for the importation of certain restricted items, under the provisions of the Customs (Prohibition and Restriction on Imports and Exports) (Amendment) Order, 1994 & 1995 - Section 28 Customs Enactment, 1984.



**61.7 Prior authorization for sensitive product categories**

In addition, approval of licence or permit must be obtained from other competent departments before the Approval Permit is issued to import controlled and restricted goods.

Import restrictions apply as well to petrol, kerosene, cigarettes, spirits and liquors, firecrackers, and items bearing the imprint of state emblems.



**61.71 To protect human health**

Import of Persian glue is subject to licensing by the Ministry of Health, the same requirement applies to meat, meat products and edible offal, including poultry meat and its products; the medical Department and the Ministry of Health require license for deleterious drugs, any kind of chemical substances, agricultural chemicals, poisons, antisera and vaccines.



**61.72 To protect animal health and life**

Import permit issued by the Agriculture Department, Ministry of Industry and Primary Resources is required for eggs for hatching purposes and fresh eggs unless such eggs are clearly stamped "imported" with non-erasable ink or similar substance, and for live cattle, and any other animals, poultry and birds, including from Sabah and Sarawak; any live insects, invertebrate animals in any stage of their life cycles.



**61.73 To protect plant**

Import permit requirement issued by the Agriculture Department, Ministry of Industry and Primary Resources for any living plant or planting material, including from Sabah and Sarawak, and seeds for germinating, and

commercial shipments of fruit and vegetables.



**61.75 To protect wildlife**

The Department of Museums controls the import of Rhinoceros horn and all other parts of, or products derived from the carcass of a rhinoceros. The Department of Fisheries, Ministry of Industry and Primary resources subjects to licensing in order to regulate and to ensure adequate protection of marine resources, fish and any other marine products except those listed under CITES, prawn, crab, cuttlefish and any kind of crustaceans and molluscs, Piranha and Arawana, and fishing equipment.



**61.76 To control drug abuse**

Poisons and deleterious drugs are under the administration or Narcotics Control Bureau.



**61.77 To ensure human safety**

Import restrictions of motor vehicles of five years and more, including motorcars, motorcycles, lorries, omnibuses, tractors and trailers, for road and safety reasons. The permit is issued by the Land Transport Department. Further the importer must also submit the import permit to the Royal Department of Customs to obtain an admission permit (AP) in order to import. Imports of any radio-active materials under the control of the Ministry of Health.



**61.78 To ensure national security**

Royal Brunei Police Force, Ministry of Religious Affairs, Ministry of Home Affairs, subject to licensing, importation of printed media, radio communication apparatus and dealers, radar apparatus-remote control such as for motor car, racing car and boat, wireless telephone, walkie talkie, pagers, mobile radio transmitters, amateur and hand transceiver, radio transmitter and transmitter receiver, maritime radio communications apparatus for use in coastal and shipping communication, aeronautical communications apparatus for use in aircraft and aviation, telecommunications fixed line set dealers such as domestic telephone sets, arms, explosives, and fireworks/crackers. Publications and printed materials and recorded media including cassette, videos, CD, LD etc...



**61.9 Non-automatic licensing n.e.s.**

The Ministry of Home Affairs subjects to licensing the import of pin tables, fruit machines, slot machines and any other machines of like nature whether involving an element of chance or not, Poh Ka, Poh Kah or Poh Kau, Liow Ko, and Ch'ow Ko.

Religious reasons restrict the import and manufacture of alcohol and alcohol products under the Customs Prohibitions and Restriction of Imports and

Exports Amended Order of 1990, effective since 1 of December 1990, which subjects imports of alcohol to a licence issued by the Controller.

The Ministry of Religious Affairs, Ministry of Health, and Department of Agriculture, and Ministry of Industry and Primary Resources, restrict the importation of beef and poultry including the carcass of the animal or any part thereof, the meat whether frozen, chilled or fresh, bones, hide, skin, hooves, horns, offal or any other part of the animal or any portion thereof, unless it has been slaughtered in an abattoir approved in writing by the Minister of Religious Affairs; the same Ministry subjects to licensing meat, meat products and edible offal, including poultry meat and its products.

Antiques and articles of a historical nature made or discovered in Brunei Darussalam, and wild life, are controlled by Brunei Museums. The import of natural mineral water requires a permit issued by Brunei Industrial Development Authority (Bina).



## Prohibitions

### 63.1 Total prohibition

Indecent and obscene articles or prints, articles bearing the imprint or reproduction of any currency, bank notes or coins, knives, and video games are absolutely prohibited.



### 63.4 Temporary prohibition

Temporary ban on import of cement, in order to protect the state-owned sole domestic supplier.



### 63.71 To protect human health

Import ban is set on the following goods: opium and Chandu, the "Salk" polio vaccine, and vaccines of Chinese Taipei origin, and cough mixture containing codine.

Imported cigarettes are prohibited unless with health warning written on the packages approved by the Ministry of Health.

Due to the risk of transmission of the Avian Influenza virus to humans through consumption of infected poultry products, a ban is set on the importation of all types of poultry products including those live and frozen and all types of poultry eggs from all countries affected by and suspected of having cases of Avian Influenza.

With the incidence of Bovine Spongiform Encephalopathy and the outbreak of Foot-and-Mouth diseases, in Europe including the United Kingdom, an import ban has been set since 4 of March 2001, on all types of meat, including those chilled and frozen, their by-products such as sausage, meat extract and canned meat. Import ban is set also on milk and other dairy products such as pasteurised milk, cheese, butter, ice-cream, yoghurt, powdered milk and baby formulation from the U.K. produced on 1 February 2001.



**63.72 To protect animal health and life**

Import prohibition on pigs bred from Thailand, in order to prevent the introduction of animal diseases into Brunei Darussalam.

With the incidence of Bovine Spongiform Encephalopathy and the outbreak of Foot-and-Mouth diseases, in Europe including the United Kingdom, an import ban has been set since 4 of March 2001, on all types of meat, including those chilled and frozen, their by-products such as sausage, meat extract and canned meat. Import ban is set also on milk and other dairy products such as pasteurised milk, cheese, butter, ice-cream, yoghurt, powdered milk and baby formulation from the U.K. produced on 1 February 2001.

With the outbreaks of the Avian Influenza virus in several countries, and with the view of avoiding the transmission of the disease to animals, effective from 28 January 2004, an import ban is set on all types of poultry products, including those live and frozen and all types of poultry eggs from all countries affected by and suspected of having cases of Avian Influenza.



**63.73 To protect plant health**

Imports of a number of plants from specific regions or countries, soil itself or attached to plant roots are prohibited.



**63.75 To protect wildlife**

Import prohibition of Java Sparrows and turtle egg.



**63.76 To control drug abuse**

There is a short list of prohibited items including dangerous drugs such as opium, heroin, morphine, and psychotropic substances, mescaline, barbiturates, and amobarbital.



**63.77 To ensure human safety**

Fire crackers known as "double bangers" are banned at importation.



**63.78 To ensure national security**

All prohibitions under any order under the Sedition Enactment (cap.24) or the Undesirable publications Enactment (cap.25) arms and ammunitions, and fabrics of tissues consisting of any fibre whatsoever and of any other article whatsoever which fibre or tissue or other articles bear the imprint of any currency note, bank note or coins which are or have not at any time been issued or current, in any other country whatsoever, are prohibited imports as broadcasting equipment.



### 63.9 Prohibitions n.e.s.

Import prohibitions on pens, pencils and other articles resembling syringes, and on alcoholic beverages including spirit and liquors.



## 7. MONOPOLISTIC MEASURES

### Single channel for imports

#### 71.1 State trading administration

Import monopoly of rice bought mostly from Thailand by the Department of Information Technology, and State Stores in the Ministry of Finance under a government to government contract.  
Sugar is also subject to import monopoly.



## 8. TECHNICAL MEASURES

### Technical regulations

Standards and technical regulations are the responsibility of:  
Ministry of Development,  
Old Airport, Bandar Seri Begawan 1190,  
Negara Brunei Darussalam

As there is no national body for elaborating standards, the Construction Planning and Research Unit (CPRU) in the Ministry of Development stands for a focal point for standards and conformity assessment activities. Yet Brunei is a member of the following international and regional standard setting fora which include ISO, WHO, Codex, the ASEAN, ACCSQ (consultative committee on Standards and Quality), the ASEM Trade Facilitation Action Plan, the APEC Sub-Committee on Standards and Conformance, and the Asia-Pacific Laboratory Accreditation Cooperation Scheme.

#### 81.1 Product characteristics requirements

Motor vehicles, agricultural products, pharmaceuticals, and drug related products may be imported subject to certificate of origin requirements.

In conformity with the Emergency (Halal Meat) Order, 1998, "halal" imported meat must originate from facilities which have been approved by Brunei authorities as "halal".



#### 81.12 To protect animal health and life

Health certificates are required for beef and poultry.

Inedible tallow must be accompanied by a sterilization certificate.

Imports of live animals and animals products must be covered by veterinary certificates.

Imported eggs must be identified with the imprint "imported" on the shell of the egg, in order to track out the source of supply and prevent illegal cross-

bordering movements of eggs of unknown sanitary status and to ensure conformity with veterinary and sanitary requirements.

Under Regulations ruling the Quarantine and Prevention of Animal Diseases, all import of dogs, cats and related species must be accompanied by a veterinary health certificate and a certificate from the Veterinary authority of the exporting country stating that the country is free from rabies for a period of six months prior to exportation.



### **81.13 To protect plant health**

Phytosanitary certificates from the Department of Agriculture are required for imported plants and plant materials. No soil may be attached.

The Plant Quarantine Unit of the Department of Agriculture in the Ministry of Industry and Primary Resources, Under the Agricultural Pests and Noxious Plants Act, 1962, is responsible for implementing phytosanitary regulations. Phytosanitary certificates must accompany imports of plants.



### **81.3 Labelling requirements**

#### **81.4 Packaging requirements**

Legislation on food labelling requirements is contained in the Emergency Public Food Order of 1998, in force since January 2001. Labels must be written in Malay or English and must contain the following information: name of food, list of ingredients, net/drained content details of the manufacturer, importer; the country of origin, lot identification, the best before date, storage and use instructions etc. Imports of meats and products containing meat must conform to labelling requirements approved by the Board for Issuing Halal Import Permits. As for food with animal or alcohol content, the origin of both animal or alcohol must also be indicated; imported eggs must be clearly marked "imported" to distinguish them from locally produced eggs.



### **81.5 Testing, inspection and quarantine requirements**

Inspection requirements are set on such imports as motor vehicles, pharmaceuticals, beef, plant and plant materials. Inspection is conducted by various government departments controlling the restricted goods including the Transport Department, the Health Department, and the Department of Agriculture, respectively.

Random samples analysis of imported Mineral water, conducted by the Ministry of Health.

Imported live animals are subject to veterinary inspection at the border, with the exception of those imported from Australia, Ireland, New Zealand, Sabah, Sarawak, Singapore, the United Kingdom; for other countries that are free from rabies, animals may be subject to quarantine for six months upon arrival. Inspection of imported and locally produced drugs by the Drug Quality Control Service, to ensure quality.

