

Chronology of Major Policy Announcements: January-March, 2013

<p>FE Circular No.02 09 January, 2013</p> <p>Outward remittance of commission earnings of 'foreign brokerage firm' against service rendered to foreign portfolio investors in Bangladesh</p>	<p>Attention of the Authorized Dealers (ADs) is invited regarding repatriation of commission earnings of 'foreign stock brokerage firms' abroad against service rendered to foreign portfolio investors for investment in Bangladesh.</p> <p>02. It has been observed that local stock brokerage firms may be involved on behalf of foreign stock brokerage firms (registered and operating abroad) to aid foreign portfolio investors for trading of securities through Non-resident Investors Taka Accounts(NITAs) in Bangladesh and earn commissions/service charges through dealings of securities of such foreign investors. Such commission earnings, etc. need to be shared between the brokerage firms in both ends.</p> <p>03. In order to facilitate timely repatriation of share of commission earnings etc. of foreign stock brokerage firms from Bangladesh, it has been decided that local firms can remit such share of commission earnings to their foreign counterpart brokerage firms through authorized dealer banks without prior approval of Bangladesh Bank subject to observance of some definite stipulations.</p>
<p>FEID Circular Letter No.01/2013 28 January, 2013</p> <p>Liberalization of permission/renewal/inclusion procedure under section 18A of Foreign Exchange Regulation Act, 1947</p>	<p>Person not residing in Bangladesh or persons/institutions intended to work as agent, technical/managerial advisor/officer in Bangladesh at any institution that is not registered in Bangladesh have to take general or special approval from Bangladesh Bank under section 18A of Foreign Exchange Regulation Act, 1947. With a view to avoid the delay of starting relevant business procedure due to time consuming approval process, some specific decisions mentioned in this circular will be effective immediately.</p>
<p>MPD Circular No.01 31 January, 2013</p> <p>Re-determination of Rate of Interest of Bangladesh Bank Repo and Reverse Repo</p>	<p>Interest rate of Bangladesh Bank Repo and Reverse Repo has been re-determined at 7.25% and 5.25% reducing from current annual rate of 7.75% and 5.75% respectively.</p>
<p>FE Circular No.03 04 February, 2013</p> <p>Discounting of Direct and Deemed</p>	<p>Recipients of foreign currency usance bills against direct and deemed export of products manufactured in Bangladesh discount those bills in foreign currency through their authorized dealer</p>

<p>export bills in Foreign Currencies</p>	<p>banks in order to have immediate provision of fund under following terms and conditions:</p> <ol style="list-style-type: none"> 1. Authorized dealers, who make the discount, has to be assured that the bill submitted for discounting is placed against genuine direct/deemed export. 2. The supply of foreign currency for discounting can be collected from authorized dealers' own offshore banking unit/foreign partner banks, financial institutions or international donor agencies. 3. All in cost of receiver on the account of bill discounted in foreign currency will not exceed annual rate of 6% including all commission/charge/fee/interest. 4. All authorized dealers have to submit a monthly statement in specific table to Foreign Exchange Policy Department of Bangladesh Bank.
<p>FE Circular No.04 10 February, 2013</p> <p>Regarding Export Development Fund (EDF)</p>	<p>Referring to paragraph 5(b) of FE Circular No. 25, dated 22 December, 2009, it has now been decided that EDF loans will be available also to member mills of the Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) making bulk import of raw materials for local deliveries of garment accessories to manufacturer-exporters against inland back to back LCs in foreign exchange. An EDF loan to an AD against their foreign currency financing of input imports of BGAPMEA member mills, shall not exceed (i) the value realized in foreign exchange against inland back to back LCs over the past twelve months, or (ii) USD 1.00 (one) million, whichever is lower.</p>
<p>FE Circular No.05 24 February, 2013</p> <p>Foreign Exchange transactions for IT/Software firms</p>	<p>Referring to paragraph 02 of FE Circular No. 15, dated September 02, 2010, it has now been decided to enhance the remittable limit from USD 10,000 to USD 20,000 in a calendar year for IT/software firms. Accordingly, the limit for issuance of International Card to a nominated official of IT/Software firm is also increased to USD 2,000 from USD 1,000 within the revised total limit of USD 20,000.</p>
<p>PSD Circular No.1/2013 28 February, 2013</p>	<p>Referring to PSD Circular No.3/2012 dated 13 November, 2012, the charge structure for the transactions made through Bangladesh Automated</p>

<p>Clearing charge for Bangladesh Automated Clearing House (BACH) transaction</p>	<p>Clearing House (BACH) has been re-determined considering reactions from different sectors where charge distribution between BACH and participating banks has been rationalized and settlement of some transactions has been put out of charge schedule.</p>
<p>ACFID Circular Letter No.01 05 March, 2013</p> <p>Master Circular: Loan Classification and Provisioning</p>	<p>Referring to the section of 1(d) of BRPD Circular No.14 dated September 23, 2012 regarding loan classification and provisioning, it has been decided that short-term Micro-Credit will include any micro-credits not exceeding the amount of Tk. 50,000 (Tk. Fifty Thousand) and repayable within 12 (twelve) months.</p>
<p>DOS Circular Letter No.04 13 March, 2013</p> <p>Share holding and capital market exposure limits for bank-companies</p>	<p>Referring to the direction in serial no. 3(1)(5) of DOS Circular No.04 dated 15 June, 2010, considering recent market status, decision has been taken to extend eligible loan limit to Tk. 3 crore from Tk. 1 crore under fulfilling some conditions against listed share/debenture provided to any stock dealer licensed from Securities and Exchange Commission keeping other conditions unchanged.</p>
<p>FEID Circular Letter No.04/2013 20 March, 2013</p> <p>Liberalization of permission/renewal/inclusion procedure under section 18B of Foreign Exchange Regulation Act, 1947</p>	<p>Institutions that are not registered in Bangladesh have to take general or special approval from Bangladesh Bank under section 18B of Foreign Exchange Regulation Act, 1947 to establish branch/liaison office or any other business place in Bangladesh. Moreover, non-resident citizens working in branch/liaison office or any other business place of approved institution under section 18B of Foreign Exchange Regulation Act, 1947 have to take general or special approval from Bangladesh Bank under section 18A of Foreign Exchange Regulation Act, 1947. With a view to avoid the delay of starting relevant business procedure due to time consuming approval process, some specific decisions mentioned in this circular will be effective immediately.</p>
<p>FEPD Circular Letter No.FEPD(Import Policy)125/2013-07 28 March, 2013</p> <p>Submission of statement on use of buyer's credit in foreign exchange</p>	<p>Referring to the paragraph 02 of FE Circular No. 02, dated February 06, 2012, head/principal offices of all AD banks are now hereby advised to submit a monthly statement regarding use of buyer's credit in foreign exchange in Form-BC to Foreign Exchange Policy Department of Bangladesh Bank, Head Office by the 15th day of next month of fund drawal.</p>

