



## **DIRECTIVE ON BRUNEIANISATION IN THE OIL AND GAS INDUSTRY (No.1/2018)**

**TITAH** - His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam at the *Majlis Pembukaan Persidangan Musim Permesyuaratan Ke-11 Majlis Mesyuarat Negara (MMN)* 2015 on 5 March 2015 coinciding with 14 Jamadilawal 1436 Hijrah:

*“In the field of employment, extra attention should be given to mobilising local Bruneians to fill employment opportunities where available. We must carefully examine where and how long will it take for our local Bruneians to be able to fill those employment opportunities. Especially in mature industries that are at the core of our economy, do we know how many of those opportunities or key positions are still monopolised by foreign workers. This should not be taken lightly but requires to be monitored and reviewed. It is important that the [Legislative] Council takes heed on this matter.”*

With the consent of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Bruneianisation Directive is issued by the Ministry of Energy and Industry (MEI), for full implementation with effect from 21 June 2018 coinciding with 7 Syawal 1439 Hijrah.

- (1) **Definition** – Capitalised terms used herein shall have the meaning ascribed to them in **Annex 3**.
- (2) **Scope** – This Directive on Bruneianisation in the Oil and Gas Industry (No.1/2018) (herein referred to as “Directive”) shall be adopted by all upstream, midstream and downstream operators in the oil and gas industry (herein referred to as “Companies”).

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- (3) **Ultimate Goal** – The ultimate goal of this Directive is to achieve a minimum 90% Bruneians at all Levels and skill-pools in the Companies. Depending on their current status, Companies shall achieve a minimum 5% to 10% year on year improvement in employing Bruneians.
- (4) **Strategic Objectives** – The strategic objectives of this Directive are to:
  - (a) Ensure Bruneians are leading and driving the oil and gas industry in Brunei Darussalam;
  - (b) Maximise employment opportunities for Bruneians at all Levels in the organisation;
  - (c) Produce highly competent Bruneian business leaders, managers, professionals, technicians and skilled workers; and
  - (d) Attract and retain Bruneian talents to sustain the development of the oil and gas industry.
- (5) **Guiding Principles** – This Directive will be guided by the following principles:
  - (a) National Philosophy of *Melayu Islam Beraja* (known in English as Malay Muslim Monarchy);
  - (b) Meritocracy and transparency; and
  - (c) Top business priority and consistent implementation.
- (6) **Effective Implementation** – To ensure effective implementation of this Directive, Companies shall develop a Bruneianisation Plan by implementing the Human Resources Management System (herein referred to as “HRMS”) as stipulated in **Annex 1**.



- (7) **Performance Monitoring** – The following measures shall be complied with:
- (a) Companies shall report all information pertaining to the Directive to the Ministry of Energy and Industry (MEI), for the purpose of informing or obtaining approval, within the relevant timelines as stated in **Annex 2**; and
  - (b) The board of directors of the respective Companies shall drive the Directive as one of their key business deliverables.
- (8) **Leadership Commitment and Communication** – The top leadership in the Companies shall own, lead and drive this Directive and shall communicate to their management, supervisors and employees so they are fully aligned and empowered to successfully implement this Directive. They should also conduct an annual management review to ensure effective implementation of the Directive.
- (9) **Amendments** – The Ministry of Energy and Industry (MEI), from time to time, shall review and make any amendments to this Directive, as required.

Issued by:

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(Yang Berhormat Dato Paduka Dr. Awang Haji Mat Suny bin Haji Md. Hussein)  
**Minister of Energy and Industry,**  
Ministry of Energy and Industry  
BRUNEI DARUSSALAM

Issued on: 21 June 2018



## ANNEX 1 - Human Resource Management System (HRMS) For Companies

To ensure continuous improvement, Companies shall have a comprehensive HRMS and are recommended to adopt industry best practices in managing their human resources. Whilst some Companies have more established and advanced HRMS, at the minimum, Companies shall have the following key elements in their HRMS:

- (1) **Objective, Key Performance Indicators (KPI) and Targets** – To ensure Companies are driving and continuously implementing the Directive within their organisation, as a minimum, Companies shall set five-year (5-year) rolling targets for the following KPI, including but not limited to:
  - (a) Percentage of Bruneians at all Levels;
  - (b) Percentage of Bruneians at all skill-pools;
  - (c) Total number of assigned Bruneians for cross-posting (in-country and/or international assignment);
  - (d) Total recruitment of Bruneians;
  - (e) Total recruitment of Bruneian graduates;
  - (f) Total number of scholarship grants for Bruneian graduates;
  - (g) Cover Ratio<sup>1</sup>;

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<sup>1</sup> The ratio of the number of potential Bruneians over the identified key position(s).



- (h) Percentage of competent Bruneians in the current job and ready for the next job level; and
  - (i) Total number of Bruneians sent for training.
- (2) **Roles, Responsibilities and Resources** – Companies shall define the roles and responsibilities of all the relevant parties and allocate sufficient resources to implement this Directive effectively. The roles and responsibilities shall include, but not be limited to the following:
- (a) **Role of the board of directors** – The board of directors of Companies shall set the Directive as one of the key business deliverables. The board of directors must also ensure that the implementation of the Directive is continuous until targets are met;
  - (b) **Role of management** – Top management shall own, lead and drive this Directive with visible commitment and shall communicate clearly to their management, supervisors and employees so they are fully aligned and empowered to successfully implement this Directive;
  - (c) **Role of expatriates** – To implement a knowledge transfer agreement between the expatriate and the identified Bruneian successor(s). This agreement will be incorporated within the contracts of employment and individual targets of all expatriates. This would include coaching, mentoring and systematic development of Bruneians; and

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- (d) **Role of human resources department** – The human resources department of the respective Companies shall ensure that they are in line with the Directive in order to comply and achieve their respective manpower objectives, Key Performance Indicators (KPI) and targets. The human resources department will play a key role in supporting and facilitating the manpower progression and development of the Companies' manpower capabilities.
- (3) **Key Processes** – Companies must develop processes to implement this Directive consistently across the organisation in a transparent manner towards achieving the ultimate goal of this Directive, and as a minimum, shall adhere to the following:
- (a) **Manpower Capability Planning** –
- (i) The workforce capability plan must aim towards achieving the Directive's target with a minimum of 5% annual improvement at all Levels and skill-pools;
- (b) **Recruitment, Attraction, Deployment and Retention** – Companies shall have in place a recruitment, attraction, deployment and retention process:
- (i) Companies shall consistently recruit sufficient<sup>2</sup> number of graduates;
  - (ii) Companies shall identify and confirm job Levels, positions and skill-pools that are allocated only for Bruneians (herein referred to as "Bruneian Positions");
  - (iii) Where possible, companies shall not recruit any new expatriate for all positions at Levels 4 and below<sup>3</sup>;
  - (iv) Companies shall provide cross-posting opportunities (in-country and/or international assignment) for Bruneians;

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<sup>2</sup> Annual Graduate recruitment of at least 3% of the total workforce population at Level 5 and above, subject to business requirement and MEI approval.

<sup>3</sup> Exemption to hire expatriates and application for work permit renewals within levels 1 to 4 will be subject to MEI approval. Exemption will only be for technical expertise and niche skill pools. Should approvals be provided by MEI, it will be on a 2-year contract basis for the first approval. Consequent approval for contract renewal will be for a 1-year basis not exceeding a total of 4 years from the first approval.



- (iv) Companies shall provide cross-posting opportunities (in-country and/or international assignment) for Bruneians;
  - (v) Companies shall observe and comply with the reasonable wage guidelines, as issued from time to time; and
  - (vi) Companies should work towards establishing a more conducive working environment and attractive retention programme.
- (c) **Competency Assessment and Development** – Companies shall have a comprehensive competency assessment and development process in line to identify high-potential Bruneians:
- (i) All positions must have a job-specific competency description; and
  - (ii) All employees (Bruneians and expatriates) must have regular competency assessments, identify clear competency gaps and actions to address the gaps.
- (d) **Talent Development, Promotion and Succession Planning** – Companies shall have talent development, promotion and succession planning management processes:
- (i) All Levels and skill-pools must have at least a 5-year succession plan; and
  - (ii) All Bruneians must have a CEP (Current Estimated Potential or equivalent)<sup>4</sup> mechanism in place and a 5-year rolling individual development plan.
- (e) **Performance, Reward and Consequence Management** – Companies shall have Performance, Reward and Consequence Management processes:
- (i) All employees of Companies must have annual work targets and performance assessments;

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<sup>4</sup> Estimate of the highest level of work an employee can handle competently before retirement.

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- (ii) Companies shall have a performance-based reward programme in place; and
  - (iii) Companies shall implement performance improvement plans for all non-performing employees.
- (4) **Audit and Management Review** – As a minimum:
- (a) Companies shall conduct audits to ensure compliance with this Directive; and
  - (b) Top management shall conduct an annual management review to establish the effectiveness of the implementation of this Directive and make improvements where deemed necessary.

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**ANNEX 2 – Reporting**

The following table illustrates the documents, data and information pertaining to the Directive that is required for submission and/or approval (where stated) by the Ministry of Energy and Industry (MEI) within the stipulated timeline:

No.	Human Resource Management System (HRMS) Elements	HRMS Sub-elements	Inform <sup>1</sup>	Approval <sup>2</sup>	Timeline	
1	Human Resources Policies and Procedures			Approval	As and when required, including introduction of new policies and procedures or any amendments to the current policies and procedures	
2		Overall Manpower Composition	1. Organisational Manpower lists	Inform		Quarterly
			2. Overall Bruneian and Expatriate Compositions (Absolute Numbers and Percentage (%))	Inform		Quarterly
		3. Bruneian and Expatriate compositions for each Level from 1-7 (Absolute Numbers and Percentage (%))	Inform		Quarterly	

<sup>1</sup> 'Inform' is defined as a direct submission of the requested data, documents and information to the Ministry of Energy and Industry (MEI).

<sup>2</sup> 'Approval' is defined as a direct submission of the requested data, documents and information to the Ministry of Energy and Industry (MEI), pending further review and agreement of the MEI.



		4. Organisational Chart:			Quarterly
		a. Management Organisation Chart (including Level 1, Level 2, and Level 3)	<i>Inform</i>		
		b. Departmental Organisational Chart for the whole organisation	<i>Inform</i>		
3	Manpower Capability Planning	1. Succession plans for the next 5 years (minimum):			Annually
		a. Level 1 to Level 5 Bruneians and Expatriate data	<i>Inform</i>		
		2. Human Resource Plans and Targets for the stated KPIs, as a minimum:			
		a. Percentage of Bruneians at all level		<i>Approval</i>	
		b. Percentage of Bruneians at all skill-pool		<i>Approval</i>	
		c. Total number of assigned Bruneians for cross-posting (in-country and/or international assignment)		<i>Approval</i>	
		d. Total recruitment of Bruneians		<i>Approval</i>	
		e. Total recruitment of Bruneian graduates		<i>Approval</i>	
f. Total number of scholarship grants for Bruneian graduates		<i>Approval</i>			

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		g. Cover Ratio	<i>Inform</i>		
		h. Percentage of competent Bruneians in the current job	<i>Inform</i>		
		i. Total number of Bruneians sent for trainings	<i>Inform</i>		
		3. List of High Potential Bruneians	<i>Inform</i>		
4	<b>Performance, Reward and Consequence Management</b>	1. Performance score of all Bruneians and expatriates at Level 4 and above	<i>Inform</i>		Annually
		2. List of Bruneians who are identified to be put on any Performance Improvement Plans	<i>Inform</i>		As and when required
		3. Progress report of the Performance Improvement Plan	<i>Inform</i>		Monthly
		4. Report of Bruneian leavers in the following categories: Resignation, Early Retirement, Normal Retirement, Medical Case	<i>Inform</i>		Monthly
5	<b>Competency Assessments and Development</b>	1. Percentage of Bruneians at all levels that are competent in their current job group	<i>Inform</i>		Biannually
		2. Percentage of Bruneians at all levels that are competent and ready to enter the next job group	<i>Inform</i>		
		3. Competency Assessments and Gap Closure Plans of the High Potential Bruneians	<i>Inform</i>		

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		4. Progress reports of the Gap Closure Plans of the High Potential Bruneians	<i>Inform</i>		Quarterly
		5. Report of cross postings of Bruneians (includes in-country and international assignments)	<i>Inform</i>		Biannually
6	Recruitment, Attraction, Deployment and Retention Leavers	1. Recruitment and promotion of Bruneians at Levels 2 and above (including evidences and supporting documents)		<i>Approval</i>	As and when, before recruitment or promotion takes place
		2. Recruitment and promotion of Bruneians at Levels 3 and below	<i>Inform</i>		Monthly
		3. Demotion at all levels of Bruneians		<i>Approval</i>	As and when, before demotion takes place
		4. All Expatriate recruitment		<i>Approval</i>	As and when before recruitment or promotion takes place
		5. All Expatriate promotion	<i>Inform</i>		
		6. Report of Bruneian leavers relating to termination/dismissal  <i>Note: Disciplinary/Performance case details to be shared</i>		<i>Approval</i>	As and when the case arises and prior to final deliberation of hearing
		7. Internal transfers of Expatriates		<i>Approval</i>	As and when required



ANNEX 2

7	<b>Re-Organisation</b>	All Re-Organisation		<i>Approval</i>	As and when required
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## ANNEX 3 - Definitions

Terminology	Definition
Approval	'Approval' is defined as a direct submission of the requested data, documents and information to the Ministry of Energy and Industry (MEI), pending further review and agreement of the MEI.
Bruneian(s)	A subject of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam who is under a contract of service with his or her employers within the business area but does not include those under a contract of apprenticeship.
Bruneian Positions	Job Levels, positions and skill-pools that are allocated only for Bruneians.
Company(ies)	A Company under this Directive refers to an oil and gas upstream, midstream and/or downstream operator in the oil and gas industry.
Cover Ratio	The ratio of the number of potential Bruneians over the identified key position(s).
Current Estimated Potential	The Current Estimated Potential (CEP) refers to the estimate of the highest level of work an employee can handle competently before retirement.
Directive	The Directive refers to this Directive on Bruneianisation in the Oil and Gas Industry (No.1/2018) issued on 21 June 2018.
HRMS	The HRMS refers to the Human Resources Management System stipulated in Annex 1 of this Directive.

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Inform	'Inform' is defined as a direct submission of the requested data, documents and information to the Ministry of Energy and Industry (MEI).
Level(s)	<p>Level(s) refers to any or all of the following:</p> <p>Level 1 refers to the highest level of leadership within the organisation excluding shareholders and board of directors.</p> <p>Level 2 refers to executive positions which directly report to the managing director, chief executive officer or its equivalent.</p> <p>Level 3 refers to the extended leadership team directly reporting to Level 2 positions.</p> <p>Level 4 refers to senior professionals or executives reporting to their respective leads in Level 3.</p> <p>Level 5 refers to junior professionals or executives and below.</p> <p>Level 6 refers to supervisory or senior technical staff, including technical assistants or administrative staff.</p> <p>Level 7 refers to skilled workers.</p>