

Secretary's Department
Bangladesh Bank
Head Office
Dhaka
www.bb.org.bd

SD Circular no: 01

Date: 22 December, 2024
7 Poush, 1431

Managing Director/Chief Executive Officers of
All Scheduled Banks

Dear Sir,

The Special Regulations of Bangladesh Bank, 2024

In exercise of the powers conferred by article 7A(f), 82(1) and article 82(2)(n) of the Bangladesh Bank Order, 1972, the Board of Directors of Bangladesh Bank in its 438th meeting makes the regulations titled "The Special Regulations of Bangladesh Bank, 2024". These regulations shall come into force with immediate effect.

The regulations can also be collected from the website (www.bb.org.bd) of Bangladesh Bank.

Sincerely Yours,



(Mohammad Zahir Hussain)
Director (SD)

Banking Sector Reform Taskforce
Phone: 01817513288

Enclosure:
The Special Regulations of
Bangladesh Bank, 2024

The Special Regulations of Bangladesh Bank, 2024

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Preamble

WHEREAS in spite of the requisite regulatory framework in place, a number of banks in Bangladesh have been facing multifarious challenges in respect of quality of assets, corporate governance, policies and compliance of laws and Regulations and thereby damaging the trust and confidence of the public in general and undermining the credibility of the banking system as a whole;

AND WHEREAS one of the main functions of Bangladesh Bank is to regulate and supervise banking companies in Bangladesh in terms of Article 7A(f) of the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972) and as such Bangladesh Bank considers it proper and expedient to undertake a risk-based comprehensive assessment of the concerned banks to identify the core issues causing problems and to undertake reforms, where necessary, to preserve trust, stability, and sustainability of the banking system;

AND WHEREAS for the purpose of proper regulation and supervision, Bangladesh Bank also considers it proper and expedient to undertake the said assessment by any International Consulting Firm (as defined below) to ensure a credible report, acceptable to all the stakeholders including relevant international forums;

NOW THEREFORE, in exercise of the powers conferred by Article 82(1) read with Article 82(2)(n) of the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972), the Board of Directors of the Bangladesh Bank hereby makes the following Regulations, namely:

1. Short Title and Commencement

- (1) These regulations shall be called The Special Regulations of Bangladesh Bank, 2024.
- (2) These regulations shall come into force with immediate effect.

2. The Objectives of the Regulations

The objectives of these regulations shall be to undertake a risk-based Comprehensive Assessment or a part thereof (as defined below) of the concerned bank(s) by any



competent International Consulting Firm (as defined below) with a view to initiating appropriate remedial measures as far as the same may be deemed proper and necessary in the public interest and for improvement of the state and condition of bank companies and bank-policies.

3. Definitions

In these regulations, the following definitions shall apply:

- (1) **“Bangladesh Bank”** means Bangladesh Bank established under the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972).
- (2) **“Banker Books Evidence Act”** or **“BBEA”** means the Banker Books Evidence Act, 2021 (Act No. 27 of 2021).
- (3) **“BB Order”** means the Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972).
- (4) **“Bank Company Ain”** or **“BCA”** means the Bank Company Ain, 1991 (Act No. 14 of 1991) (as amended).
- (5) **“Board”** means the Board of Directors of Bangladesh Bank.
- (6) **“Clients’ Information”** means the information as defined under Section 2(1)(h) of the BBEA.
- (7) **“Comprehensive Assessment”** means a risk-based diagnostic study which includes, Asset Quality Review, Review of Corporate Governance, Review of bank’s policies, procedures, processes and compliance of laws and regulations and any other assessment as and when necessary;
- (8) **“Contract Document(s)”** means the Agreement(s), Contract(s), Deed(s), Memorandum of Understanding (MOU), as may be entered into between Bangladesh Bank and the ICF for the purpose of Comprehensive Assessment.



- (9) **“International Consulting Firm”** or **“ICF”** means a firm or corporate body which has sufficient expertise and experience in foreign market, other than the country of registration, in conducting risk-based comprehensive assessment of a bank company including Asset Quality Review;
- (10) **“Public Funds”** means “Public Funds” as defined in section 2(33) of the Public Procurement Act, 2006 (Act No. 24 of 2006).
- (11) **“Public Procurement Act”** or **“PPA”** means the Public Procurement Act, 2006 (Act No. 24 of 2006).
- (12) **“Report”** means the report of the ICF, which shall be advisory in nature, on the Comprehensive Assessment.
- (13) **“Scheduled Bank”** means “Scheduled Bank” as defined in Article 2(j) of the BB Order.

4. Scope of Application

- (1) These Regulations shall apply as and when the Board decides to undertake Comprehensive Assessment on the concerned bank(s).
- (2) All orders, directions and guidelines that may be issued by Bangladesh Bank pursuant to the BB Order or BCA or any other law for the time being in force in Bangladesh for the purpose of Comprehensive Assessment shall be binding upon the Scheduled Banks.

5. Appointment of ICF

- (1) Bangladesh Bank shall appoint any competent International Consulting Firm for conducting Comprehensive Assessment or part thereof.
- (2) Terms and conditions for conducting Comprehensive Assessment or part thereof, the honorarium and the mode of payment to the ICF shall be stipulated in the Contract Documents or otherwise.



- (3) The ICF may accomplish the Comprehensive Assessment or part thereof in as many parts as may be deemed convenient for them;
provided that in such case, separate Terms of Reference (TOR) for each part shall have to be agreed upon between Bangladesh Bank and the ICF.
- (4) In procuring mentioned services, the relevant provisions of the PPA shall be applicable with the exception described in the proviso in section 3(2)(d).

6. Disclosure of Information

General permission is hereby accorded by Bangladesh Bank to the Scheduled Banks to furnish Clients' Information to the ICF for the purpose of conducting Comprehensive Assessment.

7. Co-ordination & Reporting

- (1) Bangladesh Bank shall assign a particular department to co-ordinate the activities of the ICF with the Scheduled Banks in relation to the Comprehensive Assessment.
- (2) The ICF shall submit a Report to the Governor of Bangladesh Bank as per the Contract Document(s).

8. Implementation of the Report

The Governor of Bangladesh Bank shall submit the Report to the Board to take necessary measures in accordance with the applicable law(s).

