

## **Part B: Boxes/Annexes**

### Chronology of Major Policy Announcements: April-June 2014

<p>FE Circular No. 17</p> <p>06 April 2014</p> <p>Regarding release of foreign exchange for private travel abroad.</p>	<p>It has been decided to enhance this global private travel entitlement to US\$ 12,000 per adult passenger during a calendar year, with up to US\$ 5,000 or equivalent for travel to SAARC member countries and Myanmar and up to US\$ 7,000 or equivalent for travel to other countries. As before, for minors (below 12 years of age) the applicable quota will be half of the amount admissible for adults. However, foreign exchange in the form of cash must not exceed US\$ 3000 per person per trip.</p>
<p>DMD circular No. 02</p> <p>08 April 2014</p> <p>Regarding amendment of issuance and reissuance of Bangladesh Government Treasury Bonds.</p>	<p>To facilitate foreign investment the government has decided to include Non-Resident Investor's Taka Account (NITA) balances along with Non-Resident Foreign Currency Account (NFCA) as eligible fund source for purchase of Bangladesh Government Treasury Bonds by non-residents.</p>
<p>GBCSRD Circular No. 01/2014</p> <p>14 May 2014</p> <p>Regarding refinance scheme for 10 Taka Account Holders/ small/ marginal landless/ natural disaster affected farmers and micro/ small traders under financial inclusion program.</p>	<p>With a view to extending soft loans to the deprived grass-root population/ 10 Taka account holders, small/ marginal/ landless/ natural disaster affected farmers and micro/small traders under financial inclusion program, Bangladesh Bank has constituted a Taka 500 crore revolving refinance fund from its own source.</p>

<p>GBCSRD Circular Letter No. 01 20 May 2014</p> <p>Regarding refinance scheme for renewable energy and environment friendly sectors.</p>	<p>Under the GBCSRD Circular no. 02 dated 01 July 2013, refinance facility is given to a total of 10 sectors (18 including subsectors) in pursuance of “Refinance Scheme for Renewable Energy and Environment Friendly Sectors”. After considering increasing demand and extension of renewable energy and environment friendly activities, new 26 products of renewable energy, energy efficient technology, hard and liquid waste management, alternative energy, non fire block brick manufacturing project, recycling and recycling products’ plants have been added to the existing 18 products enjoying refinance scheme facility.</p>
<p>FE Circular No. 22 01 June 2014</p> <p>Regarding external financing (buyer’s/ supplier’s credit) for imports: orderly repayment.</p>	<p>It has been decided to impose the following repayments discipline for all external short term buyer’s/supplier’s credit arrangements to be entered into or renewed by importers from now on:</p> <p>i) Bullet repayment terms will be admissible only on financing for terms not exceeding six months, and only on shipments not exceeding USD 500,000 or equivalent in value;</p> <p>ii) Bullet repayment terms will be inadmissible for financing exceeding USD 500,000 or equivalent in value or for terms exceeding six months, the financing arrangements must stipulate quarterly repayments.</p>
<p>BRPD Circular Letter No. 11 02 June 2014</p> <p>Regarding directives on Agent Banking Operation.</p>	<p>Referring to paragraph 5 of BRPD Circular No. 07 dated 24 March 2014, directives were issued that agent banking operations have to be conducted in the rural areas that is outside the metropolitan/ city corporation/ municipality areas. Now the competent authority have taken the decision that agent banking operations may be conducted in the municipality areas too including the rural areas. However, the requirement of not conducting agent banking operations in the metropolitan/ city corporation are as will remain valid.</p>

<p>MPD Circular No. 1</p> <p>23 June 2014</p> <p>Regarding maintenance of Cash Reserve Requirement (CRR) with Bangladesh Bank</p>	<p>Referring to MPD circular No 04, dated 01 December 2010 in which all scheduled banks of Bangladesh (including Shariah based banks) at present have to maintain 6.0 percent CRR with Bangladesh Bank on bi-weekly average basis with a provision of minimum 5.5 percent on daily basis of their average Total Demand and Time Liabilities (ATDTL).</p> <p>With a view to attaining the objectives of monetary policy, it has been decided that CRR will be 6.5 percent on bi-weekly average basis with a provision of minimum 6.0 percent on daily basis effective from June 24, 2014.</p>
<p>FE Circular No. 26</p> <p>24 June, 2014</p> <p>Regarding Export Development Fund (EDF).</p>	<p>Referring to paragraph 5 of FE Circular No. 25, dated December 22, 2009 read with FE Circular No. 13, dated October 10, 2013 in terms of which an Authorized Dealer may borrow maximum USD 12.00 million loan from EDF against their foreign currency financing of input procurement for a manufacturer-exporter against an export LC/firm export contract/inland back to back LC. This maximum borrowing limit is also admissible for a member mill of BTMA making bulk import of raw cotton and other fibers against local deliveries of yarn to manufacturer-exporters through inland back to back LCs in foreign exchange.</p> <p>It has now been decided to enhance the existing limit of USD 12.00 million to USD 15.00 million as a maximum single borrower limit for manufacturer exporter/ BTMA mill including BGMEA/BKMEA mill.</p>
<p>SMESPD Circular No. 01/2014</p> <p>26 June 2014</p> <p>Regarding constitution of “Cottage, Micro and Small Sector New Entrepreneur Refinance Fund”.</p>	<p>A Taka 100 crore refinance fund named “New Entrepreneur Refinance Fund for Cottage, Micro and Small Sector Industry” has been constituted by Bangladesh Bank with a view to encouraging self-employment by making finance available to selected and trained or self-trained new entrepreneur development program successfully run by various public and private organizations.</p>