

## Brunei Darussalam

1. Brunei Darussalam was first reviewed during the 2017/2018 peer review. This report is supplementary to Brunei Darussalam's 2017/2018 peer review report (OECD, 2018<sup>[1]</sup>). There is no filing obligation for a CbC report in Brunei Darussalam yet.

### Summary of key findings

2. Brunei Darussalam does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Brunei take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Brunei Darussalam have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017<sup>[2]</sup>) relating to the exchange of information framework.

5. It is recommended that Brunei Darussalam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Brunei will not be exchanging CbC reports in 2019.

### Part A: The domestic legal and administrative framework

7. Brunei Darussalam does not yet have a legal and administrative framework in place to implement CbC Reporting. Brunei Darussalam indicates that it will implement CbC Reporting requirements for fiscal years commencing on or after 1 January 2018.

#### *(a) Parent entity filing obligation*

8. No changes were identified with respect to the parent entity filing obligation.

#### *(b) Scope and timing of parent entity filing*

9. No changes were identified with respect to the scope and timing of parent entity filing.

#### *(c) Limitation on local filing obligation*

10. No changes were identified with respect to the limitation on local filing obligation.

***(d) Limitation on local filing in case of surrogate filing***

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

***(e) Effective implementation***

12. No changes were identified with respect to the effective implementation.

***Conclusion***

13. There is no change to the conclusion in relation to the domestic legal and administration framework for Brunei Darussalam since the previous peer review. The recommendation in the 2017/2018 peer review, that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible, remains in place.

## **Part B: The exchange of information framework**

***(a) Exchange of information framework***

14. As of 31 May 2019, Brunei Darussalam has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

***(b) Content of information exchanged***

15. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

***(c) Completeness of exchanges***

16. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

***(d) Timeliness of exchanges***

17. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

***(e) Temporary suspension of exchange or termination of QCAA***

18. Brunei Darussalam does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

***(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance***

19. Brunei Darussalam does not yet have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent

Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

***(g) Format for information exchange***

20. Brunei Darussalam has not confirmed the format that will be used for the international exchange of CbC reports.

***(h) Method for transmission***

21. Brunei Darussalam has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

***Conclusion***

22. It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

23. Further, it is recommended that Brunei Darussalam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

## **Part C: Appropriate use**

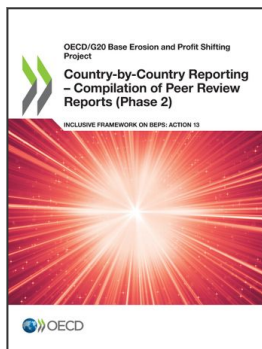
24. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review, that Brunei Darussalam take steps to have measures in place relating to appropriate use remains in place. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

***Conclusion***

25. There is no change to the conclusion in relation to the appropriate use for Brunei Darussalam since the previous peer review. The recommendation for Brunei Darussalam to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

## Summary of recommendations on the implementation of country-by-country reporting

| Aspect of the implementation that should be improved |   | Recommendation for improvement  |
|--|---|---|
| Part A   | Domestic legal and administrative framework | It is recommended that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible, taking into account its particular domestic legislative process.   |
| Part B   | Exchange of information framework           | It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information |
| Part B   | Exchange of information framework           | It is recommended that Brunei Darussalam have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.  |
| Part C   | Appropriate use                             | It is recommended that Brunei Darussalam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.  |



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