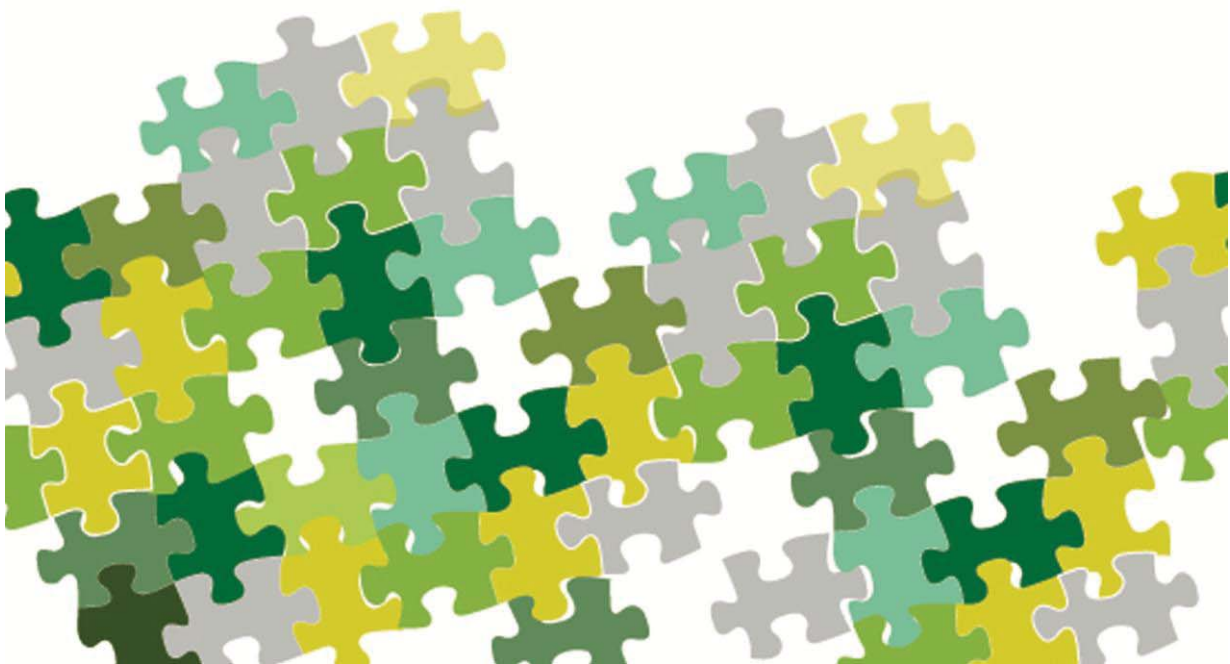




Boxes & Annexes



Chronology of Major Policy Announcements: January-March, 2016

<p>ACD Circular Letter No. 01 05 January 2016 Regarding disbursement of agricultural loan in Buffalo rearing</p>	<p>All scheduled banks are instructed to disburse more loans for buffalo rearing to the char and haor areas in the country to develop animal resources. The amount of loan, time period and the repayment system can be settled by the banks.</p>
<p>DFIM Circular No. 02 19 January 2016 Revision of Guidelines on Stress Testing for Non-Banking Financial Institutions</p>	<p>To make the existing Guidelines on Stress Testing for NBFIs” more effective and up-to-date, the guidelines have been revised as follows:</p> <ol style="list-style-type: none"> 1. Increase in NPLs due to default of top large borrowers: The standard scenarios of shock levels will remain the same. But instead of assuming 100% of the loans/leases disbursed to top borrowers as defaulted (as shocks), only 80% of those loans/leases will be assumed as defaulted in different shocks. 2. To consider Govt. Guarantees and Hypothecation including Collateral Agreement as eligible securities: Government Guarantees and Hypothecation including collateral agreement of Financial Institutions operating loans/leases activities to specialized sectors (renewable energy, solar power plant etc.) will be considered as eligible securities in case to case basis. 3. Weighted Insolvency Ratio (WIR) ratings shall also be amended.
<p>DFIM Circular No. 03 24 January 2016 Integrated Risk Management Guidelines for Financial Institutions</p>	<p>Bangladesh Bank has issued several guidelines and directives on risk management along with five core risk guidelines in light with all the earlier guidelines. The guidelines will help FIs strengthening their risk management system as a whole and encompass all the probable risks associated with financing companies. . The guidelines will be treated as supplement to the existing risk management guidelines.</p>
<p>DFIM Circular No. 04</p>	<p>It has been decided that from now all Financial Institutions (FIs) willing to invest in non-listed special purpose funds which are</p>

<p>30 March 2016</p> <p>Regarding Investment in Non-listed Special Purpose Funds registered with Bangladesh Securities and Exchange Commission</p>	<p>registered with Bangladesh Securities and Exchange Commission (BSEC) shall follow the guidelines stated below:</p> <ol style="list-style-type: none"> 1. The aggregate investment in such funds made by any FI shall not exceed 50 percent of its paid up capital. 2. The investment in such a single fund made by any FI shall not exceed 10 percent of its paid up capital or 20 percent of that particular fund, whichever is lower. 3. The investment decision in such funds must be approved by Board of Directors of FIs and approval from Bangladesh Bank (BB) must be obtained. In this connection, FIs shall submit their latest information on capital, liquidity, quality and quantity of assets and liabilities along with all the information related to above mentioned funds (including the declaration of clause 4) to BB. 4. The trustee of the fund shall declare that- <ol style="list-style-type: none"> a. No investment shall be made to purchase the share/debenture/bond or any other instruments of investor FI and its related party by such funds; b. The fund has no financial claim over any bank and FI and no investment shall be made that may create such claim over any bank or FI in future; 5. Investment in such funds shall be excluded from the limit mentioned in section 16 of the Financial Institutions Act, 1993.
<p>DMD Circular No. 01</p> <p>4 February 2016</p> <p>Online Transaction of Islami Bond</p>	<p>Bangladesh Bank has introduced a guideline on Islami Bond for the transaction of government Islami Bond and all scheduled banks and financial institutions are instructed to follow the guidelines for the transaction of Islami Bonds.</p>
<p>DMD Circular No. 02</p>	<p>Regarding Bangladesh government treasury bond and treasury bill auction, DMD circular no.-07, dated 29 July 2012 has been</p>

<p>16 February 2016</p> <p>Amendment of directives regarding the obligations of PDs & the rationalization of investment of scheduled banks in government securities</p>	<p>postponed. Instructions on bidding/underwriting obligations of the circular letter no. FRTMD-02/2007, dated 25 June 2007 has been revised. All primary dealers and scheduled banks are to follow the instructions from 01 March 2016.</p>
<p>FE Circular No. - 01</p> <p>January, 2016</p> <p>Minimum threshold amount for transaction through central banks under Asian Clearing Union (ACU) arrangement</p>	<p>As per the decision of 44th ACU Board of Directors Meeting, the minimum threshold amount for transaction through central banks under the ACU arrangement has been set at ACU Dollar or ACU Euro 500 (Five hundred).</p>
<p>FE Circular No.-02</p> <p>January 14, 2016</p> <p>Green Transformation Fund for export oriented textile & textile products and leather manufacturing industries</p>	<p>With a view to accelerate sustainable growth in export oriented textile and leather sectors contributing to transformation of green economy in the country, Bangladesh Bank (BB) has established a revolving Green Transformation Fund (GTF) of USD 200 million. The GTF is intended to facilitate access to financing in foreign exchange by all manufacturer-exporters in export oriented textiles & textile products and leather manufacturing sectors to import capital machinery and accessories for implementing green/environment-friendly initiatives.</p>
<p>FE Circular No.03</p> <p>January 20, 2016</p> <p>Issuance of notification on bringing gold or silver bullion/ingot by incoming passengers into Bangladesh</p>	<p>Incoming passengers irrespective of their resident status may bring into Bangladesh gold or silver in bullion/ingot up to the prescribed limit in terms of relevant Baggage Rules in force issued under the Customs Act, 1969.</p>
<p>FE Circular letter No. FEPD (Import Policy) 123/2016-03</p> <p>January 25, 2016</p>	<p>All authorized dealer (AD) banks have been advised to check whether importers who intend to open LCs for paraffin products including petroleum (under HS code 27.09, 27.10, 27.11, 27.11 and</p>

<p>The dealer banks have to check for Bangladesh Energy Regulatory Commission (BERC)- issued license while opening LC for import of petroleum by power and energy companies.</p>	<p>27.13) have the Bangladesh Energy Regulatory Commission (BERC)-issued license or not.</p>
<p>FE Circular No. 05 February 25, 2016 Use of International Credit Cards (ICCs) for online payment</p>	<p>The single transaction limit while using ICCs for online payment has been extended to USD 300 (US Dollar three hundred) from USD 100.00 (US Dollar one hundred) , and also to include magazine/newspaper subscription fees as admissible for such purchase.</p>
<p>MPD Circular No-01 14 January 2016 Re-fixation of Repo and Reverse Repo interest rates of Bangladesh Bank</p>	<p>The existing Repo and Reverse Repo rates of interest of Bangladesh Bank have been reduced by 50 basis points and re-fixed at 6.75 percent and 4.75 percent respectively from the rates of 7.25 percent and 5.25 percent.</p>
<p>FID Circular No: 03 26 January 2016 School banking for students below 6-year old</p>	<p>To achieve financial inclusion, school banking has been introduced, where, from now on, students aged below six years will be able open bank accounts.</p>
<p>PSD Circular No: 01 /2016 14 February 2016 Banks' responsibilities to ensure security in ATM transactions.</p>	<p>Banks are advised to take the following initiatives including the fulfillment of instructions laid down in PSD circular no.-03/2013:</p> <ol style="list-style-type: none"> 1. Anti skimming and PIN shield devices should be installed in the existing ATM booths within one month. 2. Video footage of ATM booths should be reviewed regularly to identify and prevent anything suspicious. 3. Customer cards information and a PIN number which seems to

	<p>be captured/ stolen should be voided and reissued immediately in case of own bank's cards. In case of other banks, concern card issuing bank should be informed immediately requesting to do the same. Such suspicious video footage should be sent to law enforcement agencies requesting for necessary action.</p> <p>4. A monthly inspection report should be submitted to Payment Systems Department of Bangladesh</p> <p>Bank after conducting regular examination in ATM booths on random basis.</p> <p>5. Guards of ATM booths must be provided necessary training on measures to repel fraud. Moreover, guards must be cautious about the customers wearing cap, sun glasses and carrying bags.</p> <p>6. Automatic SMS alert should be sent for every transaction instantly at the time of withdrawal of money from ATM booths.</p>
<p>PSD Circular No: 03 /2016 08 March 2016</p> <p>Banks responsibility in the case of card-based transactions to ensure the safety and facing the risks.</p>	<p>Bangladesh Bank has advised to take the following initiatives from June 30 including the fulfillment of instructions laid down in PSD circular no.-03/2016:</p> <p>1. The use of personal identification number (PIN) while settling transactions by clients through their credit and debit cards using point of sale (POS) machines to be made mandatory. The merchants will have to settle the transactions through POS in presence of the clients and clients own will give PIN by online PIN authorization process. Manual Key entry Mode in POS is abolished.</p> <p>1. Instant mobile-phone SMS (short message) alert should be sent for every card based transaction to the clients on mandatory basis.</p> <p>2. The acquirer bank of the POS machines will have to take responsibility and ensure the networking security so that merchants appointed by the bank cannot breach the system or leak any data of the cardholders.</p> <p>3. POS devices with cords have to be replaced by cordless POS.</p> <p>4. Point-to-Point Data Encryption for all terminals under the</p>

	<p>network of card based POS transactions has to be ensured.</p> <p>5. The banks will have to attach Posters with all ATM booths and merchant points of the POS machines to inform the clients about accurate use of the credit and debit cards with illustration of “use of cards by giving PIN correctly with proper safety measures and privacy”.</p>
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