

Foreign Exchange Policy Department
Bangladesh Bank, Head Office, Dhaka

Bangladesh Bank - Authorized Dealers' Forum
27th Meeting - Record Notes

The 27th meeting of the "**Bangladesh Bank-Authorized Dealers' Forum**" was held on **18/02/2021 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 26th meeting were presented and confirmed unanimously. Progress on implementation of previous decisions was reported. Decisions from Record Notes items No. 2 and 10 (currently under implementation) were confirmed, and all other decisions were confirmed as uniformly implemented. Various circulars and circular letters issued between the 26th and 27th meetings were discussed. The detailed discussions and decisions are as follows:

Sl. No.	Agenda Item	Discussion & Decision	Responsible Party
01	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 raised for reconsideration. The discussion's adopted proposal — that prior approval for non-resident company branch-owned accounts for any other purpose was not required — and the relevant ministry's opinion on any measure to be taken could not be obtained, as ATENFTBI Branch (FEPD) informed the meeting. After overall discussion, the chairperson directed bank branch-limited companies' written proposal submission for current program acceleration.	FEPD (ATENFTBI Branch), Bangladesh Bank, and Bank Branch Limited
02	Registration of Foreign Investor Companies RJSC Within 18 Days of Registration and Notifying Bangladesh Bank	Per Guidelines (Vol-1), regulations require that foreign investor companies' RJSC registration be notified to Bangladesh Bank within 18 days. Foreign companies are not required to submit this type of report. However, to collect data for resident institution non-resident investment-related and other necessary information, bank representatives proposed Memorandum of Understanding (MoU) finalization. To achieve this, ARJSE, BSEC, and Bangladesh Bank's tripartite meeting was held on 19/10/2020. In that MoU, BSEC and RJSC were to give their official opinions. After receiving BSEC and RJSC views, subsequent action will be taken. The Foreign Currency Investment Division informed that per the adopted decision, the matter will be resolved and the chairperson informed all present.	FEID, Bangladesh Bank

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03	Various Online Import-Export-Related Report Submission Issues	FEOD informed the meeting about various inconsistencies in Bangladesh Bank's Online Reporting System for import-export reports, including: (i) not reporting at the time of import bill acceptance, (ii) reporting online with Guidelines for Foreign Exchange Transactions Chapter 7 Clause 34(a) information but with errors, (iii) not providing bank-to-bank loan instrument data online when import loan/contract data is given, (iv) export-related EXP reports within 14 days of reporting not being done, etc. Also, HSCBC's report on buyer's credit matters was raised. Inland Bank noted that changes/amendments to single loan/more export-related matters in the reporting system were not done causing complications. These matters were discussed in detail. The FEOD Representative proposed resolving complications with authorized dealer banks after discussion. The chairperson directed FEOD to take necessary measures to resolve these complexities with responsible banks.	FEOD, Bangladesh Bank
04	Cash Assistance Payment for Direct Export Goods After Receiving Goods at Warehouse	After direct export goods' specific document delivery, cash assistance application completion is approved. However, direct exporters' banks are not unconditionally providing document delivery to the relevant bank, thereby blocking cash assistance as the Export Policy Branch informed the meeting. Per FE Circular No. 9/2001, for cash assistance at the applicant's level, the specific documents for application processing must be present at the AD branch. Bank representatives were directed to promptly resolve this.	All AD Banks
05	Export Document Collection Issues	In the current foreign exchange transaction system, within 14 days of export goods shipment, export documents must be sent to foreign banks' banking channels. Currently it is observed that per contract, the exporter's export documents are being uploaded to the importer's electronic platform by the exporting establishment. After value payment or importer acceptance, transport documents are sent to the local banking channel. This is contrary to foreign exchange policy division export branch directives. After discussing related risk issues, the chairperson directed all AD banks' representatives to provide written views on the need to make electronic document delivery mandatory in the current transaction system.	All AD Banks
06	FOB-Based Import Goods Freight LC Issuance IMP Form Reporting and Matching with AIMP Reporting as Freight TM Form	Per Guidelines for Foreign Exchange Transactions Chapter 10, Clause 12, freight vessel TEM form reporting instructions are provided. Freight charged to importers for FOB-based goods imported to Bangladesh — importers directly sending freight to Bangladesh Bank online reporting dashboard customs — and the AIMP form reporting and matching completion matter was discussed. The Export Policy Branch (FEPD) will issue a circular on this matter. Additionally, matching freight including goods value Bill of Entry with the matching program requires technical assistance from relevant departments, which FEOD will provide.	FEPD (Import Policy Branch), FEOD, Bangladesh Bank

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07	Complications in Crude Oil, LPG, Liquor, and Petroleum Products Import Requiring Mandatory Shipping Document Receipt after Debt Payment per GFET-2018, Vol-1, Chap-7, Para-19(i)	Per Guidelines for Foreign Exchange Transactions Chapter 7 Clause 19(i), for accepted debt instrument payment, goods shipment receipt is mentioned as mandatory. However, some product types — especially fuel oil and social goods imports — require payment completion after goods ship via international best practice trackable means, bank guarantees, and necessary alternative documents. After discussion, it was decided that for international best practice purposes, trackable methods for ship cargo receipt — alternative documents, bank guarantees — and other necessary due diligence compliance may be considered.	All AD Banks
08	Management of Domestic Banking Foreign Currency Accounts for Duty-Commissioned Domestic Shipping Lines' Limited Dealership License Necessity	Per Guidelines for Foreign Exchange Transactions Chapter 13, Clause 3 provision, duty-commissioned banks can open foreign currency accounts in duty-limited companies' names and deposit remittable amounts. The discussion was about whether limited dealership licenses are needed for this. Bank representatives said that the current practice is ongoing. Additionally, Guidelines guidelines' remittable income may be deposited in specific format reporting. Therefore, separate limited dealership license is not needed. Current practice should continue, the meeting decided.	All AD Banks
09	Extension of LCAF's Value Settlement Deadline	Per Clause instructions, LCAF issuance within 12 months means import duty settlement obligation. Mainly machinery and major portion import duty settlement time limit is 30 months. Due to various country lockdowns from the COVID pandemic, import duty settlement time increase requests have been submitted to FEOD. In this context, for LCAF value settlement, deadline extension was proposed by HSCBC. Bangladesh Bank's response: COVID-triggered policy support has been in effect through March 31, 2021. For making the extended deadline after current period, LCAF deadline extension considerations will be done. For ordinary authorized transactions, current practice applicable conditions approval measures will be taken.	FEPD (Import Policy Branch), Bangladesh Bank, and all AD Banks
10	Inward Remittance Discounting	Uttara Bank's representative informed the meeting that per Guidelines for Foreign Exchange Transactions Chapter 5, Clause 10, the current situation regarding any government-owned institution fund forwarding after checking/verification is needed. For this, specifically foreign exchange policy division opinion was sought. The chairperson directed Uttara Bank to send a letter.	Uttara Bank Ltd.

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11	Approval for Import Document E-Channel or Electronic Submission	HSCBC's representative informed the meeting that blockchain has increasingly started for international trade operations. For import-export transactions to be dynamic, electronic presentation or e-channel use was raised. Bangladesh Bank's response: for open account-based export electronic presentation, FE Circular No. 25/2020 has been provided. After Bangladesh Bank UISIP recognition, electronic transaction systems will automatically become Bangladesh's foreign trade channel. However, loan instruments' banking channel principal title document (transport document) endorsement is required. Until the main document is received, shipping guarantee issuance is not possible. Loan instrument terms compliance documents are not directly available from importers' electronic platforms for goods clearance. On the other hand, for loan instrument external intermediary platforms' document procurement, in the current foreign exchange transaction system, at the time of goods clearance with transport documents, the bank or supplier's exporter side or applicable exporter side title document has a title certificate reference procedure. Electronic channel security infrastructure adequacy and other institutional capability considerations were raised as justifiable, Bangladesh Bank's response was informed.	All AD Banks
12	IMP Form Necessity	HSCBC's response via Guidelines for Foreign Exchange Transactions Chapter 7, Clause 28(a) — for Bangladesh's foreign transactions, 4 IMP form documents are among those that cannot be eliminated. Additionally, if the form is eliminated, various means to get announcements from importers will be prepared, the meeting was informed.	All AD Banks
13	Service Import Loan Instrument Opening Without Bangladesh Bank Authorization up to USD 10,000	Southwest Bank's representative informed the meeting that per Guidelines for Foreign Exchange Transactions Chapter 7, Clause 29(i) and subsequent circulars, AD branches up to a maximum of BDT 10,000 can make advance payments without Bangladesh Bank's approval for service imports. However, currently AD branches related loan instruments for opening Bangladesh Bank approval are needed. For service amounts up to BDT 10,000, AD bank ordinary authorization proposal to open service import loan instruments was made. Bangladesh Bank's response: there is no ordinary authority without Bangladesh Bank approval or authorized time/period for service import loan instruments. Ordinary authority applies to certain transactions (e.g., Guidelines Chapter 10, Clause 25 applies) where Bangladesh Bank approval for service import loan instruments is not needed.	All AD Banks
14	Foreign Currency Purchase/Discount from Domestic Banking Unit	Standard Chartered Bank's representative informed the meeting that per Guidelines for Foreign Exchange Transactions Chapter 16, Clause 5(b), authorized dealer banks have been given permission to purchase/discount accepted import bills. Based on this directive, Standard Chartered Bank's representative informed that Domestic Banking Unit foreign currency accepted import bill purchase/discount can be done to provide loan instrument beneficiaries funds — but they said it is not possible. For clarification, three people were requested to inform the meeting. Bangladesh Bank's response: FE Circular No. 18/2010 (referring to Guidelines' Chapter 16, Clause 5(b)) states offshore banking services similarly allow banks to purchase/discount accepted import bills in foreign currency.	All AD Banks

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15	Importer General Average Payment in Ship Accident Cases	For ship accidents, importer general average payment ability was raised at the meeting. Per Guidelines for Foreign Exchange Transactions Chapter 10, Clause 22 directives, Bangladesh Bank's response: importers for this type of general costs without ordinary authority approval — for sending remittances abroad, Bangladesh Bank's concerned division approval must be obtained.	All AD Banks
16	E-Commerce Traders' Foreign Digital Marketplace Annual Subscription Fee Sending	For e-commerce traders displaying export goods on foreign digital marketplace platforms, annual subscription fee sending abroad is necessary. Local establishment aggregators for all e-commerce traders' discussion fee collection from them and sending abroad is needed. Participants were informed that for exporting establishments, via their ERQ account status, such fees can be sent. If the ERQ account balance is not available, FE Circular No. 7/2018 allows the applicable fee amount. All authorized holders can send these fees to their e-commerce trader customers; no separate aggregator can have transaction opportunities. As helping local aggregators, local establishment e-commerce traders can pay applicable fees to local establishments in local currency, the participants were advised.	All AD Banks
17	International Transactions Card Channel	For international cardholders, up to BDT 300 transactions and some other transactions can be done. However, in Bangladesh, via education cards, payment opportunities are unavailable. Many foreign educational institutions provide card payment options; in many cases mandatory methods are also required. For general authority-based education expenses, alternative payment using cards as a service for AD bank representatives was requested. Bangladesh Bank's response: per Guidelines for Foreign Exchange Transactions Chapter 11, Clause 10, banking channel education expenses ordinary authority exists. For general authority-based education expenses payment, AD bank international card channel use may or may not be permitted — the Foreign Exchange Policy Division (ATENFTBI Branch) will examine and take necessary measures.	FEPD (ATENFTBI Branch), Bangladesh Bank, and 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

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Executive Director, Bangladesh Bank