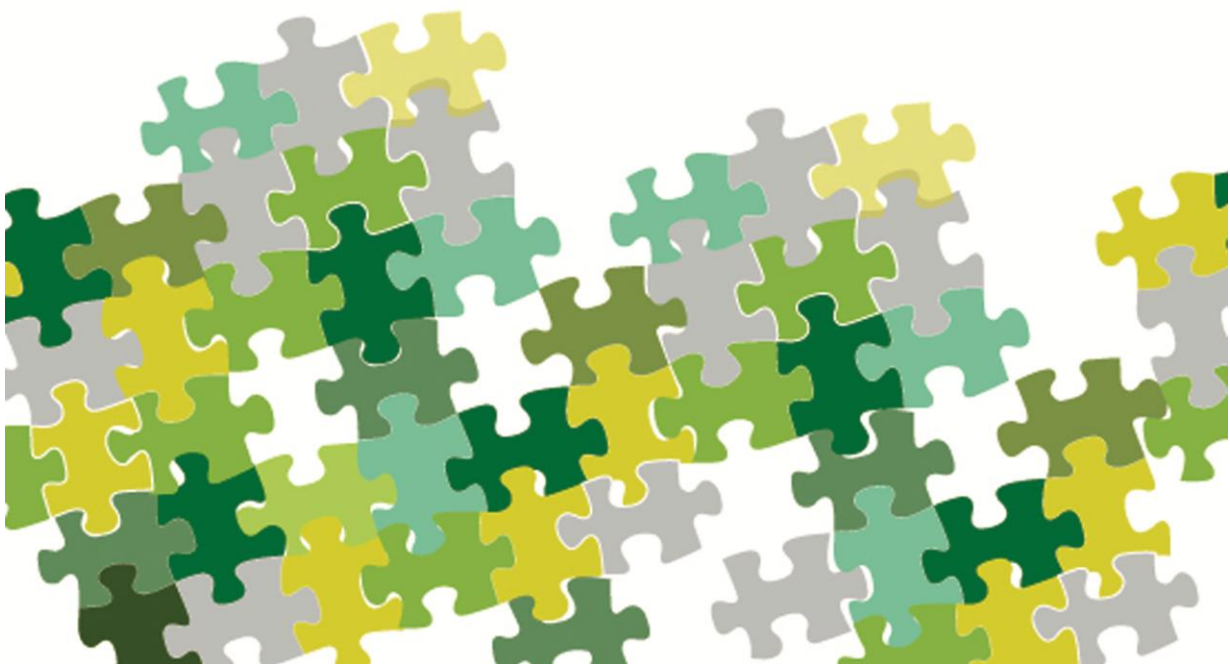




Boxes & Annexes



Chronology of Major Policy Announcements: January-March, 2015

<p>DOS Circular No. 01 01 January 2015</p> <p>Implementation of Basel III Liquidity Ratios</p>	<p>According to the revised road map issued vide BRPD Circular No. 18/2014, banks have to maintain the minimum standard Liquidity Coverage Ratio (LCR) greater than or equal to 100 and for Net Stable Funding Ratio (NSFR) it will be greater than 100, effective from January 2015. Banks have to submit information (both soft and hard copy) to BB regarding LCR and NSFR in the following manner :</p> <p>a) Statement Regarding Liquidity Position- to be submitted monthly, based on the balances of last day of the reporting month, within 15th of the following month.</p> <p>b) Statement Regarding Funding Position- to be submitted quarterly, based on the balances of last day of the reporting quarter, within 15th of the following month.</p>
<p>BRPD Circular No. 01 01 January 2015</p> <p>Prudential Regulations for Consumer Financing (Regulation for Housing Finance)</p>	<p>Because of price hike of construction materials for housing and real estate, it has been decided to amend the Regulation 23 of Guidelines for Prudential Regulations for Consumer Financing which will now stands as under:</p> <p>Regulation-23:“The maximum per party limit in respect of housing finance by the banks will be Tk.12 (Twelve) million. The housing finance facility shall be provided at a maximum debt equity ratio of 70:30.”</p>
<p>FE Circular No. 01 05 February 2015</p> <p>Reporting Procedures against Payment in Foreign Currency by EPZ Enterprises</p>	<p>In order to bring ease in reporting for permissible imports by enterprises of EPZ areas from Non-EPZs, it has been decided that ADs of EPZ enterprises may report import transactions to Bangladesh Bank in monthly schedule E-2 under Statement-10 (Statement-11 for OBU) mentioning the number of concerned EXP forms to which the payment in foreign currency relates. This procedure of mentioning EXP numbers will also be applicable for</p>

	transactions between EPZ enterprises and intra EPZ enterprises.
<p>SMESPD Circular No. 01</p> <p>08 February 2015</p> <p>Formation of “Women Entrepreneur Development Unit” in Banks and Financial Institutions to Strengthen Monitoring Activities for the Development of Women Entrepreneurs</p>	<p>It has been decided to establish a “Women Entrepreneur Development Unit” in all scheduled banks and financial institutions for allowing all sorts of services to the women entrepreneurs, providing loans to small and cottage women entrepreneurs in manufacturing and service sector on priority basis and performing development activities along with the inclusion of the cluster of women entrepreneurs to loan activities precisely and more effectively. Proposed unit will monitor the branch level activities of women entrepreneur dedicated desk/help desk.</p>
<p>BRPD Circular No. 05</p> <p>23 February 2015</p> <p>Regarding Loan Rescheduling Policy</p>	<p>Considering the great importance of the agricultural sector to the growth and stability of Bangladesh economy, to implement the government’s farmer-friendly policy with a view to boosting up agricultural production and recovering the agricultural credit the following decisions have been taken for rescheduling such loans:</p> <ol style="list-style-type: none"> 1. In case of rescheduling short term agricultural credit, the condition of required down payment can be relaxed on the basis of banker-customer relationship. In special cases, such credits can be rescheduled without down payment. 2. New short-term agricultural credits can be disbursed after rescheduling. In this case, new credit facility can be given without depositing any amount of money. 3. If any certificate case is already filed, during the trial period credit can be rescheduled after withdrawing or settling the certificate cases through mutual agreement

	(Solenama) with the customer.
<p>BRPD Circular Letter No. 04 25 February 2015</p> <p>Appointment of Chief Executive Officer of Foreign Banks working in Bangladesh</p>	<p>Referring to section 15Ka(2) of Bank Company Act, 1991, ‘Local Chief Executive Officer’ post of all foreign banks working in Bangladesh is not allowed to remain vacant for more than three months. Besides, in case of appointing foreign nationals to the post of ‘Local Chief Executive Officer’, the foreign banks have to take approval from BB mentioning necessary information along with the work permit of Bangladesh Board of Investment.</p>
<p>DOS Circular Letter No. 02 04 March 2015</p> <p>Reporting of Capital to Risk Weighted Asset Ratio & Leverage Ratio for Implementation of Basel III in Bangladesh</p>	<p>Bangladesh Bank has announced the revised Roadmap for implementing Basel III in Bangladesh and issued Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) vide the mentioned circular. Banks have to maintain Minimum Capital Requirement (MCR) & Leverage Ratio as per the instructions of the Roadmap and Guidelines.</p> <p>2. All banks are required to submit the Capital to Risk</p>

	<p>Weighted Asset Ratio (CRAR) & Leverage Ratio report quarterly under Enterprise Data Warehouse (EDW) on consolidated as well as solo basis by the end of the month following the end of each quarter to BB starting from March, 2015 quarter (report to be submitted by 30 April, 2015).</p> <p>3. Two reporting formats (CRAR & Leverage Ratio) have been prepared for this purpose and banks are advised to collect the formats from BB.</p>
<p>DFIM Circular No. 01 25 March 2015</p> <p>Contractual Appointment of Advisor and Consultant for Financial Institution</p>	<p>Guideline has been issued for contractual appointment of advisor and consultant in financial institutions. The guideline covers the following key features:</p> <p>A) Guideline for appointing advisor</p> <ol style="list-style-type: none"> 1. Experience and eligibility 2. Responsibilities 3. Approval from BB 4. Policy for salary and allowances 5. Tenure 6. Recruitment of former employee <p>B) Guideline for appointing consultant</p> <ol style="list-style-type: none"> 1. Responsibilities 2. Approval from BB 3. Tenure 4. Policy for salary and allowances 5. Recruitment of former employee 6.
<p>DFIM Circular No. 02</p>	<p>Following regulations are to be followed in case of appointing honest, skilled, experienced and appropriate Chief Executive in financial institutions for strengthening</p>

<p>25 March 2015</p> <p>Appointment of Chief Executive of Financial Institution</p>	<p>monetary base and gaining confidence of the depositors:</p> <ol style="list-style-type: none"> 1. Character credentials 2. Experience and eligibility 3. Transparency and financial credentials 4. Age Limit 5. Tenure 6. Re-appointment 7. Policy for Salary and Allowance 8. Incentive Bonus 9. Honorarium for attending general meetings 10. Approval from BB 11. Cancellation of appointment 12. Demission/exemption/removal and resignation
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