

Department of Financial Institution and Markets
Bangladesh Bank
Head Office
Dhaka-1000.

DFIM circular no.-12

Date: 18 November, 2015
04 Agrahayan, 1422

Chief Executive/Managing Director
All Financial Institutions operating in Bangladesh

Dear Sir,

Avoidance of high expenses for luxurious vehicles and decoration of Financial Institutions

Recently it has been observed that some Financial Institutions (FIs) are purchasing luxurious vehicles for chairman of board of directors, chief executive officer and other high officials. High expenses on grandeur decoration of their branches have also been observed. These increase operating cost of the FIs which affects their profit adversely that ultimately hampers the interest of shareholders and clients. In order to avoid these high expenses and to protect the interest of shareholders and clients, FIs shall comply the following instructions-

1. Instructions regarding purchase of Motor Vehicles:

- a) FIs shall not purchase motor car and jeep which costs more than BDT 5.00 (five) and BDT 10.00 (ten) million respectively from their own sources.
- b) The number of motor vehicles purchased from FIs' own sources must be consistent with their total manpower and expansion of offices/branches. All the vehicles including the full time vehicles of chairman and chief executive officer of FIs shall be replaceable after at least five years usage.
- c) The expenses of maintenance and usage of motor vehicles shall be placed to the board of directors on half-yearly basis and annual general meeting for observation.

2. Instructions regarding avoidance of high expenses for office decoration:

- a) From now and onward, FIs shall not use floor space more than 5,000 (five thousand) square feet for establishing new branches. Moreover, FIs will not exceed present floor space while transferring of existing branches of more than 5,000 (five thousand) square feet.
- b) Expenses on interior decoration, office furniture, electric/electronics goods et c. excluding IT equipment shall not exceed BDT 1,500.00 (one thousand five hundred) per square feet for new branches and transfer of existing branches. Expenses on IT equipment shall also be rational.
- c) Considering the basic needs FIs shall ensure the quality and durability instead of high luxuries while purchasing furniture and other fixtures.

This circular is issued as per section 18(chha) of Financial Institutions Act, 1993 which will be in effect immediately. FID circular letter no.-04 of August 27, 2003 and [DFIM circular letter no.-10 of April 20, 2010](#) will be treated as void.

Sincerely yours,



(Md. Shah Alam)
General Manager
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