

Brunei

Tax rate

Corporate in Brunei is taxed at the rate of 22% or 55%. Brunei does not currently levy any income tax on individuals and there is no sales tax or value added tax (VAT).

Brunei Taxation in General

- No Personal Income Tax
- There are no social security taxes in Brunei. However, all citizens must contribute 5% of their salary to a state-managed provident fund.
- Stamp duties are levied on a variety of documents in Brunei.
- Properties under commercial use are subjected to property tax.

Corporate Tax

The corporate tax rate in Brunei is at 22%.

Year	Tax Rate
2010	23.5%
2011	22%

Petroleum Tax: Income from petroleum operations is taxable under the Income Tax (Petroleum) Act 1963. This legislation follows the general pattern of most Middle East oil-producing countries. The petroleum tax rate in Brunei is a fixed rate of 55%.

Brunei Tax Exemptions:

- No Personal Income Tax
- No Export Tax
- No Manufacturing Tax
- No Sales Tax

Withholding tax

Effective from January 1, 2008, withholding tax shall be payable at the following rates:

Types of taxable income	Tax rate
Interest, commission, fee or other payment in connection with any loan or indebtedness	15%
Royalty or payments for the use of movable properties	10%
Payment for the use of or the right to use scientific, technical, industrial or commercial knowledge or information	10%
Technical assistance and Service Fee	20%
Management Fee	20%
Rent or other payments for the use of movable property	10%
Nonresident Directors' Remuneration	20%

Brunei does not impose any withholding tax on dividend and there is no Capital Gains Tax.

Tax Incentives for SMEs

Tax and investment privileges are provided to SMEs. The following types of business are eligible for the tax exemption; imported raw materials and machinery for SMEs, food industry for the export and domestic market and industries that use marine resources.