

### Chronology of Major Policy Announcements: January-March 2009

BRPD 12 January 2009	In pursuance of the objectives of monetary policy, all scheduled banks of Bangladesh Bank have been required to maintain the amount of Cash Reserve Requirement (CRR) at the rate of 5% of their total demand and time liabilities effective from 01 October, 2005. Banks are also required to maintain the CRR at the rate of 5% daily on bi-weekly average basis subject to the condition that the rate of CRR should not be less than 4% in any day. After Review of the present situation of the monetary policy, it has been decided that the CRR will remain unchanged at the rate of 5%, with the condition that the rate of CRR should not be less than 4.5% in any day. This instruction has come into effect from 01 March, 2009.
DCMPS 13 January 2009	All scheduled banks/financial institutions working in Bangladesh have been informed that, Bangladesh Bank as a part of modernizing the existing payment systems of the country has drafted a set of new regulations to accommodate new products/instruments of payment which are currently being used in the modern payment systems. This draft regulation has been uploaded in Bangladesh Bank's website.
DOS 28 January 2009	Some instructions have been given regarding revaluation of Treasury Bills and Bonds on the basis of Marking to Market held by the banking companies are as follows: 1. Coupon interest of Treasury Bills and Bonds held by the banks under HTM and HFT shall be transferred, as usual, to income account on accrual basis. 2. Only gain arising from revaluation on the basis of Marking to Market shall be transferred to Revaluation Reserve Account after transferring, as usual, increase/decrease of government Treasury Bills under HFT for weekly amortization and gain/loss arising from revaluation on the basis of Marking to Market to income account of the concerned period. 3. Revaluation information of HFT securities as per Current Market Price/Yield would be submitted to Department of Offsite Supervision as per revised format.
BRPD 02 February 2009	It has been decided that in the 35th Board Meeting of National Board of Revenue (NBR) that if any bank provides services at reduced rate than the service charges as scheduled by Bangladesh Bank, Value Added Tax (VAT) will be payable on the basis of bank's own scheduled rate in case of those reduced service charges.

DFIM 09 February 2009	It has been decided that, the statement of disbursement/business activities of loan/lease of all financial institutions should be submitted on quarterly basis instead of monthly basis. In this perspective, the first quarterly report (January-March 2009) should be sent by 15 April 2009.
DCMPS 11 February 2009	<p>The National Payment System Council (NPSC) has been reorganized to support the development of sound and efficient payment, clearing and settlement systems in Bangladesh and to serve as a forum for cooperation in domestic and international payment matters. The main tasks of the Council are as under:</p> <ol style="list-style-type: none"> <li>1. To review, discuss and approve strategic documents for the national payment system.</li> <li>2. To promote common initiatives towards the implementation of the payment system infrastructure.</li> <li>3. To promote specific or new payment system channels which will ultimately lead to broadening the access of people to the financial system.</li> <li>4. To endorse the priority and the development and implementation schedule of payment system projects.</li> <li>5. To promote cooperation among all institutions active in payment, clearing and settlement systems within the region and at the international level.</li> </ol> <p>The Payment Systems Division (PSD) of Bangladesh Bank will provide secretarial and research services to the Council.</p>
DCMPS 16 February 2009	Bangladesh Bank has been working to modernize the country's payment system. As part of Bangladesh Automated Clearing House (BACH) implementation, Bangladesh Automated Cheque Processing System (BACPS) is being implemented with a target of going live operation at expanded Dhaka Clearing Region during the 2nd half of 2009. A guideline has been issued by Bangladesh Bank are providing appropriate information to the banks about requirement they must meet to participate in and interface with BACPS.
ACSPD 02 March 2009	It has been observed that, desired loan are not being provided to women entrepreneurs under Small and Medium Entrepreneurs (SME) in spite of 15% of SME fund allocated for woman entrepreneurs. Now, banks and non bank financial institutions are advised to provide at least 10% of total SME loan to women entrepreneurs. If any bank/financial institution fail to provide at least 10% of total applied fund for refinance to women entrepreneurs no refinance facility will be provided to the concerned bank/non bank financial institution.

<p>DOS 03 Mar 2009</p>	<p>A circular has been issued unifying all earlier directives issued by the Bangladesh Bank regarding imposition of penal interest rate for shortfall in maintaining CRR by banks.</p> <ol style="list-style-type: none"> <li>1. If CRR is less than 4.5 percent of total demand and time liabilities in any day of the month, then penalty will be imposed for the shortfall amount at the rate of bank rate +5% for that day.</li> <li>2. If banks fail to maintain CRR at the rate of 5% daily on biweekly basis, then penal interest will be imposed on the shortfall amount at the rate of bank rate +5% for one (1) day.</li> <li>3. If any bank fails to maintain CRR on an average at the rate of 5% on bi-weekly basis, and if the failed bank did not maintain CRR at the rate of 5% of total demand and time liabilities on the first day of the next bi-week, then it will be considered that CRR shortfall is being continued for third week and proper action will be taken under clause 36(5) of Bangladesh Bank Order, 1972. This instruction has been made effective from 01 March, 2009.</li> </ol>
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