

# **ANNEXUR**

### Major Policy Announcements: January-March, 2019

<p>DMD Circular Letter No. 01 January 02, 2019 Marking to Market based Revaluation of Treasury Bills &amp; Bonds held by the Banks on the basis of Published Yield</p>	<p>It has been decided to publish cut-off yield in Bangladesh Bank website after converting cut-off yield of re-issued treasury bills and bonds determined by the latest auction through interpolation/extrapolation method to Standard Tenor Yield to facilitate the actual revaluation of government securities. Banks shall calculate their government securities on the basis of Standard Tenor Yield published in Bangladesh Bank website.</p>
<p>FEPD Circular No. 01 January 02, 2019 Export subsidy against export of Polyester Staple Fiber (PSF).</p>	<p>To avail export subsidy against export of Polyester Staple Fiber (PSF), it has been directed to submit certificates from Export Promotion Bureau instead of Bangladesh Pet Flakes Manufacturers and Exporters Association with the application form.</p>
<p>FEPD Circular No. 02 January 07, 2019 Export subsidy against export of Pet Bottle Flakes</p>	<p>As per government decision, export subsidy against the export of Pet Bottle Flakes for the fiscal year 2018-19 shall be 10% instead of the existing 5%.</p>
<p>FEPD Circular No. 06 January 09, 2019 Import of unprocessed yarn on deferred payment basis.</p>	<p>Usance period has to be enhanced up to 270 days from 180 days for import of unprocessed yarn for own use by industrial importers producing outputs for only local delivery against back to back LCs. This usance period is useable for imports within the limits of production capacity of the concerned factory as set by the Department of Textiles or up to deliver value realized in foreign currency in last twelve months, whichever is lower. Authorized Dealers may arrange refinance under buyer's credit for 90 days to settle EDF loan used to import unprocessed yarn for the tenure of 180 days usance basis.</p>
<p>FEPD Circular No. 03 January 09, 2019 Endorsement of shipping documents</p>	<p>ADs may endorse transport documents of title to cargo in favor of importer or other designated parties and deliver the same as per stipulations of export letter of credit/valid sales contract only if full exports proceed is received through normal banking channel before sending export documents to counterpart bank abroad for collection.</p>
<p>FEPD Circular No. 04 January 09, 2019 Use of balances held in foreign currency (FC) accounts by Type A industrial enterprises</p>	<p>Balances held in FC accounts of Type A industrial enterprises of EPZs/EZs may be used for purchase of shares in zone areas or outside zone areas in Bangladesh. ADs receiving funds on account of share purchase shall observe all instructions including issuance of certificate and reporting routine. As such, dividend income out of such investment, and disinvestment proceeds (if any) approved by Bangladesh Bank may also be credited to their FC accounts, subject to compliance with regulations of taxes.</p>
<p>FEPD Circular No. 05 January 09, 2019 Repayment against imports under supplier'/buyer's credit - relaxation</p>	<p>Bullet payment will be permissible for imports amounting to USD 0.50 million or equivalent under supplier'/buyer's credit of goods admissible for the usance period beyond 6 months but within one year.</p>

<p>FEPD Circular No. 07 January 17, 2019 Import of raw materials for manufacturing Active Pharmaceutical Ingredients (API) and Laboratory Reagents on usance basis</p>	<p>Authorized Dealers (ADs) may allow only National Active Pharmaceutical Ingredients (API) and Laboratory Reagents producing industries to import raw materials for manufacturing API and Laboratory Reagents on supplier's/buyer's credit terms for a usance period up to 360 days, subject to observance of the following instructions: (a) ADs shall comply with Import Policy Order in force and Foreign Exchange Regulations regarding import transactions and (b) ADs shall be satisfied to the effect that the imports of inputs have duly been approved by Directorate General of Drug Administration (DGDA) as raw materials for API and Laboratory Reagents in favor of the concerned industry.</p>
<p>FEPD Circular No. 08 January 22, 2019 Bank guarantee by exporters to competent authorities/agencies in the country of import</p>	<p>ADs may, on account of Bangladeshi exporters, issue guarantees in favor of competent authorities/agencies in the country of import for the purposes of issuing performance bonds/guarantees in favor of overseas importers on account of Bangladeshi exporters, subject to usual norms, and export performance of the exporter and potential export expectation.</p>
<p>FEPD Circular No. 9 January 27, 2019 Saudi Customs rules for Declaration of goods and cash at entry and exit points of Kingdom of Saudi Arabia.</p>	<p>The rules and regulations of the Kingdom of Saudi Arabia require all arriving and departing travelers to submit a declaration to the Saudi Customs Authority if they have any goods in their possession such as Cash money, Financial instruments, Gold bullions, Precious metals, Stones or Jewellery valued equivalent to or more than 60,000.00 (Sixty Thousand) Saudi Riyals. Hence, all Authorized Dealers in foreign exchange in Bangladesh are thereby directed to inform their customers travelling to/from the Kingdom of Saudi Arabia regarding the rules and regulations to avoid any penalty.</p>
<p>FEPD Circular Letter No. 02 January 27, 2019 Regarding not to open Letter of Credit to import goods except approved list via Land Custom Station.</p>	<p>As per S.R.O No-237-Ain/2018/39/Shulka, dated July 17, 2018 regarding import through Land Custom Station formulated by National Board of Revenue, all dealer banks' branches have hereby been advised not to open Letter of Credit for any imported goods other than the importable listed goods approved by NBR through Land Custom Station.</p>
<p>BRPD Circular No. 01 February 02, 2019 Loan/Investment Write-off Policy</p>	<p>Banks are now allowed to write off the default loans, recovery of which remained suspended for long time and with no chances of recovery in near future, that have been hovering in the bad/loss category consecutively for three years or more according to the policy. Besides, lenders do not have to file any law suit with the Artha Rin Adalat (Money Loan Court) to write off a delinquent loan worth Tk 2 lakh. After deducting Interest Suspense from the corresponding loan/investment account, the rest entire outstanding balance would be then maintained as provisions. And no loan/investment can be partially written-off. At the same time, written-off loan/investment cannot be rescheduled or restructured</p>

	as well.
FEPD Circular No. 10 February 05, 2019 Issuance of Letter of Credit Authorization Form (LCAF)	LCAF may also be signed by the lawful representative(s) of the importer. Upon receipt of such LCAF, ADs shall verify the signature of lawful representative(s) based on available records such as board resolution/authorization from the respective importer.
BRPD Circular No. 02 February 25, 2019 Policy for Offshore Banking Operation of the Banks in Bangladesh.	Scheduled banks in Bangladesh will have to invest at least 75 percent of the outstanding amount of the offshore financing in the country, according to the policy introduced by the central bank. Foreign entities with presence in Bangladesh and abroad are eligible to borrow foreign currency loans from the Offshore Banking Units (OBUs). Besides, local enterprises located at economic zones, export processing zones, private export processing zones, and hi-tech parks can take loans from the units. OBUs will have to mobilize major funds from external sources and will not be allowed to collect more than 20 percent of their regulatory capital from domestic banking operation. The OBUs will not be able to accept any deposit or loan which is repayable on demand by cheque, draft or pay order. Banks will have to maintain statutory liquidity ratio and cash reserve ratio before lending, according to the policy. Banks will have to take approval from the central bank to open every OBU and have their licenses renewed. The OBUs will not be allowed to collect any deposit from Bangladeshi nationals, except expatriate Bangladeshis. Banks will not be allowed to channel remittance using the OBUs, according to the policy.
FEPD Circular No. 13 March 11, 2019 Issuance of Authorized Gold Dealer License for import of Gold bar and Jewellery.	To obtain authorized gold dealer license for importing gold bar and jewellery, the eligibility and process of submitting application are as follows: For obtaining authorized gold dealer license, both the authorized dealer bank and applicant organization should have all other licenses/registrations/certificates update as per law of the land. Besides, applicant organization should have bullion vault including telephone, mobile, e-mail etc. so that reporting to BB can be made easily. Additionally, applicant organizations have to be a resident sole proprietorship of partnership firm or registered limited company.
FEPD Circular No. 12 March 11, 2019 Collection of bill of entry against import through land ports	ADs may follow usual procedure to match import payment with bill of entry. This procedure shall be applicable only for those land custom houses using electronic system (ASYCUDA) for import clearance. As usual, ADs shall ensure submission of Bill of Entry within stipulated time and observe routine report to Bangladesh Bank.
FEPD Circular No. 11 March 11, 2019	Cash LCAF shall mean those LCAFs issued for imports other than under non-project commodity loans/credits/grants.

<p>Issuance of transferable letters of credit (LCs) under cash LCAF</p>	
<p>FEPD Circular Letter No. 05 March 14, 2019 Performing Hajj 1440 hijri/2019 under Government and Private Management</p>	<p>As per the “Hajj Package 1440 Hijri/2019” framed by Ministry of Religious Affairs, Hajj can be performed both under Government and Private Management. Under 2 packages of Government management, one would cost Tk 4, 18,500 and another Tk 3,44,000 for each pilgrimage. Besides, each pilgrimage is allowed to carry USD 1000 or equivalent amount of foreign currency during the Hajj excluding gross cost for performing Hajj. But Travel quota shall not be applicable for them. Existing rules and regulations will have to be followed for discharging/releasing their foreign currency.</p>
<p>DFIM Circular no. 01 March 28, 2019 Regarding age limit fixation for contractual appointment and retirement for regular employees of financial institutions.</p>	<ol style="list-style-type: none"> <li>1. A person exceeding 65 years is not allowed to be appointed or posted in the financial institutions. But in case of special necessity, a person exceeding 65 years can be appointed or posted on contractual basis in the post of counselor and adviser.</li> <li>2. All other financial institutions will follow state-owned commercial banks and financial institutions in formulating policy for retirement age for regular employees.</li> </ol>
<p>SMESPD Circular No. 01 March 31, 2019 Loan fund for pre-finance under Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector Project (SREUP) (BD-2230322)</p>	<p>Government of the People’s Republic of Bangladesh has constituted a Loan fund in Bangladesh Bank to support the RMG factories through medium to long term finance under the “Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector Project (SREUP)” sponsored by AFD (Agence Française de Développement) The loan fund size of the project is EUR 50 million and the total fund size for Technical Assistance (TA) is EUR 14.29 million.</p>