

বৈদেশিক মুদ্রা নীতি বিভাগ

বাংলাদেশ ব্যাংক
প্রধান কার্যালয়, ঢাকা।
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এফই সার্কুলার নং- ২৬

তারিখ : ২৯ ডিসেম্বর, ২০০৯

প্রধান কার্যালয়/প্রিন্সিপাল অফিস
বাংলাদেশে বৈদেশিক মুদ্রা লেনদেনে নিয়োজিত সকল অনুমোদিত ডিলার।

প্রিয় মহোদয়গণ,

এক্সচেঞ্জ পজিশন হিসাবায়ন।

বাংলাদেশ ব্যাংকে দাখিলের জন্য দৈনিক এক্সচেঞ্জ পজিশন হিসাবায়ন বিষয়ে গাইডলাইন ফর ফরেন এক্সচেঞ্জ ট্রানজাকশান, ১৯৯৬ (২য় খন্ড) এর অধ্যায় ২ এর প্যারা ২২ এবং এফই সার্কুলার নং-০৭, তারিখঃ ০৮ জুন, ২০০৫ এর নির্দেশনার প্রতি দৃষ্টি আকর্ষণ করা যাচ্ছে।

BASEL-II এর নির্দেশনা মোতাবেক দৈনিক এক্সচেঞ্জ পজিশন এর হিসাবায়ন পদ্ধতি সংশোধনের সিদ্ধান্ত গ্রহীত হয়েছে যা এতদসাথ সংযুক্ত করা হলো।

অনুমোদিত ডিলার ব্যাংকগুলো Annexure A এবং Annexure B মোতাবেক দৈনিক এক্সচেঞ্জ পজিশন এর হিসাবায়ন করবে। Annexureগুলো পূরণ করার নির্দেশনা Annexure C এ বর্ণিত হলো। অনুমোদিত ডিলার ব্যাংকগুলো নতুন ফরম্যাট অনুযায়ী আগামী ১০ জানুয়ারী, ২০১০ হতে পরীক্ষামূলকভাবে এক্সচেঞ্জ পজিশন বিবরণী দাখিল শুরু করবে। উল্লেখ্য, বিদ্যমান ফরম্যাটে এক্সচেঞ্জ পজিশন বিবরণী (এফই সার্কুলার নং-০৭, তারিখঃ ০৮ জুন, ২০০৫ মোতাবেক) দাখিল ৩১ জানুয়ারী ২০১০ পর্যন্ত চালু থাকবে এবং ফেব্রুয়ারী ০১, ২০১০ হতে বিদ্যমান ফরম্যাট এতদসাথ সংযুক্ত নতুন ফরম্যাট দ্বারা প্রতিস্থাপিত হবে।

অনুগ্রহপূর্বক প্রাপ্তি স্বীকার করবেন এবং এ সার্কুলারের বিষয়বস্তু সংশ্লিষ্ট সকল পক্ষকে অবহিত করবেন।

আপনাদের বিশ্বস্ত,

স্বাক্ষরিত/-

(খন্দকার আবদুস সেলিম)

উপ মহাব্যবস্থাপক

ফোন : ৭১২০৩৭৫

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- Authorised Dealers shall maintain records of their exchange position in foreign currency in which they maintain an account as at the close of business on each working day in the prescribed proforma (See Annexure-A and Annexure-B). These currency wise daily position statements should be submitted to Bangladesh Bank on the following working day.
- **Banks** shall maintain their overall exposures in foreign currencies (overall net exchange position) within the '**Open position limit**' at the end of the day. The open position limit is required to be approved by the Bangladesh Bank on the basis of total capital (sum of Tier-1, Tier-2 & Tier-3) and some other qualitative judgements.
- The proforma of exchange position has been drawn up to suit the different types of book keeping used in different banks and in some cases some of the items will not be required. The main items which may cause some difficulty are explained below. In the event of any further difficulty being encountered, the Authorised Dealer should refer the matter to the Foreign Exchange Policy Department of Bangladesh Bank.

Guidelines for Calculation and Reporting of Foreign Exchange Exposure of Banks

- **Foreign currency exposure** of bank is defined as the sum of all foreign currency denominated assets and liabilities. The exposure shall also include the net forward and other possible off-balance sheet items (as decided by Bangladesh Bank) in each currency. No foreign currency denominated asset or liability can be ignored, unless it has been explicitly agreed with the Bangladesh Bank.
- **Bank's overall foreign exchange exposure (i.e. overall net exchange position)** is to be measured in two successive steps: **first**, the measurement of the exposure in each single currency, and **second**, the measurement of overall foreign exchange exposure (i.e. overall net exchange position) by aggregating the sum of the net short positions or sum of the net long positions; whichever is higher.

Calculation of Net Open Position in Each Currency

- Bank's net open position in each currency should be calculated by summing (i) net position in balance sheet items and (ii) net position in off-balance sheet items. :
- **Balance sheet** items include spot position only. **The net spot position** is the difference between foreign currency assets and the liabilities in the balance sheet. This should include all accrued income/expenses.
- **Off-balance** sheet items include all foreign currency denominated assets and liabilities not included in the balance sheet. These transactions are recorded in the off-balance sheet section of the book of a bank.
- **Off-balance sheet** items include **forward positions** and **acceptances/similar commitments** denominated in foreign currency which are certain to be called. **Net Forward Position** in a currency represents all amounts to be received less all amounts to be paid at a future value date under forward foreign exchange transactions including the far leg position of currency swap contracts.

Net position in Acceptances/similar commitments represents all amounts to be received less all amounts to be paid in future under definite and unconditional commitment (other than forward and swap).

However, banks shall report the following items of contingent liabilities in the daily exchange position statement which will be excluded for arriving at currency-wise exposure:

- i) Letter of credit
- ii) Letter of guarantee
- iii) Other contingent liabilities

Therefore, banks shall arrive net foreign exchange position in each currency by adding (i) net spot position (ii) net forward position (iii) net acceptance/similar commitment.

Banks shall, therefore, calculate the overall net open position/overall net exchange position in the following manner:

- (i) Calculate the net open position in each currency ;
- (ii) Convert the net positions in various currencies in equivalent USD and BDT [using the conversion rate determined by 'Forex Reserve and Treasury management Department (FRTMD) of Bangladesh Bank' or 'Bangladesh Foreign Exchange Dealers Association (BAFEDA)'];
- (iii) Arrive at the sum of all the net long positions.
- (iv) Arrive at the sum of all the net short positions;
- (v) Arrive at the overall net foreign exchange position [higher of (iii) or (iv)]

The overall net foreign exchange position thus arrived must be kept within the limit approved by Bangladesh Bank.

- Net Exchange Position shall be worked out on the basis of opening balance and other transactions of the day concerned as per the local books of the Authorised Dealer. All assets take the form of debit balances and all liabilities the form of credit balances. Therefore, if an Authorised Dealer holds a credit balance with his correspondent/OBU book, his local book will show a debit balance, as he is holding an asset. Similarly, an overdrawn position with his overseas correspondent/OBU book will be shown as a credit balance in his local book. No under valuation shall take place; assets are to be marked to market in adherence to the 'Guidelines for Core Risks Management'. Balance sheet and off-balance sheet exposures are to be reported separately but added together to arrive at overall exposures in individual currency. The nostro balances as per local book and nostro balances as per book of the overseas correspondents/OBU should be completely reconciled. The banks shall take utmost measures for complete reconciliation as suggested in the Core Risk Guidelines on Foreign Exchange.

Submission of Daily Exchange Position Statement

Banks are required to submit two statements, -

- i. statement stating the opening exchange position and transactions during the reporting day (Annexure -A), that is, opening stock and flow data respectively
- ii. the position at the close of the day (Annexure-B), i.e., the opening position for the next day.

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Transfer between different foreign currency accounts does not affect in day transaction. For instance, the transfer of the balance in an NFCD after maturity to an approved foreign currency account does not constitute buy or sale on the part of the bank on the day transaction.

Description of Some Major Items of the Formats [Annexure A, Annexure -B]

Clarification of the Contents of the Columns

Item in Column	Clarification
1	Balance sheet item in USD only
2	Balance sheet item in EURO only
3	Balance sheet item in JPY only
4	Balances sheet item in GBP only
5	Summation of balance sheet items in all other currencies converted in equivalent USD
6	Off-balance sheet item in USD only
7	Off-balance sheet item in EURO only
8	Off-balance sheet item in JPY only
9	Off-balance sheet item in GBP only
10	Summation of off-balance sheet items in all other currencies converted in equivalent USD
11	Total of Long Positions (among different currencies as indicated in Row 1F or Row 10, as the case may be) in equivalent US Dollar.
12	Total of Short Positions (among different currencies as indicated in Row 1F or Row 10, as the case may be) in equivalent US Dollar
13	Overall net foreign exchange position i.e. higher of 11 or 12 above with sign of + (plus) in case of long position and with sign of – (minus) in case of short position as the case may be.

Clarification of Items of the Rows :

1.A.i(d): Outward bills purchased

Banks have different methods of entries for outward bills purchased. If a bank inputs the value of any outward bill purchased immediately into their currency account, then such transactions need not be reported under this head. On the other hand, some banks debit their bills purchased to a temporary suspense account and transfer to their currency account when the bill is realized. When the exchange position is prepared before realization of the bill(s), the total outstanding purchased export bill should be reported under this head. After realization of bills, such transactions are to be reported in local book and the respective head will be adjusted accordingly. The amount of bills sent for collection shall not to be reported under this head.

1.A.i(e) : Others

Opening balance of any foreign asset not covered in 1(A)(ia through id) will have to be reported under this head. Besides, amount of unsettled spot purchase transactions (spot purchase transactions not yet settled/not yet booked for) against firm deal/contract shall have to be reported under this head. The particulars of such balances, if reported, should be mentioned in foot note. After settlement, such transactions are to be booked for in local book and the respective head will be adjusted accordingly.

1.A.ii(b5): FDDs, MTs and TTs payable :

Banks issue FDDs, MTs and TTs on correspondents to pay foreign currency or equivalent to the beneficiaries by debiting their nostro accounts. If a bank inputs the value of such instruments/transfers immediately into their currency account, then such transactions need not be

reported under this head. If the Authorised Dealer does not enter into his currency position the amount of draft or transfer until it is actually paid, the amount need to be reported under this head. After settlement, such transactions are to be reported in local book and the respective head will be adjusted accordingly.

1.A.ii(b6): Others:

Balances on account of customer account other than FC, NFCD, RFCD, ERQ etc. (out of exchange position) and not covered by any head as mentioned above will have to be reported under this head. The particulars of such balances, if reported, should be mentioned in footnote.

1.A.iic): Back to back letters of credit-fund awaiting for remittance :

Under back-to-back import system, import bills are usually paid from export earnings. Bank receives export proceeds and retains these to settle import bills accordingly on maturity. Balance in these accounts (e.g. back to back margin account) should be reported under this head. After payment is made on maturity, such transactions are to be reported in local book and the respective head will be adjusted accordingly.

1.A.ii(d): Others

Opening balance of foreign liabilities not covered in 1(A)(ia through iic) will be reported under this head. Besides, amount of unsettled spot sales transactions against firm deal/contract shall be reported under this head. The particulars of such balances, if reported, should be mentioned in foot note.

1.A.iii : Net position of assets/liabilities (1Aiii):

Difference between the total of items under A.i and total of items under A.ii will be reported under this head.

1.C: Forward against contract

Banks offer forward booking to other banks and customers as well. Currency-wise net outstanding amount of forward derived from purchase or sale from/to banks and customers against firm contract should be reported under this head.

1.D. Acceptance and similar commitments

Banks may accord acceptance against bills/other instruments to other banks/concerns on behalf of their customers for making payment in future which are certain to be paid in foreign exchange. On the contrary, banks may receive such acceptance from other banks which are certain to be received in future. Net position of such acceptances/commitments (receivables minus payables) is to be reported under this row as off-balance sheet exposure. Amount under this row is to be considered for determining net exchange position in respective currency.

1(E): Contingent liability

Outstanding amount of contingent liabilities (Letters of credit, guarantees, others) at the beginning of the day is to be reported. However, the amount under this head will not be considered for calculation of net exchange position.

2. Spot/Cash Transactions of the day

Spot transaction is single outright transaction involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) within two business days. Cash transaction is the transaction involving the exchange of two currencies at a rate agreed where

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settlement takes place immediately (usually in the same day). These are to be reported under this head. To mention, cash settlement of forward transactions, settlement of near leg and far leg spot transaction of swap contracts (buy/sell as the case may be), settlement of acceptances/similar commitments (payments or receipts, as the case may be) shall be reported under this head (Please see below) .

3. Forward/swap transactions of the day

- Forward transactions involve the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) at some future date (more than two business days).
- Swap Transaction is a combination of a spot and a forward transaction and involves a simultaneous purchase and sale of two currencies against each other.
- Forward transactions (alongwith those derived from swap transactions i.e. far legs of swap transactions) of the day under report with banks and customers are to be reported under the above head. However, sales, purchases and settlement of such transactions are to be reported under different heads as stated in the format.

Settlement of Swap Transactions

Transactions derived from swap contracts are to be reported simultaneously under sl. nos. 2 (Spot transactions) and 3(Forward Transactions) of the exchange position statement. The near leg spot transaction of the currency(ies) is to be reported under sl. no. 2 while far leg of the swap contract is to be reported in sl. no. 3 of the exchange position statement under the head of forward transactions (purchase or sale as the case may be). On maturity, the far leg transaction is to be reported under spot (buy/sell) as reversal of the previous one(s) and to neutralise the forward book position, the transaction amount should be shown as forward purchase/forward sale settlement under the respective head in sl. no. 3A2.

4. Acceptances/similar commitments of the day

Acceptances/similar commitments denominated in foreign currency received and given on the day are to be reported under the head specified in Row 4A1. Similarly settlements of such acceptances/commitments are to be reported under the head specified in Row 4A2. Besides, payments/receipts under such settlements are also to be reported under spot transactions (sl. No. 2, sales or purchases, as the case may be).

5. Contingent liabilities

Issuance and settlement of contingent liabilities which are excluded for calculation of foreign exchange exposures like letters of credit and guarantees are to be reported under this head.

6. Total spot position of the day

It is the sum of the opening spot position at the beginning (Aiii) and the spot transactions during the day as well(2D).

7. Total forward position of the day: It is the sum of the opening forward position at the beginning (1C) with net forward transactions of the day (3.A1) less net settlement of outstanding forward transactions during the day (3A2).

8. Total acceptance positions of the day

It is the sum of the opening acceptance position at the beginning (1D) with net of acceptance received/acceptance given during the day (4.A1) less net settlement of outstanding acceptances during the day (4.A2).

9. Total currency-wise net exchange position of the day

Net Exchange position in a currency is the sum of spot position(Row 6), forward position (Row 7) and acceptance position (Row 8) in the respective currency.

10. Total of the Net Long Positions (Row 11) and Total of the Net Short Positions (Row 12) in equivalent US Dollar

The sum of the net exchange positions of the currencies having long position as indicated in Row 9 shall be reported at Row 10 and Column 11 of the matrix. On the other hand, the sum of the net exchange positions of the currencies having short position as indicated in Row 9 will be reported at Row 10 and Column 12 of the matrix with ‘ - ’ (minus) sign.

11. Overall Net Exchange Position (Eqv US Dollar)

The overall net exchange positions of the bank will be the total of the net long positions or the total of the net short positions (as indicated in Row 10) whichever is higher. Overall net exchange position thus arrived in equivalent US Dollar will be reported at Row 11 and Column 13 of the matrix.

12. Overall Net Exchange Position (Eqv BDT):

Overall net exchange position in equivalent BDT will be reported at the Row 12 and Column 13 of the matrix.

13. Conversion Rate (Equivalent Taka)

The conversion rates ADs applied to convert various currencies (USD, EURO, JPY GBP etc.) are to be reported here(equivalent BDT per foreign currency.) To convert currencies, ADs are advised to use weighted average rate of USD/BDT as declared by FRTMD of Bangladesh Bank or BAFEDA.