

Foreign Exchange Policy Department
Bangladesh Bank, Head Office, Dhaka

Bangladesh Bank - Authorized Dealers' Forum
25th Meeting - Record Notes

The 25th meeting of the "**Bangladesh Bank-Authorized Dealers' Forum**" was held on **20/02/2020 at 11:00 AM** at the Jahangir Alam Conference Hall, 5th floor, Head Office, Bangladesh Bank. The meeting was convened and chaired by **Md. Humayun Kabir, Executive Director, Bangladesh Bank**. The list of Forum members and representatives present is shown in Annex "Ka."

The chairperson welcomed all present and commenced the meeting. The record notes of the 24th meeting were presented and confirmed unanimously. Progress on implementation of previous decisions was reported. Decisions from Record Notes items No. 3, 4, and 5 (currently under implementation) were confirmed, and all other decisions were confirmed as uniformly implemented. Various circulars and circular letters issued between the 24th and 25th meetings were discussed. The detailed discussions and decisions are as follows:

Sl. No.	Agenda Item	Discussion & Decision	Responsible Party
01	Import Value Settlement Against the Same Bill of Entry via Different Banks	The problem of Bill of Entry matching issues arising from different banks settling import values against the same Bill of Entry was re-discussed. The FEOD representative noted that the Information Systems Development and Support Department (ISDSD) program is currently ongoing. The chairperson recommended FEOD complete the discussion program by 20/03/2020.	FEOD (Import Trade Branch) and ISDSD, Bangladesh Bank
02	Inconsistent Unit Code Use for Foreign Exchange Transaction Data Reporting Across Bangladesh Bank Divisions	The matter of Pricing unit code and Statistical unit code use inconsistencies in import/export data reporting to Bangladesh Bank's FEOD and the Statistical Department was re-discussed. A committee formed under FEOD supervision with FEPD, ISDSD, Statistical Division, and IBBL and Southeast Bank representatives is currently working. The chairperson recommended the committee complete its work by 31/03/2020.	FEOD, Bangladesh Bank
03	Legal Changes/Amendments Regarding Non-Resident Taka Account Transactions per GFET-2018, Vol-1, Chapter-18, Clause-2	Per GFET-2018, Vol-1, Chapter-18, Clause-2, the matter of legal changes/amendments regarding non-resident Taka account transactions was re-discussed. The FEPD ATENFTBI Branch noted the relevant program is currently ongoing. The chairperson recommended FEPD's ATENFTBI Branch complete the ongoing program quickly.	FEPD (ATENFTBI Branch), Bangladesh Bank
04	Offshore Banking Program Amended Directive and AD Banks' Foreign Currency Balance Use for Export Bill Discounting	Per FE Circular Letter No. 19/2019 issued under the Offshore Banking Policy, the arrangement for fund collection from OBU has been removed. In this context, whether AD banks can use their own foreign currency balance for export bill discounting through urgency export bills was discussed. After overall discussion, it was unanimously agreed that FEPD (Export Policy Branch) will take subsequent action.	FEPD (Export Policy Branch), Bangladesh Bank
05	Export Value Refund/Cash Incentive Application Processing After More Than 2 Years Without Repatriation	Per FE Circular No. 30/2017, if any exporting establishment has fully/partially unrepatriated export value for any legitimate reason for the past 2 years, the submitted application can be accepted. For such unrepatriated export value status, Circular Letter No. 01/2019 instructions must be followed for application processing.	All AD Banks

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06	Local Currency Loan Approval for EPZD Type-C Customer Timely Import Duty Settlement	For EPZD Type-C establishments' bank-to-bank LC import duty timely settlement, whether local currency loan approval can be given through debt instrument creation was asked. FEPD informed the meeting that Type-C establishments can obtain short-term foreign currency loans from other subsidiaries/associated establishments within EPZ per FE Circular No. 29/2018. No policy barrier exists for settling bank-to-bank LC debt via adopted debt. Additionally, per Guidelines for Foreign Exchange Transactions Chapter 16, Clause 23, via approved credit line, bank-to-bank import duty settlement has no barrier.	All AD Banks
07	Entrepot Trade Without Import Permit via Direct Source Country Importer Channel per FE Circular No. 07/1999	Per FE Circular No. 7/1999, attention was drawn to whether there are barriers to entrepot trade through importers' direct source country supplier channels. FEPD noted that per Import Policy Order, temporary importer port entry policies must be followed. On the other hand, per FE Circular No. 7/1999, Clause 2(Kha), via repatriated income, import duty settlement in applicable Form-Si and TIM form mark-up acquisition enables entrepot trade.	All AD Banks
08	Short Shipment/Over Shipment Certificate Provided by Customs Along with ASYCUDA Update	Customs Short Shipment/Over Shipment Certificate provision alongside ASYCUDA updates not happening caused BBOEMS EXP Duplicate Reporting to be impossible. Without an amended Bill of Export, Bangladesh Bank-related EXP amendment is not possible, causing EXP Reporting delays and frequent Short Shipment/Over Shipment Export LC over-repatriation issues. Customers cannot issue new EXPs against related Export LCs. FEOD will take initiative with customs authorities on this matter.	FEOD, Bangladesh Bank
09	Non-Compliance with Foreign Currency Disbursement Instructions When Travelling Abroad	Per GFET-2018, Chapter 12, Para-1(1), instructions for foreign currency disbursement with passport endorsement exist. However, some banks are providing customers full card travel quota without verifying travel documents (e.g., tickets, passport, and visa) at the time of foreign currency disbursement. For one calendar year's foreign currency disbursement instructions, some cases involve multiple calendar years and even before passport full maturity. After overall discussion, compliance with the Guidelines' current provisions was recommended; otherwise, the bank's Principal Executive and relevant officials will be held accountable.	All AD Banks
10	Irregularities in RFCD Account Disbursement	Per GFET-2018 (Vol-I), Chapter-13, Para-22, instructions for proper passport endorsement before Resident Foreign Currency Deposit (RFCD) account disbursement exist. In many cases, banks are disbursing from customers' RFCD accounts without passport endorsement. Banks were advised to properly comply with Guidelines instructions.	All AD Banks
11	Policy for Incentive/Cash Assistance for Valid Remittance Sending	Banks were advised to complete API (Application Program Interface) integration with foreign exchange houses. Additionally, banks were directed to take necessary measures to ensure uninterrupted (24/7) remittance disbursement to beneficiaries.	All AD Banks

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12	Excessive Charge Deduction for Trivial/Unrelated Discrepancies After Customer Acceptance in Bank-to-Bank LC	FEPD's Import Policy Branch noted some bank-to-bank LC issuing banks are presenting trivial Discrepancies for charge deduction after customer acceptance. HSCBC's representative noted banks present Discrepancies per UCP-600 relevant clauses. However, the Foreign Exchange Inspection Division found in on-site visits to certain banks that complaint authenticity exists. After overall discussion, banks were advised to be alert about presenting inappropriate Discrepancies against bank-to-bank LC accepted bills to protect the garment sector's RMG industry's image.	All AD Banks
13	Specific HS Code Determination for Machinery and Parts per SRO No. 128/Act/2019/14/Customs and Subsequent Amendments	Since GFET or Import Policy Order has no clear definition of what is considered machinery or parts, using all HS codes at First Schedule when opening import LCs causes frequent inconsistencies. Customs' SRO No. 128/Act/2019/14/Customs and subsequent amendments — whether urgency-based import LC opening can follow these — was discussed in detail at the meeting. After overall discussion, the chairperson directed all present to follow GFET Volume-1, Chapter 7, Para-33(a) provisions for urgency import LC opening.	All AD Banks

Finally, the chairperson thanked all present for their valuable contributions and declared the meeting closed.

(Md. Humayun Kabir)
 Convener, BB-AD Forum
 &
 Executive Director, Bangladesh Bank