

## Part B: Boxes / Annexes



### Chronology of Major Policy Announcements: October-December 2012

<p>DMD Circular No. 09 03 October, 2012</p> <p>Regarding Method of Calculation of Imposed Yield for Devolvement in Treasury Bond Auction</p>	<ol style="list-style-type: none"> <li>1. Arithmetic mean of related yield of bids submitted from primary dealers (PDs), other banks and FIs (through PDs) in treasury bond auction will be used for devolvement on PD and non PD banks. Note that, outlier bids will be excluded from calculating arithmetic mean of related yield of submitted bids.</li> <li>2. Bids that have yield gap of more than 10 basis points compared to cut-off yield of previous auction of bids of related bond submitted in bond auction at any particular period will be defined as outlier.</li> </ol>
<p>DFIM Circular No. 07 04 October, 2012</p> <p>Regarding Guideline of Core Risk Management for Financial Institutions</p>	<p>Referring to FID Circular No. 10 dated 18 September, 2005, FID Circular No. 12 dated 29 December, 2005 and DFIM Circular No. 06 dated 21 June, 2010, since financial institutions have been instructed to treat Money Laundering and Terrorist Financing as a core risk. In this regard, financial institutions have been instructed to follow 'Guidance Notes on Prevention of Money Laundering and Terrorist Financing'.</p>
<p>ACFID Circular Letter No. 04 06 November, 2012</p> <p>Bringing Dynamism in the use of Farmers' Tk. 10 Accounts</p>	<p>Referring to BRPD Circular No. 01 dated 17 January, 2010, following decisions have been made with a view to making farmers' Tk 10 accounts effective through transaction:</p> <ol style="list-style-type: none"> <li>1. In order to increase transactions in farmers' Tk 10 accounts, 1%-2% more interest rate than general savings account may be considered.</li> <li>2. Head offices of the banks have to set yearly target for the chief of their branches for keeping farmers' Tk 10 accounts active.</li> <li>3. Field assistants/field supervisors have to talk with the farmers holding 10 taka accounts regarding the benefits of these accounts and to inspire them while working in the field level.</li> <li>4. Promotional campaign can be arranged in open loan disbursement, loan fair or various agriculture related fair regarding the benefits of transactions through farmers' accounts opened with 10 Taka.</li> <li>5. The issue of providing loan facility at lower interest up to 90% of savings kept in farmers' accounts opened with 10 Taka may be considered.</li> <li>6. Farmers' accounts opened with 10 Taka cannot be made dormant.</li> <li>7. Farmers holding 10 taka accounts have to be informed and encouraged regarding the use of those accounts in case of sending money to their children studying in different places inside the country.</li> <li>8. Farmers holding 10 taka accounts have to be encouraged so that their relatives and children residing abroad send money using those accounts.</li> </ol>

	<p>9. Farmers holding 10 taka accounts have to be advised to make transactions depositing their money from sale of crops or money kept in hand in their accounts.</p> <p>10. No charge/fee is imposed on these accounts and there is no excise duty applicable for balance up to Tk.1 lakh. Farmers have to be notified through promotional campaign regarding this issue so that they feel encouraged to make savings and transactions in these accounts.</p>																
<p>DOS Circular Letter No. 17 07 November, 2012</p> <p>Regarding Self Assessment of Banks' Internal Control System for Preventing Fraud/Fraudulent Activities.</p>	<p>Referring to BRPD Circular No. 06 dated 04 February, 2010, decision has been made to collect self assessment report of banks' Internal Control System on quarterly basis for Bangladesh Bank's review. From December, 2012 this self assessment quarterly report filled up according to the supplied format and signed by the chief executive and chairman of the audit committee of the Boards of Bank has to be submitted within next one month from the end of each quarter.</p>																
<p>PSD Circular No. 3/2012 13 November, 2012</p> <p>Imposition of Charge on Transactions made through Bangladesh Automated Clearing House (BACH)</p>	<p>Decision has been taken regarding imposition of charge at following rate on transactions made through Bangladesh Automated Clearing House (BACH) to carry out maintenance and operating cost in the interest of proper operation of automated clearing house, which will primarily be effective for one year starting from 01 January, 2013:</p> <table border="1"> <thead> <tr> <th>Sl.</th> <th>Type of transaction</th> <th>Amount realized by BB from submitting banks</th> <th>Amount realized by submitting banks from customers</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>High value cheque clearing</td> <td>Tk. 25 (+VAT)</td> <td>Tk. 50 (+VAT)</td> </tr> <tr> <td>02</td> <td>Regular value check clearing</td> <td>Tk. 5 (+VAT)</td> <td>Tk. 7 (+VAT)</td> </tr> <tr> <td>03</td> <td>Any EFT transaction</td> <td>Tk. 5 (+VAT)</td> <td>Tk. 7 (+VAT)</td> </tr> </tbody> </table> <p>Note that, above mentioned charge is applicable for every transaction made through BACH except return entry of both type transaction and prenote &amp; NOC of EFT transaction. The charge may be realized from the payee of imposed cheque of charge in case of cheque transaction and from the originator in case of EFT transaction. Banks may pay the charge realized by BB from their own source without charging the customers.</p>	Sl.	Type of transaction	Amount realized by BB from submitting banks	Amount realized by submitting banks from customers	01	High value cheque clearing	Tk. 25 (+VAT)	Tk. 50 (+VAT)	02	Regular value check clearing	Tk. 5 (+VAT)	Tk. 7 (+VAT)	03	Any EFT transaction	Tk. 5 (+VAT)	Tk. 7 (+VAT)
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<p>BRPD Circular No. 17 18 November, 2012</p> <p>Opening Bank Account for Ultra-poor Women</p>	<p>A project titled 'Food and Livelihood Security (FLS)' has been being operated by Department of Women Affairs to enhance food security and livelihood facility of poor people under Social Safety-net program. Decision has been taken to allow beneficiaries of the above mentioned project to open bank account with only 10 Taka deposit against their National Identity Card/Birth Registration Certificate and 'F.L.S. Beneficiary' card issued by Department of Women Affairs with a view to provide financial assistance regarding monthly allowance and purchase of production based asset for income</p>																

	<p>generating activities for the ultra poor women and marginal farmers/sharecroppers under the above mentioned project through bank account. Imposition of Binding for keeping minimum balance and realization of any charge/fee cannot be processed for these accounts. In case of inadequate cheque books, transactions can be made through vouchers for these accounts.</p> <p>Under these circumstances, all state owned and specialized commercial banks are instructed to take necessary steps to open bank accounts with only 10 Taka for providing allowance for the beneficiaries of Food and Livelihood Project and ensuring banking service for them.</p>
<p>FE Circular Letter No. FEPD(Export)220/2012-26 09 December, 2012</p> <p>Online reporting of foreign exchange transactions</p>	<p>Referring to the Guidelines for Foreign Exchange Transactions (GFET), Vol-1 &amp; 2 and subsequent FE Circulars/Circular letters in terms of which Authorized Dealers (ADs) submit several statements/returns to Bangladesh Bank.</p> <p>Bangladesh Bank has taken initiative to receive online statements through its web portal. As part of this program, Foreign Exchange Operation Department (FEOD) has already started monitoring export transactions through online reports submitted by ADs. In addition to export transactions, Bangladesh Bank has developed online reporting system for all types of cross border foreign exchange transactions including foreign exchange transactions through inland back to back letters of credit. ADs are, therefore, advised to report all types of their foreign exchange transactions carried out from January 01, 2013 to FEOD, Bangladesh Bank on daily basis through web portal.</p> <p>As usual, ADs shall continue submission of statements/returns to Bangladesh Bank in accordance with the directives contained in the GFET and subsequent circulars until further direction.</p>
<p>FE Circular Letter No. FEPD (Import Policy)/123/2012-27 10 December, 2012</p> <p>Post facto approval for settlement of import payment under back to back letter of credit through local sources</p>	<p>Attention of the Authorized Dealers (ADs) is invited to paragraph 38, chapter 7 of Guidelines for Foreign Exchange Transactions-2009 (GFET), Vol-1 regarding the instruction to obtain post facto approval from Bangladesh Bank (Foreign Exchange Operation Department) where import payment against back to back letter of credit is settled out of local sources fully/partially.</p> <p>It has come to the notice of Bangladesh Bank that ADs are making inordinate delay in forwarding the applications for obtaining the approval on settlement of such payment. ADs are, therefore, advised to submit the applications to concerned offices of Bangladesh Bank for post facto approval within 15 days of the following month of effecting the payment.</p>
<p>DMD Circular Letter No. 05/2012 12 December, 2012</p> <p>Providing Liquidity</p>	<p>Referring to the Circular Letter no. DMD-01/2012 dated 22 February, 2012, instruction given earlier in serial no. 1 of above mentioned circular is amended as follows:</p> <p>Liquidity Support will be provided to PDs for a maximum period of two months at a stretch from the date of issue of treasury bills and</p>

<p>Support to Primary Dealers</p>	<p>bonds devolved on PDs at auctions through devolvement as well as successful bidding. Note that, this initiative is temporary and other related instructions regarding Circular Letter no. DMD-01/2009 dated 21 April, 2009 will remain unchanged.</p>
<p>PSD Circular No. 04/2012 24 December, 2012</p> <p>Implementation of National Payment Switch Bangladesh (NPSB)</p>	<p>Referring to the DCMPS (PSD) Circular No. 02/2012 dated March 20, 2012 regarding the Implementation of National Payment Switch Bangladesh (NPSB), Bangladesh Bank (BB) has already started implementation of NPSB in order to create a common platform for the Cards (Debit/Credit/Prepaid), internet and mobile based payments in the country. The work is running in full swing and by this time the installation of necessary hardware and software at Bangladesh Bank's premises has been completed successfully for your smooth participation in NPSB. It may be mentioned here that the work is scheduled to complete within a couple of weeks as it is a national priority project.</p> <p>Under this circumstance, it has been decided that all inter-bank domestic transactions originating from any delivery channel (ATM/POS/Kiosk/Mobile/Internet) will be routed through NPSB. These will also include the transactions of those banks which do not have their own switch but are using Third Party Processor (Q-cash, Cash Link etc.). You are, therefore, advised to upgrade/customize your own/third-party switching software according to our specifications (Host to Host) within shortest possible time.</p>
<p>BRPD Circular No. 19 27 December, 2012</p> <p>Loan Classification and Provisioning</p>	<p>Referring to BRPD Circular No.14 dated September 23, 2012 and attached CL formats on the captioned subject, following amendments have been brought into the circular with a view to expediting the economic growth triggered by the comparatively small scale borrowers and promoting financial inclusion:</p> <p>1. '2. a) (4). Loans except Short-term Agricultural &amp; Micro-Credit in the 'Special Mention Account' and 'Sub-Standard' will not be treated as defaulted loan for the purpose of section 27KaKa(3) [read with section 5(GaGa)] of the Banking Companies Act, 1991. However, Fixed Term Loans amounting up to Tk. 10.00 Lacs in the 'Sub-Standard' category will also be treated as defaulted loan for the same purpose.'</p> <p>2. '2. a) (7) :</p> <p>(A) In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting up to Tk. 10.00 Lacs is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of such types of Fixed Term Loans:</p> <p>i. If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as 'Sub-standard' .</p>

	<p>ii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as 'Doubtful' .</p> <p>iii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loan will be classified as 'Bad/Loss' .</p> <p>(B) In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Tk. 10.00 Laes is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of such types of Fixed Term Loans:</p> <p>i. If the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loan will be classified as 'Sub-standard' .</p> <p>ii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as 'Doubtful' .</p> <p>iii. If the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as 'Bad/Loss' .</p> <p>Explanation: If any Fixed Term Loan is repayable on monthly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 06 monthly installments. Similarly, if the loan is repayable on quarterly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 2 quarterly installments.'</p> <p>All others instructions as well as attached CL formats of BRPD Circular No.14 dated September 23, 2012 will remain unchanged.</p>
<p>BFIU Circular No. 06/2012 30 December, 2012</p> <p>Instructions to be followed in case of compliance with the Regulations of Anti Money Laundering Act, 2012 and Anti Terrorism Act (with amendments of 2012) by Capital Market related Institutions</p>	<p>Referring to AML Circular No. 26 dated 30 September, 2010 &amp; additionally read Circular AMLD-01/2010 BB issued with the approval of Government under section 2(Tha)(Ri) of Anti Money Laundering Act, 2009 and Section (2) (Ba) (Jha) of Anti Money Laundering Act, 2012 issued afterwards, the following reporting institutions has been included: 1. Stock Dealer and Stock Broker, 2. Portfolio Manager and Merchant Banker, 3. Custodian of Securities, 4. Institutions for Asset Management, Under this circumstance, all capital market related institutions have been instructed under Section 23 of Anti Money Laundering Act, 2012 and Section 15 of Anti Terrorism Act (with amendments of 2012) to comply the issued directions for the Prevention of Money Laundering &amp; Combating Financing of Terrorism.</p>