

# Product Disclosure Sheet

*Brokerage Service – Foreign Securities*



<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet together with the Terms and Conditions before using this service.</p>	<p><b>BROKERAGE SERVICE (“SERVICE”)</b></p> <p>The information provided in this product disclosure sheet is valid as at 1<sup>st</sup> April 2023.</p>
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**PART A: GENERAL**

**1. What is this Service?**

BIBD Securities Sdn Bhd (“BIBDS”) acts as a broker and provides you with the access to securities traded in selected stock exchanges. You are investing in Shariah compliant Securities, also known as “equity”, “share” or “stocks” listed and not listed in the stock markets.

**2. What is the applicable Shariah concept?**

- The Shariah concept applicable is *Wakalah Bil Ujrah* (agency with fee).
- The Client (“*Muwakkil*”) enters into a *Wakalah* arrangement with BIBDS (“*Wakil*”), thereby authorising BIBDS to amongst others, place orders into the Securities on the Client’s behalf and to debit and / or credit the Investment Account and Trading Account for the investment services.
- BIBDS shall earn a *Wakalah* fee for the service rendered and at its sole discretion may waive or impose such fees.

**3. What are the benefits of investing in Securities?**

- **Investment Gain** – One of the primary benefits of investing in Securities is the chance to grow your wealth. Over time, the Securities may rise in value, though the prices of the Securities may rise and fall daily. Investments in stable companies that are able to grow tend to make profits for investors.
- **Dividend Income** - Securities may provide additional income in the form of a dividend. The positive side of dividend income is that the income comes even if the Securities had lost its value.
- **Diversification** – If you put money into different types of investment products, an investment in Securities has the benefit of providing diversification. Securities change value independently of other types of investments, such as Sukuk and real estate.
- **Acquire Ownership** - Buying shares of Securities means taking on an ownership stake in the company’s Securities which you have purchased. This ownership, in turn, provides you with the right to vote in the company’s decisions.
- **Liquidity** - The stock market is a huge auction house. Investors are buying and selling their shares every day. This makes Securities a liquid investment. When you want to cash out, it will be easier to find a buyer. Other assets are more difficult to sell.

**4. What stock markets are available in this Service?**

Market	Instrument
Singapore Exchange (SGX)	Securities
Bursa Malaysia	

**5. How can I start investing in Securities?**

To invest in Securities, you will need to open a Trading Account with Bank Islam Brunei Darussalam Berhad (“BIBD”) in which no initial deposit and minimum amount is required to be maintained in the Trading Account.

The table below illustrates the steps and required documents:

No	Steps	Required Documents
1	Open a Trading Account at any BIBD Branches	Original identity card or passport  Proof of employment* (latest salary slip, letter of employment or valid Staff ID)  *Required for first time account opening and any changes to the employment (for existing customers)
2	Visit BIBD Securities	Original identity card or passport for trading purposes
3	Start investing	Upon completion of BIBDS' required documents

#### 6. What is the eligibility to invest in Securities?

- You must be of 18 years old and above; and
- You must undergo suitability assessment and establish your risk profile prior to investing in Securities.

### PART B: TYPE OF INVESTMENT RISKS

#### 7. What are the risks of investing in Securities?

There are various risks associated with investment in securities and it is advisable that you take measures to manage these risks since they cannot be totally avoided. These include, but are not limited to the following risks:

- **Market risk:** Securities prices can be very volatile and unpredictable subject to different market and economic factors both locally and internationally. Market risk, also known as systematic risk, usually refers to that type of risk associated to a specific market. It stems from the economic, geographical, political, social or other factors of that market.
- **Profit rate risk:** Shifts in profit rates may affect different Securities prices to different extents. Shifts in profit rates affect a wide range of investments - including bank deposits, Securities, Sukuk and property. Whichever way profit rates shift, there are gainers and losers. Rises in profit rates are good for saving deposits, but generally cause pain to Securities and Sukuk holders, and property investors with mortgages. Generally, Sukuk prices fall in response to a rise in profit rates, and long-term Sukuk with a higher duration are likely to be more sensitive to profit rate changes. Cuts in profit rates hurt those with large amount of saving deposits.
- **Inflation risk:** The risk of a loss in your purchasing power because the value of your investments does not keep up with inflation. Inflation erodes the purchasing power of money over time – the same amount of money will buy fewer goods and services. Inflation risk is particularly relevant if you own cash or investments like Sukuk. Securities offer some protection against inflation because most companies can increase the prices they charge to their customers. Securities prices should therefore rise in line with inflation.
- **Global risk:** External (environmental) risk outside the influence of a country's government. Stock markets are mostly influenced by economic issues in all major markets. You are therefore exposed to economic events around the globe and need to factor this into your risk assessment.
- **Business risk:** A listed company you invest in may suffer a severe decline in profits or even go bankrupt. This could be a result of many factors such as poor management, slowdown of the industry and competition.
- **Corporate mis-governance:** A company you invest in may have improper management or conduct a transaction that you deem is detrimental to your interests as a shareholder e.g. a company buys an over-valued asset. The regulators do not normally intervene in commercial decisions of listed companies provided there is no breach of regulations.

- **Trading suspension:** Securities can be suspended from trading to avoid any uneven information dissemination and opportunities for insider dealing and to ensure trading is undertaken on a fully informed basis. You will not be able to buy or sell a Security during suspension during which time the price may move due to both market and business risk changes.
- **Liquidity risk:** Beware of the additional risk of being tied up in Securities which are hard or costly to liquidate. Securities with low market capitalisation are generally less liquid than those with high market capitalisation.
- **Currency risk:** Applies when you own foreign investments. It is the risk of losing money because of a movement in the exchange rate. For example, if you invest in Securities listed in the USA, a decline in the value of US Dollars relative to the Brunei Dollar would mean a loss in value of your investment capital if you intend to convert the money invested back to Brunei Dollars.
- **Policy risk:** Changes in government policies and regulations could have profound impact on Securities in the relevant sectors or industries.

### TRADING IN FOREIGN MARKETS SECURITIES

#### 8. How do I place a Buy or Sales Order?

You may place your order with our trader by calling our dealing lines at 222 1470 and 223 6207 or visit our counters at BIBD Securities, Level 1, Setia Kenangan Complex, Kampong Kiulap.

Our trader will take your Buy or/and Sales order(s) and will place them with our trading counterparties based on the market traded. Orders will be based on limit orders and valid for the day you have placed your order. Any unfulfilled orders of the day will be cancelled, and you may place a new order on any other days if you wish to.

#### 9. What type of order can I place?

At BIBDS, we only accept limit orders. It is an order which is entered into the order book with both the price (maximum buy price or minimum sales price) and quantity that you are willing to trade at.

Any portion of the order that can immediately be matched is traded as soon as the order is entered. The rest of the unfilled order sits in the order book until it is matched, or it will be removed from the order book at the end of the trading day.

#### 10. How do I set a price for my order?

Prices can be set based on the last traded price, the bid or ask price of the securities. You may follow the market's bid/ask price or bid at a slightly lower/higher price depending on your budget.

For quotation of the latest stock price, you may contact our dealing desk at 222 1470 / 223 6207.

#### 11. What are the fees and charges that I have to pay?

Please refer to the tariff posted on BIBDS website.

#### 12. Will my order be fully executed?

No, it is not a guarantee. The execution of your order will depend on the standard of procedure for stock trading. Once an order is entered into the system, it will be placed in a queue and the system is left to run. The execution of the buying/selling will be according to the price stated in the contract.

In the event that the full order cannot be fulfilled due to the volume or price amount not meeting the requirements of the contract, a partial order will be executed. After 4.00pm, all trading halts therefore the remaining orders will be cancelled. However, if you wish to execute the remaining order, you can contact the trader to place the remaining orders the following day.

If you place an order to buy a shariah-compliant Securities, you will have to pay brokerage fee and handling fee. In the case of partial execution of the order, the Brokerage fee will be charged on the partially executed amount instead of the full amount. Please take note that the handling fee is charged on a *per market per day basis*.

**13. Can I modify or cancel my orders?**

Orders can be cancelled or modified provided that it has not been executed.

**14. What are the trading hours?**

<b>Mondays - Thursdays</b>	<b>Fridays</b>
9.00am until 12.00pm 1.30pm until 4.00pm	9.00am until 11.00am 2.45pm until 4.00pm

**15. How do I know which securities are Shariah-Compliant?**

[Securities listed in Bursa Malaysia](#)

The list is downloadable from following link:

<https://www.sc.com.my/development/icm/shariah-compliant-securities/list-of-shariah-compliant-securities>

[Securities listed in Singapore Stock Exchange \(SGX\)](#)

The list can be obtained from our trader via email. You may email us at [bibdsretail@bibd.com.bn](mailto:bibdsretail@bibd.com.bn) or call our dealing lines at 222 1470 or 223 6207 to request for copy of the list.

**16. What happens if my Securities become Shariah non-compliant (“SNC”)?**

If a security becomes SNC, you will be notified by mail or a call. You will be advised to dispose the SNC security by selling or transferring the security to another broker, depending on the market status of the security.

**17. How can I get the latest price of a Securities?**

You may call our dealing lines at 222 1470 or 223 6207 to get a quote of the latest Securities price.

**18. What are the modes to settle my trades?**

All trades are settled via your Trading Account. Please ensure your Trading Account balance is sufficient before placing a Buy order with BIBDS.

For Sales order, the net amount of the Sales proceed will be credited into your Trading Account.

**19. What happens when I have insufficient funds in my Trading account?**

The trade will not be executed if there is insufficient fund in your Trading Account.

**20. What are the settlement dates for the payment and sales of my trades?**

Settlement date is the date when a trade is final, where the buyer must make payment to the seller while the seller delivers the assets to the buyer.

For example,

If your Buy order is executed on 17<sup>th</sup> May 2021, your trading account will be debited on 17<sup>th</sup> May 2021 and your shareholding will be reflected 18<sup>th</sup> May 2021.

If your Sales order is executed on 17<sup>th</sup> May 2021, your trading account will be credited on 25<sup>th</sup> May 2021 and the reduction of your shareholding will be reflected on 25<sup>th</sup> May 2021.

The following schedule may vary and is subjects to the availability of the fund being received or paid by the counterparty.

Market	Settlement Date (Buy)	Settlement Date (Sales)
Singapore	(Transaction Date)	(T + 6)
Malaysia	(Transaction Date)	(T + 6)

**21. What happens after a transaction?**

A contract note will be mailed out to your mailing address and you may download your monthly investment portfolio statement from BIBD NEXGEN Online.

**22. How can I check my dividend payments?**

Your dividend payments will be credited into your Trading account. You may check your Trading account transaction history via your BIBD NEXGEN Wallet or BIBD NEXGEN Online.

Alternatively, you may also request for a statement printout at any BIBD branches.

**23. Can I transfer my shares to another broker?**

Yes. You may approach BIBDS counter to request for the transfer.

**24. Where can I get assistance and further information?**

For trading inquiries, you may contact us at:

BIBD Securities Sdn Bhd  
1st Floor, Kompleks Setia Kenangan Kg Kiulap,  
Bandar Seri Begawan BS1518  
Brunei Darussalam

Contact number: +673 223 8181  
+673 222 1470 / 223 6207 (during office hours)  
Email: bibdsretail@bibd.com.bn