

## **Appendix–1**

Chronology of Major Policy Announcements: FY12

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### 1. Financial Sector Development

- July 2011
- A focus group was constituted for preparing a guidance notes for the insurance companies of the country to strengthen prevention of money laundering and terrorist financing. Considering the country's existing laws, size and nature of the insurance business, international standard and best practice the said focus group prepared a draft 'Guidance Notes on AML & CFT' for insurance companies' which was finalised by a review committee through consulting with all stakeholders. The soft copy of the guidance notes has been supplied to all insurance companies and uploaded on the BB web site (<http://www.bb.org.bd/mediaroom/circulars/circulars.php>). All insurance companies in Bangladesh have been advised to prepare their own guidance notes with the approval of their own board of directors and to submit the same to the Money Laundering Department of Bangladesh Bank within 30 September 2011 and to take necessary initiatives for compliance within 31 December 2011.
- July 2011
- Financial Institution Regulation, 1994 has been amended to raise minimum paid up capital to Taka 100 crore for the financial institutions by 30 June 2012. Paid up capital may be raised either by issuing IPO or right shares or bonus shares. Financial institutions are also instructed not to disburse any cash dividend until they achieve the minimum paid up capital (Taka 100 crore).
- July 2011
- All financial institutions have been advised to submit the soft copy as well as hard copy of their projected liquidity profile on the basis of balance of last working day of every month as per prescribed format. Financial institutions are also advised to submit the projected liquidity profile and statement of affairs of concerned month within five working days of the next month.
- July 2011
- Referring to the BCD Circular No. 20/1993, letter no. DOS/(OS)/1156/44/2006/245-292/2006 and subsequent letters issued thereon some instructions were issued to all scheduled banks regarding submission of off-site supervision statements for determination of CAMELS rating, it has been stated that henceforth all the scheduled banks shall submit the off-site supervision statements according to the redesigned formats regarding CAMELS rating directly through online. In terms of Article 36 of the Bank Company Act, 1991, the following instructions to be followed by the banks:
    - State-owned Commercial Banks (SCBs) has been advised to submit the statements as per new formats on quarterly basis within the next 30 days of the end of every quarter while Private Commercial Banks (PCBs), Foreign Commercial Banks (FCBs) and Specialised Development Banks (SDBs) have

been advised to submit the same on half-yearly basis within the next 30 days of the end of every half-year.

- All scheduled banks have been advised to upload duly filled softcopy in Excel format through the web-site of BB homepage under the menu web upload. Hardcopy of the same signed by two responsible officials along with a forwarding letter signed by Managing Director (MD)/Chief Executive Officer (CEO) or at least by Chief Financial Officer (CFO), shall have to be submitted to the Department of Off-site Supervision (DOS) within the time limit as mentioned above.
  - The banks have also been advised to submit the hard copies of additional/supplementary paper/information as per requisition list supplied with the letter no. DOS/ (OS)/1156/44/2010/30-76/2010 within the time limit as mentioned above.
  - If any bank fails to submit the statements within the stipulated time, necessary actions would be taken against the defaulter bank as per Bank Company Act, 1991.
  - The banks have been advised to collect the soft copy of the aforesaid Excel formats from Department of Off-site Supervision.
  - Reporting in the new format will be effective from the half-year ended on 30 June 2011.
- September 2011
- It has been decided to revise/add/delete some provisions of the policy guidelines of Bangladesh Bank fund under small enterprises refinance scheme which are mentioned below:
    - i. Now, like small enterprise the application of refinance of cottage and micro enterprise will also be considered.
    - ii. In case of women entrepreneurs, the existing refinance programme at the rate of 10 percent (bank rate+5 percent) for small enterprises will be applicable for cottage and micro enterprises.
    - iii. 100 percent of the disbursed loan in the manufacturing, service and business sector will be refinanced to women entrepreneurs on the priority basis. In case of fund shortage, manufacturing and service sector will get the priority.
    - iv. Subject to adequacy of fund, the entrepreneurs except women will get 100 percent refinance facility against disbursed loan only in manufacturing and service sector under cottage, micro and small enterprises.
    - v. In case of cottage industry, the limit of refinance has been enhanced from Taka 10,000 to Taka 5,00,000 and for micro industry it will increase from Taka 20,000 to Taka 10,00,000.

- vi. For small enterprise the limit will remain unchanged from Taka 50,000 to maximum Taka 50,00,000.
  - vii. Banks are also advised to submit the application in Bangladesh Bank for getting the facility of refinance from 'Bangladesh Bank Fund' within first 15 days of the next month on monthly basis instead of quarterly basis. In case of failure of submitting the application, it can be done along with the application of the next month.
- September 2011
- Financial institutions are advised to follow some instructions while submitting the statement of large loan/lease, they are as follows-
    - (a) If the disbursed amount of loan/lease to a person/institution/group of institutions by any financial institution is equal to or more than 15 percent of the total capital (paid up capital & reserve), it will be considered as a large loan/lease.
    - (b) All type of direct/indirect loan/lease facilities will be taken into account but 50 percent of indirect loan/lease facilities will be considered as credit equivalent.
    - (c) The financial institutions will submit the large loan/lease statement on quarterly basis by the 15th of the next month after each quarter end.
- September 2011
- (Paragraph 2.1.2 (F) of the circular no. ACSPD-06/2009) Some decisions have been made regarding re-fixation of interest rate for refinance scheme for solar energy, bio-gas and effluent treatment plant. It has been decided to distribute bank loan with Micro Finance Institutions (MFIs) through partnership in order to reach solar electricity at the deprived rural areas of the country by establishment of solar home system. Maximum 12 percent interest rate is allowed to charge using reducing balance method at the beneficiary level.
- September 2011
- Bangladesh Electronic Funds Transfer Network (BEFTN), which started its live operation from 28 February 2011 with credit transactions only, has set 15 September 2011 for the initiation of 'Debt' transactions to extend EFT operations and to facilitate all kinds of transactions through it. Banks have been advised to follow the instructions as mentioned below:
    - i. Only corporate entities can conduct this kind of transactions subject to the written acceptance from the "Receiver".
    - ii. It is mandatory to have a contract in place between the "Originator" and the "Originating Bank" in case of conducting debit transactions.

- iii. "BEFTN Operating Rules" should be followed as return timings differ for EFT debit transactions.
  - iv. In case of returned EFT debit transaction due to insufficient fund, the receiving bank can charge interest at the existing rate from the concerned receiver's account on the amount transacted.
  - v. "BEFTN Operating Rules" should be accurately followed by each parties participating in EFT transactions.
- September 2011 • The financial institutions have been instructed to reduce the amount of share by 31 December 2012, if there is any excess investment as stipulated in section 16 of the Financial Institutions Act, 1993.
- September 2011 • The time limit of reducing the existing loan extended to own subsidiary companies by banks established for merchant banking and brokerage activities within the limit has been re-fixed at 31/12/2012 in place of 31/12/2011.
- September 2011 • All scheduled banks of the country have been advised to download the "Guideline on Mobile Financial Services for the Banks" for their use from the website of Bangladesh Bank ([www.bb.org.bd/www.bangladesh-bank.org](http://www.bb.org.bd/www.bangladesh-bank.org)). The guideline will come into effect immediately.
- September 2011 • Banks have been allowed to disburse credit on "Fish Cultivation in Cage" programme as a sub-sector of fish resources under the agricultural/rural credit policy and programme for the FY12. The amount of loan, time of disbursement, duration, repayment schedule and the security will be decided by the banks consulting with the local fish cultivators/farmers, fish experts and the officers.
- September 2011 • The investment of banks on HTM securities (as per value) has been re-fixed at 75 percent (SLR) in place of 50 percent of the related month effective from 01 October 2011. The other instructions about the marking to market based revaluation of treasury bill and bond held by the banking company of DOS circular letter no. 05/2008 will remain unchanged.
- September 2011 • The system of bid submission in the primary auction of government treasury bills and bonds only by PDs will continue until further instructions (circular letter no. DMD-02/2011).
- October 2011 • Bangladesh Bank has issued license to Bangladesh Infrastructure Finance Fund Limited as financial institution on 16 October 2011 under section 4 of Financial Institution Act, 1993.
- October 2011 • Reporting format regarding liquidity profile of FIs which was issued earlier

(DFIM Circular No. 06/2011 ) has been replaced by the new format.

- October 2011 • FIs had been instructed to form audit committee under the guidelines of internal control and compliance (ICC) framework (vide FID Circular No.10/05). Later on, duties and responsibilities of audit committee on internal control, financial report, internal audit, external audit, compliance of existing rules and regulations, organogram of audit committee, eligibility of a member and arranging of meeting have been mentioned (DFIM Circular No-13/11).
- November 2011 • Small life insurance policy holders (up to Taka 1,50,000) can open bank account by depositing Taka 100 (hundred) only at any state owned commercial or specialised bank against national ID card/birth certificate and premium deposit book/document for life insurance. There are no bindings for maintaining minimum balance on the said account.
- November 2011 • It has been decided that Risk Weighted Asset (RWA) against credit risk is to be computed on the basis of credit rating conducted by External Credit Assessment Institutions (ECAIs) duly recognised by Bangladesh Bank. Consequently, calculated RWA and Capital Adequacy Ratio (CAR) will be reported as per specific reporting formats enclosed in the RBCA guidelines (vide BRPD Circular No. 35/2010).
- From this point of view, ARGUS Credit Rating Services Limited (ACRSL) has been recognised as an eligible ECAI in addition to existing four rating agencies (i.e. CRISL, CRAB, NCRL and ECRL). All the scheduled banks operating in Bangladesh may nominate any one or more rating agency/agencies for their own and counter party credit rating for the purpose of calculating RWA against credit risk as per RBCA guidelines.
  - The mapping of rating scales of CRISL, CRAB, NCRL and ECRL with BB rating grades has already been specified in the guidelines. Now, the rating scales of ARGUS have been mapped with BB rating grades which is given below:

Long Term		Short Term	
BB's Rating Grade	Equivalent Notch/Notation of ACRSL	BB's Rating Grade	Equivalent Notch/Notation of ACRSL
1	AAA AA+, AA, AA-	S1	ST-1
2	A+, A, A-	S2	ST-2
3	BBB+, BBB, BBB-	S3	ST-3
4	BB+, BB, BB-	S4	ST-4
5	B+, B, B- , CC+, CC, CC-	S5	ST-5
6*	C+, C, C-, D	S6	ST-6
* Includes Default Rating (DR)			

- November 2011 • All the scheduled banks were instructed to submit weekly statement position as per format DOS WR-01. Considering the necessity of incorporating some new items/item codes, the said format has been redesigned and named as DOS WR-02. Banks are advised to submit the weekly statement position as per revised format (copy enclosed). This would be effective from December 2011. The revised reporting format 'DOS WR-02' is also available in the BB's website.
- November 2011 • Banks have been informed about more clarification of DOS Circular No. 04/2010 which is as follows:
- 1) A) Capital provided by a bank to its subsidiary company established for merchant banking and brokerage activities will be excluded while calculating its capital market exposure.  
  
B) Long term equity investment by any company by a bank will be excluded while calculating its capital market exposure.
  - 2) Timeline for adjustment of excess outstanding credit over the single borrower exposure limit (vide BRPD circular no-05/2005) which was provided by the bank to the subsidiary company established for merchant banking and brokerage activities has been extended further from 31 December 2012 to 31 December 2013.
  - 3) Banks may maintain provision (if required) arising from investment in capital market by netting of gain/loss on portfolio basis.
  - 4) Measures will be taken to expedite the process of remitting the payable commission to the foreign brokerage firm in case of foreign institutional investors subject to submission of clean document/papers.
- November 2011 • It has been observed that a number of banks are offering different banking services like cash pickup and delivery under their own schemes at the premises of customers in an attempt to fulfil genuine customer needs. For the sake of transparency in respect of the rights and obligations of customers, uniformity in approaches and proper risk management tools in place, banks are instructed to follow some general principles and broad parameters while offering these services. Banks, therefore, are advised to prepare schemes for offering pickup and delivery services to their customers, in accordance with the guidelines enumerated in the circular.
- December 2011 • In case of half yearly reporting of CSR performance (refer to DOS circular No. 7/10), it has now been realised that promoting gender equality in the workplace is an important element of CRS obligations both in terms of

ensuring basic human rights and as a prerequisite for inclusive socio economic growth. Decision has been taken to include gender equality related performance indicators in the half yearly CSR reporting by banks from December 2011 onward, with a view to monitoring year on year changes for assessing whether performance is improving or otherwise. To comply with the above decision, henceforth, banks are advised to report gender equality related performance indicators on a half yearly basis.

- December 2011 • Banks are instructed to follow some rules for the purpose of reflecting actual financial status, while recognising the deferred tax asset and liabilities in the financial statements. These are mentioned below:
1. Deferred tax asset may be recognised complying with the Bangladesh Accounting Standards (BAS) on the expenses for which, according to the income tax law, a future tax benefit will be received. However, a description on deferred tax asset should be provided in "Notes to the Accounts" section of the financial statements (i.e. basis and method of calculation, amount, expected time of adjustment etc.);
  2. Deferred tax liabilities must be recognised for those items which are mentioned to recognise in Bangladesh Accounting Standards;
  3. Following instructions are to be followed if deferred tax asset is calculated and recognised based on the provisions against classified loan, advances or investments (in case of banks operating under Islamic Shariah):
    - a) Amount of the net income after tax increased due to recognition of deferred tax asset on such provisions will not be distributed as dividend;
    - b) The amount of deferred tax asset recognised provisions should be deducted while calculating the regulatory eligible capital for the statement of capital adequacy requirement of annual financial report which is submitted to Bangladesh Bank;
    - c) A description should be provided regarding deferred tax asset recognised on loan loss provisions in the Notes to the financial statement section of the financial statements (i.e. amount, method of calculation, year of origin, amount recognised and realised in current year etc.).
- December 2011 • As per "Guidelines on Mobile Financial Services for the Banks"-(DCMPS Circular No.08/2011), the transaction limit for the account holders of mobile financial services is fixed at maximum Taka 10,000 on daily basis and a total of Taka 25,000 on monthly basis. This limit is applicable for any number of transactions.



- December 2011 • All scheduled banks of the country are now advised to download the amended "Guidelines on Mobile Financial Services for the Banks" (DCMPS Circular No.08/2011) from the website of Bangladesh Bank.
- December 2011 • In case of opening new branch, banks are instructed to follow instructions of BRPD Circular Letter No.02 dated 09 January 2006 to determine urban & rural area. To provide banking service to urban area as well as backward people of unbanked area, following decisions have been made after assessing the existing policy of urban and rural branches of banks for extending branches to the rural areas:
- 1) From now on, the ratio of urban and rural branches will be 1:1.
  - 2) All branches established in City Corporation and Municipal area will be considered as "Urban Branch".
  - 3) All branches established outside of City Corporation and Municipal area will be considered as "Rural Branch".
  - 4) Branches of any rural area that has recently been declared as Municipality will be considered as "Urban Branch".
- December 2011 • Decisions regarding Islami Interbank Fund Market are as follows:
1. Islamic banks and FIs including branches of conventional banks based on Islami Shariah may handover excess fund to Islamic Interbank Fund (IIF) on daily basis.
  2. Islamic Bond Fund (IBF) will act as a custodian and invest the fund to the deficit Islami banks and FIs including branches of conventional banks based on Islami Shariah. In case the fund is not invested, no profit will be given to the fund provider. Provisional profit earned by investing the fund will be distributed temporarily among the fund providers daily according to their shares in the total fund. The profit thus distributed will be adjusted at the end of the year (January-December) according to the final rate of profit declared by the borrowing institutions.
  3. The transaction of the fund will be on Mudaraba basis.
  4. IBF will fix the Profit Sharing Ratio (PSR) as well as the base tenor of the provisional rate of profit applicable for determining the payable profit by the borrowing institutions.
  5. The borrowing will be overnight basis which may extend if there is a holiday. On maturity, the borrowers have to pay the principal amount along with the

estimated profit according to the PSR and base rate of profit. The profit will be finalised and adjusted, if required, at the end of the year according to the declaration of the final profit rate by the respective borrowing institutions.

- December 2011 • The holding limit of HTM securities for PDs has been increased from 75 percent to 85 percent of SLR and other instructions of DOS Circular Letter No. 05/2008 & 17/2011 will remain unchanged.
- December 2011 • To make the FI's capital more risk-sensitive as well as to build the industry shock absorbent and stable, prudential guidelines on Capital Adequacy and Market Discipline (CAMD) for financial institutions are issued which will come into force from 01 January 2012. FIs have been instructed to follow the minimum capital requirement, supervisory review process and disclosure requirement in CAMD guidelines. Financial institutions will submit CAMD reports on a quarterly basis to the Department of Financial Institutions and Markets of Bangladesh Bank.
- January 2012 • Banks were advised to record name of borrower in column 2 of bank's CL- 2,3,4,5 and loan identification no. in column 2 of CL- 6 as per BRPD Circular No.05/06. Now it has been decided to include National ID no. of the individual borrower along with the name of borrower and loan identification no. in CL- 2,3,4,5 and in CL-6.
- January 2012 • Considering the global economic recession, cap on rate of interest on lending in some sectors had been imposed. Cap on rate of interest on lending in all sectors other than pre-shipment export credit & agricultural credit has now been withdrawn.
- January 2012 • For the purpose of monitoring CSR adoption and CSR performance according to BB guidance, financial institutions have been advised to submit a statement on CSR and a report on gender equality related performance indicators on half-yearly basis.
- January 2012 • Implementation of Enterprise Data Warehouse (EDW) of Bangladesh Bank has been finalised to collect information from scheduled banks in electronic procedure. To this end, banks have been advised to submit EDW related statements (daily/weekly/monthly/quarterly/half yearly) in Rationalised Input Template (RIT) through web portal by fulfilling the following instructions :-
  - a) In case of commencement of submission of EDW related information/statements, 31 December 2011 has to be used as base date and information/statements based on above mentioned date have to be submitted within 31 March 2012. In case of submission of statements dated later than existing

time schedule, following instructions have to be followed:

- b) List of statements under EDW and soft copies of respective RITs have to be collected from Department of Off-site supervision within 26 January 2012.
- c) Appropriately filled-in RITs have to be submitted to Bangladesh Bank regularly through web portal.
- d) Existing method/procedure of statement submission and method/procedure of submission of the same through web portal will be simultaneously until 30 June 2012 and from 01 July 2012 onward, the statements will have to be submitted only through web portal.
- e) Submission of statement through web portal will not be applicable in case of information/statements prepared on the basis of audited financial statements. Existing procedures and time schedule have to be followed for submitting such kind of statements.

January 2012 • As regards Marking to Market (MTM) of Govt. Treasury bills and bonds held by the scheduled banks (DOS Circular Letter No.05/2008). it has been decided that the PDs of Govt. Treasury securities should follow the procedure mentioned below for MTM of Treasury bonds held in their portfolios considering the recent market developments:

1. Treasury bonds issued within the following period and held in HFT category by the PDs may be re-measured at amortised cost instead of fair value:

<b>Issuing Time Range</b>	<b>Tenor</b>
22/07/2009 to 07/12/2011	5 Yrs.
06/05/2009 to 13/12/2011	10 Yrs.
10/06/2009 to 20/12/2011	15 Yrs.
29/04/2009 to 27/12/2011	20 Yrs.

2. In future, treasury bonds categorised as HFT securities which remain unsold for two years from the date of purchase may be re-measured at amortised cost.
3. The treasury bonds re-measured at amortised cost, although categorised as HTM, for the time being will be excluded while calculating the present HTM to HFT ratio (85 percent : 15 percent of SLR).
4. The re-measured securities will be eligible for SLR, Repo and ALS operation.

5. All other existing regulations regarding HTM securities will be applicable for the re-measured securities.

**Accounting Procedure:**

6. The book value (fair value) carrying amount of the bonds under consideration becomes the new amortised cost at the date of re-measurement.
7. The re-measurement of the securities mentioned in clause (1) should be carried out within 31 January 2012 without considering the purchase period timeline mentioned above. In this case, the book value (fair value) carrying amount of the bonds under consideration as on 01 January 2012 should be taken as the new amortised cost.
8. Any difference between the new amortised cost and maturity amount should be amortised over the remaining life of the bonds.
9. Existing revaluation reserve for the bonds under consideration should be taken into P/L account at the date of re-measurement.

**Reporting Requirement:**

10. A report on measures taken by the PDs under this circular letter should be submitted to Department of Off-site Supervision (DOS), Bangladesh Bank in the prescribed format (Annexure-1) within 15 February 2012.
11. Any future re-measurement shall have to be reported to DOS within the next 10 days of such re-measurement in the prescribed format (Annexure-1).
12. The re-measured bonds should be shown under HTM portfolio during regular monthly reporting in DB-5p (DOS Circular Letter No.05/2008).
13. All other instructions contained in the DOS Circular Letter No.05/2008 (and the subsequent amendments) and DOS Circular Letter No.05/2009 shall remain unchanged.

- January 2012
- Cap on rate of interest on lending in all sectors other than pre-shipment export credit and agricultural credit has recently been withdrawn. Complaints from business community are being made that banks are not exercising their freedom while fixing rate of interest on lending in justified and rational manner. In this regard banks are advised to limit the difference between lending rate and weighted average rate of interest on deposit or intermediation spread within lower single digit in different sectors other than high risk consumer credit (including credit card) and SME loans.

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- January 2012 • It has been decided that loan-margin ratio for fresh loans shall be maintained at 70:30 in case of house finance under consumer financing and 30:70 for all other consumer loans including motor car loans.
- January 2012 • Banks are now required to fill up Rationalised Input Templates (RIT) and upload to Enterprise Data Warehouse (EDW) in the stipulated time period in case of submission of monthly quarterly statements to BB through online web portal.
- January 2012 • As a part of paperless banking, BB established Enterprise Data Warehouse (EDW) under which the financial institutions should have uploaded their regular statements through online procedure. Financial institutions have been advised to submit some specified statements using Rationalised Input Template (RIT) through web portal in parallel to the existing system up to 30 June 2012. After that those statements have to be submitted only in web portal. Other statements have to be submitted using existing system until further instructions are issued.
- January 2012 • Detailed uniform guidelines both for repo with Bangladesh Bank and interbank repo transaction have been circulated to banks (DOS circular no. 06/2010). It is mentionable; all repo transactions are considered as outright buy/sell according to the procedure outlined in that circular. PDs of government securities are provided liquidity support for the period as determined by Bangladesh Bank from time to time against the securities that they have purchased from the auction. The procedure is outright buy/sell repo transaction. In order to simplify the liquidity support operation for the PDs, it has been decided that instead of outright buy/sell the procedures will be treated as collateralised repo transaction subject to fulfil the following regulations-
1. Collateralised repo transaction shall only be applicable while providing LS to PDs of government securities.
  2. BB will apply a 15 percent and 5 percent margin on the face value of T-Bill and T-Bond respectively and provide the rest amount of the face value as LS.
  3. As the securities posted as collateral will be encumbered these shall not be eligible to meet the SLR or applicable for any other purpose.
  4. Appropriate disclosure, as stated in section 38, KA(4) of Bank Company Act, 1991 should be in the financial statements regarding the securities posted as collateral for such repo transactions.
  5. All other instructions of BB in this regard from time to time shall be complied.

This instruction will come into effect from 1 February 2012. All other instructions (vide DOS Circular No.06/2010) regarding the repo transaction shall remain unchanged.

- January 2012 • Capital provided to the subsidiary company formed in order to operate merchant banking and brokerage activities and long term equity investment/venture capital provided to other company will not be treated as capital market exposure of the financial institutions. Loan exceeding the single borrower exposure limit in favor of their subsidiary company formed in order to operate merchant banking and brokerage activities will have to be brought down within the limit by 31 December 2013. In case of any loss arising from investment in capital market provision may be maintained by netting of gain/loss.

- February 2012 • Bangladesh Bank has already issued guidelines on risk based capital adequacy, stress testing and managing banking risks in six core areas considering the necessity of constant vigilance. With a view to managing various risks in a prudent manner, scheduled banks are hereby instructed to follow the risk management guidelines. The document should be treated as supplement to, and not a substitute for existing core risks guidelines.

Banks have to prepare a risk management paper and must place the same in the monthly meeting of the Risk Management Unit. The minutes of the meetings should contain specific decisions based on the analyses/recommendations made in the risk management paper. Banks have to submit risk management papers (hard & soft copies for successive months of each quarter) along with the minutes of the meetings within 10 days of each quarter end to the Department of Off-site Supervision. The guidelines and related circulars are available on the website of Bangladesh Bank and shall come into force with immediate effect.

- February 2012 • Some amendments are made in Circular Letter No. DMD-01/2009 dated 21 April 2009 about the liquidity support facility to PDs which are as follows:

Liquidity support will be provided to PDs for a maximum period of two months and 15 days at a stretch from the date of issue of treasury bills and bonds acquired by PDs in auctions through devolvement as well as successful bidding.

- February 2012 • As the operation of the Market Infrastructure (MI) for government securities has been started, from now on all the investors of treasury bills and bonds will only be provided the system generated advice of the same and no paper script will be issued.

- March 2012
- "Agricultural Credit and Financial Inclusion Department" has been formed by reconstructing "Agricultural Credit Department" with a view of bringing more dynamism in the activities of Corporate Social Responsibility (CSR) and financial inclusion. Activities of CSR of Department of Off-site Supervision will be directed by the newly formed Agricultural Credit and Financial Inclusion Department.
- March 2012
- Bangladesh Bank has started to implement National Payment Switch (NPS) under the Central Bank Strengthening Project. NPS will act as a mother switch and will gradually connect all the child switches owned or shared (owned and operated either by bank or a non bank entity) by the scheduled banks in the country. Each child switch will have a single interface with the NPS through which it will send inter-bank transactions originating from their alternate delivery channels, namely ATM, KIOSKS, POS, e-commerce, internet banking, mobile banking etc. as offered by the banks. NPS will support transactions made through cards or account number (direct debit/credit), clear and settle these electronic transactions through the settlement accounts of all the scheduled banks maintained with Bangladesh Bank.
- Furthermore, NPS will have interfaces with all the major international payment schemes e.g., VISA, MasterCard, AMEX etc. so that the banks will be able to send the transactions originating from those international branded cards through NPS.
- Banks those have their own transaction switching system or share others' system or planning to install their own system are advised to take necessary preparation to build up a single interface with the National Payment Switch so that they can send all inter-bank transactions through this interface. Banks are also advised to consult with Bangladesh Bank before taking any new initiatives in this regard to ensure conformity with the NPS.
- March 2012
- In order to minimize the risk of investment, financial institutions have to seek prior approval from Bangladesh Bank in case of forming subsidiary company describing the objectives in details. Financial institutions have been advised to withdraw the investment made in subsidiary company formed beyond the scope of Financial Institutions Act, 1993 within 30 September 2012.
- April 2012
- Banks have been advised to send report on fixed/term deposit of Taka 1 crore and above on bi-weekly basis.
- April 2012
- With a view to achieve targeted economic growth through increasing credit flow to productive sector by reducing credit flow from consumer credit, it has been decided that growth of consumer credit must not exceed the average growth of total credit of the bank.

- May 2012
- The Government has recently increased the interest rate of various savings certificates with a view to encouraging national savings activities and providing fund aiming at development activities. However, increase of interest rate and sale of savings certificate did not increase to expected level. Objections/Complaints have been received from different level of customers stating that bank branches discourage the buyers for purchase of savings certificate and do not cooperate generally despite enlistment for the sale of savings certificate.
- Hence, banks have been advised to co-operate investors for the sale of savings certificate as "office of issue/sell" of savings certificate under the direction of section no.3 of Sanchayapatra Rules, 1977 (Amended 2002) as well as to allow the investors to participate properly in the development activities of the country.
- May 2012
- Following decisions have been made in case of new credit disbursement using any company/institutions as agent/intermediary with a view to producing bio-gas and extending its use in the rural areas of the country through integrated cow rearing and establishing bio-gas plant. (Referring to Section 2.2.2 of ACSPD Circular No.06/2009).
    - a) Interest rate can be charged at conventional bank rate (5 percent at present) + maximum 6 percent i.e. maximum 11 percent at beneficiary customer's level through reducing balance method.
    - b) Any type of service charge will not be imposed on beneficiary customers.
- May 2012
- Information on Wage Earners Development Bond, U.S. Dollar Investment Bond and U.S. Dollar Premium Bond has to be maintained at the help desk of the branches of all scheduled banks to inform the customers. In this regard, it has been advised to contact with Debt Management Department of Bangladesh Bank H.O. for any query.
- June 2012
- Some of the important instructions of loan classification and provisioning are described below:
- 1. Categories of Loans and Advances :**
- All loans and advances will be grouped into four categories for the purpose of classification, namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro- Credit.



## **2. Basis for Loan Classification:**

### **a) Objective Criteria:**

- (1) Past Due/Over Due:
  - (i) Any continuous loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
  - (ii) Any demand loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.
  - (iii) If any instalment(s) or part of instalment(s) of a fixed term loan is not repaid within the fixed expiry date, the amount of unpaid instalment(s) will be treated as past due/overdue from the following day of the expiry date.
  - (iv) The short-term agricultural and microcredit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.
- (2) All unclassified loans other than Special Mention Account (SMA) will be treated as standard.
- (3) A continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be included into the "Special Mention Account (SMA)".
- (4) Loans in the "Special Mention Account" and "Sub-Standard" will not be treated as defaulted loan for the purpose of section 27KaKa(3) of the Banking Companies Act, 1991.
- (5) Any continuous and demand loan will be classified as:
  - 'Sub-standard' if it is past due/overdue for 03 (three) months or beyond but less than 06 (six) months.
  - 'Doubtful' if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months
  - 'Bad/Loss' if it is past due/overdue for 09 (nine) months or beyond.
- (6) The short-term agricultural and microcredit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.

**b) Qualitative Judgment:**

If any uncertainty or doubt arises in respect of recovery of loan the same will have to be classified on the basis of qualitative judgement whether it is classifiable or not on the basis of objective criteria.

**c) Improvement in Classification:**

A bank may request the concerned Department of Banking Inspection of Bangladesh Bank to review the classification of any loan for which there is a disagreement on classification that is not resolved during the on-site inspection. Bangladesh Bank will respond to the bank within 15 days of receiving such request.

**3. Accounting of the Interest of Classified Loans:**

If any loan or advance is classified as 'Sub-standard' and 'Doubtful', interest accrued on such loan will be credited to Interest Suspense Account, instead of crediting the same to Income Account. In case of rescheduled loans, the unrealised interest, if any, will be credited to Interest Suspense Account, instead of crediting the same to Income Account.

**4. Maintenance of Provision:**

**a) General Provision:** Banks will be required to maintain general provision at the rate of 1 percent, 2 percent, 5 percent for different categories of loan.

**b) Specific Provision:** Banks will maintain provision at the rate of 20 percent, 50 percent and 100 percent in respect of classified continuous, demand and fixed term loans.

**c) Provision for Short-term Agricultural and Microcredits:** Banks will maintain provision at the rate of 5 percent for all credits except 'Bad/Loss' and 100 percent for 'Bad/Loss'

**d) Base for Provision:**

The provision will be maintained at the above rate on the balance calculated as the greater of the following two amounts:

a) the outstanding balance of the loan less than the amount of interest suspense and the value of eligible collateral; and

b) 20 percent of the outstanding balance of the loan.

5. Banks are advised to submit detailed statements through CL-1 within 25 days from the reference date.

June 2012

- Loan rescheduling should be done only in limited circumstances and under restrictions. Some of the important instructions of rescheduling is described below:

**Guidelines for Considering Application for Loan Rescheduling:**

Banks shall comply with the instructions (stipulated in this circular of loan rescheduling) while considering application for loan rescheduling of non-performing loan.

- a) The bank must have a policy approved by its Board of Directors in place that defines the circumstances and conditions under which a loan may be rescheduled. These conditions may be stricter than those contained in the circular and cannot be lenient in any case. The policy must include controls to avoid the routine rescheduling and repeat of rescheduling of loans in those cases where borrowers are experiencing financial difficulty or there is doubt that the full amount of the loan will be recovered. In particular, the policy should place strict limits, or even prohibit, rescheduling of loans to business enterprises in unproductive sectors, or unprofitable business enterprises in productive sectors. If exceptions are made for certain sectors/business enterprises that do not meet the above guidelines, those sectors/business enterprises should be identified in the policy and a justification for rescheduling should be given.
- b) When a borrower asks for rescheduling of loan, the bank shall meticulously examine the causes as to why the loan has become non-performing. If it is detected from such review that the borrower has diverted funds elsewhere or the borrower is a habitual loan defaulter, the bank shall not consider the application for loan rescheduling and shall take/continue all legal steps for recovery of the loans.
- c) If a borrower while applying for rescheduling, pays the required down payment in cash at a time, the bank must address the application within 03 (three) months upon receipt. If the borrower gives any cheque, pay order or any other instrument against down payment, the bank must ensure encashment of such instrument before processing the rescheduling case. Any previous payment from time to time shall not be treated as a down payment.
- d) Banks while considering loan rescheduling, must consider overall repayment capability of the borrower taking into account the borrower's liability position with other banks and financial institutions.
- e) Banks shall review the borrower's cash flow statement, audited balance sheet, income statement and other financial statements in order to ensure whether the borrower would be able to repay the rescheduled installments/existing liability or not.
- f) If required, bank officers shall conduct spot inspections of the borrower's company/business place to ensure that the concerned company/business enterprise would be able to generate a surplus to repay the liability of

rescheduling. Banks shall preserve such reports in their branches for Bangladesh Bank's inspection.

- g) If a bank is satisfied after due diligence as mentioned above that the borrower will be able to repay, the loan may be rescheduled. Otherwise, bank shall take all legal steps to realise the loan and make necessary provision.
- h) Rescheduling of any loan must be justified in written statement by the bank's credit committee. The statement must give reasons why the rescheduling is beneficial to the long-run profitability and capital adequacy of the bank, including the factors that cause the credit committee to believe that the loan will ultimately be repaid in full. The statement must also explain the impact of this rescheduling on the bank's liquidity position and the needs of other customers.

**Time Limit and Down Payment for Rescheduling:**

The rescheduling shall be for a minimum reasonable period of time. Time limit and required down payment for rescheduling of different categories of loans have informed to banks in detail.

**Classification and Interest Suspense of Rescheduled Loans:**

Rescheduled loans shall be classified by the bank, with appropriate provisions established according to the policy incorporated in the Master Circular: Loan Classification and Provisioning (BRPD Circular No. 07/2012). These classifications will be reviewed by Bangladesh Bank inspectors. However, regarding classification category into which the loan is placed by the bank, a rescheduled loan will not be considered a "defaulted loan," and the borrower will not be considered a "defaulted borrower"

**New Loan Facility After Rescheduling:**

The borrower whose credit facility has been rescheduled may avail a new loan facility or enhance existing credit facility subject to fulfilment of some conditions.

The borrower must pay at least 15 percent of the "Outstanding Balance" (outstanding amount after excluding the down payment on rescheduling).

Exporters may be granted further credit facility (after being identified as not-a-wilful defaulter), if required, subject to settling at least 7.5 percent of the "Outstanding Balance".

They will be allowed to take the regular facility from other banks subject to the submission of a NOC from the rescheduling bank or financial institution.

Prior approval of Bangladesh Bank shall have to be obtained if the loan is related to the director of any bank.

### **Special Conditions for Loan Rescheduling**

- a) If a loan account of an export-oriented garments industry or knit garments factory becomes adversely classified due to stock lot, the loan may be rescheduled without the required down payment.
- b) If a loan account of fertiliser importers becomes classified adversely due to delay in government subsidy receipts and payment of subsidy bill, the loan may be rescheduled without the required down payment.
- c) For rescheduling as above no prior approval of Bangladesh Bank will be required; unless there is a requirement from Bangladesh Bank in the case of large loan or related to the director of the bank.

### **Restriction on Extending the Term to Maturity of a Term Loan:**

The maturity of a term loan may be extended subject to the following conditions and restrictions:

- a) The loan must be performing ( Unclassified: Standard or SMA )
- b) The decision should be made at the level where the loan was originally sanctioned
- c) The maturity date may be extended by a period of time not exceeding 25 percent of the current remaining time to maturity

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| June 2012 | <ul style="list-style-type: none"> <li>● Sub-section no. 3 of section 1 (gha) of DFIM Circular No. 07/2007 amended as follows:<br/><br/>Any large loan/lease/investment proposal must be approved by the Board of Directors of financial institutions.</li> </ul>  |
| June 2012 | <ul style="list-style-type: none"> <li>● The revised instruction on loan classification and provisioning will be effective from 01 July 2012 instead of 14 June 2012.<br/><br/>Banks will have to report loan classifications and make required provisions in terms of the revised instructions from the 3rd (end September) quarter of calendar year 2012. If any shortfall in provisioning reported according to new classification as of 30 September 2012 will have to be met in full by end December 2012.</li> </ul> |
| June 2012 | <ul style="list-style-type: none"> <li>● Rationalised Input Template (RITs) with Enterprise Data Warehouse (EDW) related information/statement can be submitted through webportal as well as through existing manual system simultaneously till 31 December 2012.</li> </ul>   |

## 2. Monetary Sector Development

- September 2011 • As a monetary policy instrument of the Bangladesh Bank, the prevailing interest rates of repo and reverse repo have been re-fixed at 7.25 percent and 5.25 percent by increasing 50 basis points from 6.75 percent and 4.75 percent respectively, with effect from 05 September 2011.
- January 2012 • Interest rate of Bangladesh Bank repo and reverse repo has been re-fixed determined at 7.75 percent and 5.75 percent from current annual rate of 7.25 percent and 5.25 percent respectively.

## 3. External Sector Development

- July 2011 • With reference to the chapter 08 of the Guidelines for Foreign Exchange Transactions (GFET), Vol-1, Authorised Dealers have been advised to comply regulatory instructions strictly in executing export transactions in order to ensure realisation of export proceeds within the prescribed period. They have also been asked to take necessary measures to accelerate repatriation of outstanding export proceeds.
- July 2011 • Authority has been given to use International Credit Cards (ICCs) for online payment through internet fees such as membership fee of foreign professional and scientific institutions and fees for application, registration, admission, examination (TOEFL, SAT etc.) in connection with admission into foreign educational institutions mentioned in paragraph 09, chapter 11, GFET. In addition, individuals not holding ICCs in their names have been allowed to make such online payment through internet using 'Virtual Card' for the required amount by an ICC issuing bank, through its designated bank branch.
- July 2011 • In accordance with Government decision, amended instructions have been issued for disbursement of cash subsidy against export of jute goods through advance payment. The instructions are as follows:
- a) The condition to repatriate export proceeds through advance TT will be included in LC/Contract. The genuineness of export value, quantity and trustworthiness of foreign buyers will be supported by the certificate to be issued by Bangladesh Jute Mills Association/Bangladesh Jute Spinners Association.
  - b) ADs shall declare genuineness of foreign buyers, export value and genuine export from Bangladesh on the basis of TT message and other documents.
  - c) The application for cash subsidy against advance TT will be eligible for countries other than Pakistan, Hongkong and Singapore.
  - d) The application for cash subsidy will be available against advance TT issued

from importing countries. However, advance TT through banking channel (other than exchange house) from third country will be acceptable provided that there is a problem in remitting payment from importing country and the name of importer and import reference are included in the TT message.

- e) Cash subsidy against advance TT will be applicable for the jute goods shipped from 01 July 2010.
  - f) Application for cash subsidy will be submitted within 180 days from date of proceeds realisation. Cash subsidy can be disbursed subject to favourable audit report. However, in case of advance payment up to 70 percent of eligible amount may be disbursed (FE circular No. 15/2009).
- August 2011
- In accordance with Government decision, the rate of cash incentive has been enhanced to 15.0 percent from 12.50 percent against export during FY12.
- August 2011
- ADs have been allowed to offer the facility of repatriation of remittances against small value service exports in non-physical form such as data entry/data process, off-shore IT service, business process outsourcing etc. through the Online Payment Gateway Service Providers (OPGSP), subject to compliance of the following instructions:
    - a) ADs shall enter into standing arrangements with internationally recognised OPGSPs and maintain separate Nostro collection account for each OPGSP to repatriate the above mentioned service export related payments. Service exporters availing of this facility shall open notional accounts with the OPGSPs, ensure that no funds are retained in such accounts and all receipts should be automatically swept and pooled into the Nostro collection account maintained by the ADs.
    - b) This facility shall only be available for service export in non-physical form not exceeding USD 500 (US Dollar five hundred).
    - c) The following debits will only be permitted to the Nostro collection account, opened and maintained under this arrangement:
      - Repatriation of funds representing service export proceeds to Bangladesh for payment to service exporters;
      - Payment of fee/commission to the OPGSP as per predetermined rates/frequency/arrangement; and
      - Charge back to the service recipient/importer where the service exporter has failed in discharging the obligations as per specifications.

- d) ADs shall repatriate the balances held in the Nostro collection account and arrange to credit the amount to respective exporter's account with a bank in Bangladesh on being confirmed that the export proceeds have been swept and pooled into the Nostro collection account from the exporter's notional account.
  - e) ADs shall satisfy themselves as to the bonafide of the transactions on examination of relevant documents and credit the amount, repatriated from the Nostro collection account, to the exporter's account on receipt of Form-C duly filled in. However, ERQ account of the exporter may be credited up to the permissible limit. ADs shall also ensure deduction of applicable taxes, if any and payment thereof.
  - f) Besides reporting the transactions to Bangladesh Bank in monthly schedules/statements, ADs shall submit all the relevant information/documents relating to any transaction under this arrangement to the Bangladesh Bank, as and when required.
  - g) Each Nostro collection account shall be subject to reconciliation and audit on a quarterly basis.
  - h) Resolution of all payment related complaints of exporters/service providers in Bangladesh shall remain the responsibility of the OPGSP concerned.
  - i) ADs entering into arrangement(s) with any OPGSP(s) shall report to the Foreign Exchange Policy Department, Bangladesh Bank, Head Office, Dhaka with necessary details.
  - j) ADs shall exercise due diligence in respect of the transactions with OPGSPs and comply with the foreign exchange regulations, AML/CFT regulations and any other relevant laws/regulations in force.
- August 2011
- In accordance with Government decision, amended instructions have been issued for disbursement of export subsidy against export of ship through advance payments. The instructions to be followed in this regard are as follows:
    - a) Before executing shipment, disbursement of export subsidy may be made against advance payment received at different stages of production subject to submission of relevant documents in support of the production and bank guarantee (equivalent to the amount of export subsidy applied for) for a period of minimum 03 year.
    - b) Within 03 year from the first date of receipt of export subsidy against advance



payment realised at different stages, the concerned ship will have to be exported and relevant documents will be submitted. Bank guarantee will be encased in case of failure.

- c) Time period for the submission of application for export subsidy has been extended for 60 days from 14/08/2011 against export of ship.

September 2011 • As per decision of Government, amendment has been made in FE Circular No. 21/2010 regarding disbursement of new market exploration assistance. According to the amendment, beneficiaries of new market exploration assistance will be eligible for cash incentive or additional cash incentive. But the facilities under cash incentive (5 percent), additional cash incentive (5 percent) and market exploration assistance will not exceed 10 percent. In addition, small and medium industries under textile sector producing electricity for own need through use of less than 1 MW generator will be entitled for 10 percent grant on electricity bill. In this case, the concerned industry will have to submit certificate regarding the capacity of the generator.

September 2011 • Authorised Dealers (ADs) have been allowed to open foreign currency clearing account with Bangladesh Bank in Canadian Dollar.

October 2011 • In accordance with Government decision, amended instructions have been issued for disbursement of cash incentive against export of frozen shrimp and other fish through advance payment in TT. The instructions to be followed in this regard are as follows:

- a) Condition of payment in advance through TT shall be specified in export LC/contract. Fair value and quantity of exported goods and genuineness/reliability of the foreign buyers will have to be supported by the certificate issued by Bangladesh Export Promotion Bureau/ Bangladesh Frozen Foods Exporters Association.
- b) Authorised dealer bank branches are being ensured on the basis of the message of TT and other documents. They have to declare about the genuineness/reliability of the foreign buyers and the real export from Bangladesh against export LC/contract with the condition of repatriation of proceeds in advance through TT.
- c) The advance payment through TT will have to be repatriated directly through the banking channel (not through 'exchange house'). Name of importer & reference of import will have to be mentioned on the message of TT.
- d) Advance payment has to be repatriated from the country to which goods will have been exported.

- e) Cash incentive against advance shipment will be effective from 25 October 2011 (date of issuance of circular).
  - f) Moreover, instructions have been given to the effect that ceiling value of goods (as per Circular Letter No. FEPD(COM)291), will be applicable for export of frozen fish and other fish from 01 July 2011.
- November 2011 • Authorised dealers are instructed to allow special cash incentive at 5 percent in addition to existing cash incentive/stimulus facilities against textile sector for export/local supply during financial year 2011-12 to BTMA member spinning/weaving/dyeing-finishing mills who have imported cotton at higher price during the period from August 2010 to March 2011. In order to avail the incentive, specific instructions have to be complied with.
- November 2011 • Operational procedure of Export Development Fund (EDF) has been amended. As per the amendment, authorised dealers will include Export Registration Certificate number in the application for EDF loan and in other relevant statements.
- November 2011 • In accordance with Government decision, amended instructions have been issued for disbursement of new market exploration assistance against payment in advance through TT. The instructions to be followed in this regard are as follows:
- a) Condition of payment in advance through TT shall be specified in export LC/contract. Fair value and quantity of exported goods and genuineness/reliability of the foreign buyers will have to be supported by the certificate issued by BGMEA / BKMEA / BTMA.
  - b) Authorised dealer bank branches, being ensured on the basis of the message of TT and other documents, will have to declare about the genuineness/reliability of the foreign buyers and the real export from Bangladesh against export LC/contract with the condition of repatriation of proceeds in advance through TT.
  - c) The advance payment through TT will have to be repatriated directly through the banking channel (not through 'exchange house'). Name of importer & reference of import will have to be mentioned on the message of TT.
  - d) Advance payment has to be repatriated from the country to which goods will have been exported.
  - e) Market exploration assistance against advance payment will be effective for shipment from 20 November 2011.

- December 2011 • In order to be compliant with international standard in declaration of foreign exchange by incoming passengers, necessary amendments have been made in FMJ Form. The amended FMJ form consists of 3 (three) sheets- the original copy for Bangladesh Bank, the second copy for Customs Authority and the third copy for the concerned passenger.
- January 2012 • According to Ship Breaking and Ship Recycling Policy-2011 (dated 12 December 2011 issued by Ministry of Industry, Government of Bangladesh.), from now on, no objection certificate has to be collected from Ministry of Industry/Ship Building and Ship Recycling Board (SBSRB) instead of Directorate of Sea Transportation before applying for LC in order to import ship.
- February 2012 • Referring to the chapter 7, paragraph 33(a) of the Guidelines for Foreign Exchange Transactions, 2009 (GFET), Vol-I in case of usance interest, if any, against import trade financing, interest on deferred basis is admissible only at rate no higher than LIBOR for the period in question. With LIBOR prevailing at very low level, borrowing interest rates for non bank clients in international markets are now much higher. In light of recent usance interest rate trends on public sector import financing, it has been decided that for private sector imports on usance terms, the interest rates may bear mark-ups over LIBOR according to the prevailing market conditions subject to overall interest cost not exceeding 6 percent per annum.
- Besides trade credit from suppliers, the revised interest level will be applicable also for buyers' credits from foreign banks and financial institutions arranged through designated authorized dealers of the importers in Bangladesh.
- February 2012 • To facilitate outsourcing business, Bangladesh Bank has instructed ADs to accommodate the proceeds of the inward remittance to the accounts of individual service providers subject to observance of the specific terms and conditions. Bangladesh Bank has brought further changes by recognising service exports such as business services, professional/research and advisory services, etc. rendered from Bangladesh. Authorised Dealers have been advised to credit inward remittance received from abroad as payments against these and all other non-agency service exports in non-physical form to local currency accounts to the extent of not less than fifty percent and the remainder in Exporters' Retention Quota (ERQ) accounts in the names of the concerned exporters.
- April 2012 • It has been clarified that non-authorized dealer bank branches and non-bank financial institutions may provide term loans in Taka for capacity expansion/ BMRE of foreign owned/controlled industrial firms only in association with AD bank branches without prior approval of Bangladesh Bank provided that (i) the term loan in Taka does not exceed, as percentage of total term borrowing the

percentage of equity of the firm/company held by Bangladeshi nationals and firms/companies not owned or controlled by foreigners, and (ii) total debt of the firm/company does not exceed the 50:50 debt equity ratio. The prevailing credit norms and regulatory provisions regarding lending including single party exposure limits etc. will have to be duly complied with.

- June 2012
- Bangladesh Bank has published a booklet titled ' Bangladesh Bank's rules for opening and maintaining of FC accounts" since many people have expressed their interest to know the above rules in easy language. Rules for opening and maintaining of private FC accounts, Non-Resident Foreign Currency Deposit (NFCD) account, and Resident Foreign Currency Deposit (RFCD) accounts have been expressed in the booklet which is also available at the website of Bangladesh Bank ([www.bb.org.bd](http://www.bb.org.bd)). Besides, Bangladesh Bank has asked all the authorised dealer banks to make the copies of the booklet available in adequate number to all of their branches in home and abroad and exchange houses abroad for persons who are interested to open such accounts.
- June 2012
- In terms of the Protocol (agreed minutes) of 3rd meeting of Bangladesh-Turkey Joint Commission, Bangladesh Bank has asked all the AD banks to take necessary initiative to establish direct banking relationship with the bank of Turkey to ease banking transaction between Bangladesh and Turkey.