

# Annex



**Chronology of Major Policy Announcements: April-June, 2017**

<p>FE Circular No.12 02 April 2017 Declaration on Form-C for inward remittance on account of ICT related services.</p>	<p>In order to maintain accuracy in recording remittance income from the ICT related services, Authorized Dealers (ADs) shall follow the instruction of Circular Letter No. 25, November 01, 2015. In the context of inward remittance up to USD 10,000, ADs shall satisfy themselves bonafide of the transactions with the notation of the relevant SWIFT message. In case of non-availability of the purpose of inward remittance, ADs shall contact the beneficiaries through e-mail about the purpose of transactions.</p>
<p>FE Circular No. 13 02 April 2017 Foreign exchange transactions for IT/Software firms.</p>	<p>Authorized Dealers (ADs) are allowed to enhance the remittable limit from USD 25,000 to USD 30,000 in a calendar year on behalf of IT/Software firms to meet their bonafide expenses in a calendar year. Accordingly, the limit for issuance of international cards is also increased to USD 6,000 from USD 2,500 subject to the availability of limit.</p>
<p>FE Circular No. 15 02 April 2017 Enhancement of Exporter's Retention Quota (ERQ) for export of ICT services.</p>	<p>To promote export earnings from ICT services, it has been decided that ICT related service exporters may retain 70 percent of their repatriated export receipts in Exporter's Retention Quota (ERQ) accounts.</p>
<p>SMESPD Circular No.1 03 April 2017 Interest rate on lending to women entrepreneurs' of cottage, micro and small enterprise sector under refinance schemes</p>	<p>Based on the existing credit market, interest rates have been fixed at maximum 'Bank Rate' + 4% i.e. 9% for the better encouragement of women entrepreneurs' in existing trade and industrial production in the customer level of cottage, micro and small initiatives of Bangladesh Banks 'refinance schemes for small enterprise sector', 'to establish farms in the rural areas for processing of agricultural products' and for 'new entrepreneurs refinance scheme for cottage, micro and small emprise sector'.</p>
<p>BRPD Circular No. 04 03 April 2017 Prudential Regulations for Consumer Financing.</p>	<p>Considering the existing market price and the increasing demand for consumer goods, it has been decided to make changes in 'Regulation for Credit Cards' and 'Regulations for Personal Loans Including Loans for the Purchase of Consumer Durables' in Prudential Regulations for Consumer Financing. Banks are also instructed to provide consumer finance such a way that, in any case, the growth rate in total loans under 'Consumer Financing' must not exceed the growth rate of bank's total loans.</p>

<p>BRPD Circular No. 05 05 April 2017 Investment in Bond/Debenture.</p>	<p>Any bank company cannot invest more than 5 percent of its total value from paid-up capital, share premium, statutory outstanding and retained earnings in bonds or debentures of any other company approved by Bangladesh Securities and Exchange Commission. Previously the limit was constrained to 10 percent. In addition, the circular has also stated other instructions which need to be followed investing in bonds/debentures</p>
<p>FE Circular Letter No.02 06 April 2017 Reporting Transactions in International Cards</p>	<p>Bangladesh Bank has developed an online based reporting platform titled “International Card Monitoring System” for reporting foreign exchange transactions conducted through international card issued by different ADs under different entitlements as prescribed by Bangladesh Bank. ADs are advised to report such transactions in the system as per the user guide.</p>
<p>FE Circular No.18 12 April 2017 Purchase by Bangladesh residents of Taka bonds issued by foreign owned/controlled companies in Bangladesh.</p>	<p>General approval is accorded for purchase by individuals and institutions resident in Bangladesh of Taka bonds issued with permission of the Bangladesh Securities and Exchange Commission by foreign owned/controlled companies in Bangladesh.</p>
<p>FE Circular No. 22 15 May 2017 Use of balances held in exporter’s retention quota (ERQ) accounts.</p>	<p>It has been decided that nominated Authorized Dealers (ADs) may affect remittance on account of repayment of foreign loan in terms of paragraph 2, chapter 15 of Guidelines for Foreign Exchange Transactions-2009 (GFET) out of balances held in ERQ accounts or by fund of unencumbered foreign currency transferred from ERQ accounts maintained with other ADs of the same borrowers.</p>
<p>BRPD Circular No. 08 16 May 2017 Prudential Guidelines for Consumer Financing and Small Enterprise Financing.</p>	<p>Amendment of Prudential Regulation for Small Enterprise Financing for the purpose of smooth repayment procedure against disbursed loans, Banks are advised to follow the Guidelines:</p> <ol style="list-style-type: none"> <li>i. A letter of authority from the client(s) shall be taken for debiting client(s) account for repayment of loan installment(s) as per loan agreement.</li> <li>ii. A memorandum of deposit of Cheque shall be taken from the concerned client.</li> <li>iii. Fully prepared and valid signed post dated cheques shall be taken for each installment stipulating amount and date as per repayment schedule.</li> </ol> <p>As per noted that procedure of Loan Repayment System including with credit contract of bank between customer.</p>

<p>FE Circular No. 24 05 June 2017</p> <p>Foreign Exchange Transactions by the Units of Export Processing Zones (EPZs) in Bangladesh.</p>	<p>Developers and different service providing companies of EPZs, exclusively formed and registered to serve a particular EPZ will be treated as industrial units of EPZs. Similarly, existing foreign exchange regulations applicable for units shall be applicable for such entities also.</p>
<p>DFIM Circular No. 02 12 June 2017</p> <p>Payment to the nominee/nominees of depositor/depositors money.</p>	<p>After death of the account holder (death of all member in case of joint account), financial institutions can pay deposited money to the nominee or the nominees proposed by the account holder. Depositors are allowed to eliminate previously nominated nominee/nominees by proposing new nominee/nominees in any time.</p> <p>Accordingly the depositors (single or joint) may also specify the persons who will receive the money after their death in case of minor nominee/nominees.</p>
<p>Circular Letter No. FEPD (LDA)147/2017-09 14 June 2017</p> <p>Improvement of Remittance services for the Non-Resident Bangladeshis (NRBs).</p>	<p>Following steps has been suggested for the improvement of the quality of remittance services:</p> <ol style="list-style-type: none"> <li>i. Open a help desk for ensuring better remittance services in every related branch</li> <li>ii. Ensure providing information on remittance to the beneficiaries on priority basis.</li> <li>iii. Open a separate record book for preserving allegation arises from the beneficiaries and arrangement for sending the same fortnightly (with steps taken) through head offices to the Foreign Exchange Policy Department of the BB for perusal.</li> <li>iv. Ensure announcement of all the investment facilities provided by the banks itself and the Government for the BRBs.</li> <li>v. Announce the advantages of sending remittances through the proper channels.</li> </ol>
<p>BRPD Circular letter No. 09 19 June 2017</p> <p>Fixation of LCs margin for the Import of Rice</p>	<p>To stabilize the rice price volatility arises for the recent flood in Haor areas, heavy rainfall in different areas of the country and other natural calamities; banks are advised to open LCs for rice import at zero margins on banker-customer relationship basis upto 31 December 2017 for ensuring adequate rice supply.</p>
<p>BRPD Circular No. 09 22 June 2017</p> <p>Re-fixation of Rate of Interest on Agriculture and Rural credit.</p>	<p>Considering the downward trend in lending and deposit interest rates, Bangladesh Bank has reduced the maximum ceiling of interest rate on agricultural and rural credit to 9% from 10% effective from 01 July 2017.</p>