

Brunei Darussalam reported its first COVID-19 case on 9 March 2020 and within a week the government of Brunei Darussalam announced a national lockdown. However, since that time, case numbers have been very low, with no new local transmissions at all since April 2020 as all cases reported since were imported cases only.

As such, because of the very low transmission rate, internal restrictions have eased, although the Brunei Darussalam border remains closed externally, with very limited entry and exit allowed.

1. Government fiscal response measures

1.1 General fiscal stimulus measures that have been adopted

1.1.1 Bail-out packages

The Ministry of Finance and Economy announced an economic stimulus package worth BND450 million which focused mainly on reduction of tax, utility and social security deductions and deferrals, as detailed below.

1.1.2 Short-term funding facility with a particular objective

- Providing co-matching grants¹ for e-commerce and logistics services to improve and promote online purchases; and
- Monthly special allowance of BND400 for front-liners until the eradication of COVID-19.

1.1.3 Relief fund

The government has set up a COVID-19 Relief Fund to enable the general public to make a financial contribution to tackling the COVID-19 pandemic. As of 13 May 2020, the total contribution had reached BND14,128,776.79. The funds are for the Ministry of Health to purchase equipment and essentials to curb the transmission of COVID-19 and for the effective running of the newly built National Isolation Centre Building, National Virology Laboratory and Monitoring Centres.

1.1.4 Other measures

Between 1 April 2020 and 1 October 2020, the government:

- provided a 15% discount on water and electricity bills for sectors in tourism, hospitality, restaurants, cafes, and air and water transportation (targeted sectors);

- exempted customs and excise duties in relation to personal and hygiene products; and
- temporarily suspended rental charges for stalls and markets under the Ministry of Home Affairs.

Further, to support and assist businesses, the Authority for Info-communications Technology Industry of Brunei Darussalam and Darussalam Enterprise (DARE) collaborated with the Ministry of Transport and Info-communications and the Ministry of Home Affairs to set up “e-Kedai”² to provide an alternative platform for businesses to market their products online and for the public to find trusted providers.

2. Legislative reforms impacting on stakeholders dealing with companies in financial distress

The following measures have been adopted to aid the following stakeholders.

2.1 Employees

Between 1 April 2020 and 1 October 2020, there was a deferment on contributions towards the Employee Trust Fund (TAP) equivalent to 5% of the employee’s salary and the Supplementary Contributory Pension (SCP) equivalent to 3.5% of the employee’s salary for local employees earning less than BND1,500 per month in all sectors and working for micro, small and medium enterprises (MSMEs) with fewer than 100 employees.

2.2 Apprentices under the i-Ready program³

All apprentices under the i-Ready Apprenticeship Program in the public and private sectors will have their contract extended for a period of six months if it was otherwise due to expire before September 2020. In addition, the government will make contributions to the TAP and SCP on behalf of companies employing such apprentices.

2.3 Unemployed individuals

To provide assistance to unemployed individuals, the Government has:

- expanded the i-Ready Apprenticeship Program to cover Level 5 Diplomas, providing an allowance of BND600 per month. For unemployed individuals with Technical and Vocational Education Training, if they manage to secure an apprenticeship, the government will provide an allowance of BND400 per month but starting only from the 11th month of the apprenticeship period in their respective companies. In addition, the government will make

1. Under this scheme, businesses will invest in 30% of the total cost of a project, while DARE (a statutory body) will finance 70% of the total cost for a maximum of BND20,000.

2. Brunei’s first local online e-commerce directory.

3. A programme whereby the Brunei Government will sponsor a total of BND800 (bachelor’s degree holder) as allowance for a period of one year and six months on behalf of the apprentice’s employer or company.

TAP and SCP contributions for these individuals;

- provided free online training through Coursera;⁴
- revamped the Job Centre Brunei Website for Job Matching, providing real-time notifications for job matches and enabling companies to receive talent profiles and compatibility reports for advertised jobs; and
- Job Centre Brunei will be working with private companies (which need a larger workforce) to aid jobseekers by providing services such as sending SMS communications to local jobseekers, providing pool talent for companies' reference and conducting interviews through its platforms.

3. Legislative reforms for companies in financial distress

There are no legislative reforms in this area to date.

4. Financial and regulatory measures

The Money Authority of Brunei Darussalam together with the Ministry of Finance and Economy and the Brunei Association of Banks have adopted the following interim measures in order to address the impact of COVID-19 on local businesses.

4.1 Targeted sectors

Between 1 April 2020 and 1 October 2020 (later extended to 31 March 2021), there has been:

- deferred principal repayments on loans for companies in targeted sectors;
- waivers for all bank fees and charges, except third-party charges, related to trade and payment transactions for companies in targeted sectors; and
- waivers of online local interbank transfer fees and charges for all customers.

4.2 Private sector

Between 1 April 2020 and 1 October 2020, there was conversion of outstanding balances on credit cards into a term loan for a period not exceeding three years for affected individuals working in the private sector only. However, this measure did not lead to an extension of the borrower's credit card limit within the three-year period.

4.3 All individuals / sectors

Between 1 April 2020 and 1 October 2020, there were:

- deferment on principal repayments on loans for businesses and individuals impacted by COVID-19 in all sectors;
- deferment on principal repayments on personal financing / loans and vehicle financing / loans, or restructuring loans / repayments with a period not exceeding 10 years; and
- deferment on principal repayments on personal financing / loans related to land, either for ownership or investment purposes.

Further, from 1 April 2020 to 31 December 2020, a waiver of all bank and fee charges for deferment and restructuring applications (including restructuring of outstanding balances of credit cards) was introduced, with the exception of third-party charges.

Additionally, between 1 April 2020 and 30 September 2020 (later extended to 31 March 2021), the government also introduced a waiver of online local interbank fund transfer fees and charges to all bank customers.

Other specific measures that have been implemented:

- Between 1 April 2020 and 1 October 2020, the Government provided a 50% tax discount on corporate income tax for the 2021 assessment year for companies in targeted sectors.

5. Specific measures for micro and small businesses

5.1 Self-employed

- Between 1 April 2020 and 1 October 2020, the Government provided full SCP⁵ for self-employed individuals; and
- Between 8 April 2020 and 8 May 2020 (later extended to 6 June 2020), the government provided a 50% discount for glutinous rice at the Supply and State Store Complex for businesses to assist in their preparation and sale of local kuih and cakes using glutinous rice as the main ingredient (such as *kelupis*, *wajid*, *seri-muka* and others).

5.2 Micro and small businesses with less than 100 employees

Between 1 April 2020 and 1 October 2020, there were:

4. An online learning platform that has over 300 courses related to business matters.

5. SCP is a scheme whereby individuals voluntarily contribute on a monthly basis BND17.50 into their registered account and the Government matches that contribution amount.

- as noted above, deferments on contributions towards TAP (5%) and SCP (3.5%) for local employees earning less than BND1,500 per month in all sectors provided they worked for MSMEs;
- 25% salary subsidies for Bruneian employees;
- 30% discounts on rental rates of government buildings in targeted sectors; and
- financial assistance measures from the Brunei Islamic Religious Council through its General Administration Fund.

The 50% discount for glutinous rice noted above also applied to MSMEs between 8 April 2020 and 8 May 2020 (later extended to 6 June 2020).

6. Measures introduced by the courts to deal with increased insolvency cases

No specific measures have been taken by the courts to deal with increased insolvency cases.

However, during the initial stage of the pandemic, many court matters were postponed, and some were conducted via Zoom / Teams / WhatsApp where possible. The situation is gradually recovering, and the number of actual face-to-face hearings is slowly increasing.

7. Other pending reforms

There are no known pending reforms at the time of writing.
