Foreign Exchange Policy Department
Bangladesh Bank, Head Office, Dhaka

Bangladesh Bank - Authorized Dealers' Forum
28th Meeting - Record Notes

The 28th meeting of the **"Bangladesh Bank-Authorized Dealers' Forum"** was held on **15/09/2021 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 those present is shown in Annex "Ka."

The chairperson welcomed all present and commenced the meeting. The record notes of the 27th meeting were presented and confirmed unanimously. Subsequently, progress on implementation of decisions from previous meetings was reported. The decisions from Record Notes items No. 5 and 10 (currently being implemented) were confirmed as under implementation, and all other decisions were confirmed as uniformly implemented. Various circulars and circular letters issued between the 27th and 28th meetings were discussed. The detailed discussions and decisions are as follows:

Sl. No.	Agenda Item	Discussion & Decision	Responsible Party
01	Attendance of Appropriate Representatives at the 28th BB-AD Forum Meeting	Bangladesh Bank, pursuant to Action Agenda No. 5 — 'Setting up a BB-Authorized Dealers forum of regular dialogues fostering understanding of FX policies' — prepared and sent to the Finance Ministry, and per the Governor's approval, formed a 'Bangladesh Bank-Authorized Dealers Forum' for regular dialogue (at least once every three months) with AD banks for simplifying and clarifying foreign exchange policy/regulations. At the meeting, all AD banks were required to send their designated members and alternate members. However, some banks' specific officials were absent and non-designated officials attended. Additionally, 6 banks (Bangladesh Krishi Bank, Bank Asia, Islami Bank Bangladesh, Madhumi Bank, Mutual Trust Bank, Uttara Bank) were absent from the 28th Forum meeting. The need for all AD bank officials to be informed about the Forum agenda, decisions, etc. was discussed. After overall discussion, it was decided that to ensure appropriate representation of all AD banks at the meeting, their MD/Principal Executive officers should direct necessary steps, and letters with the meeting records should be sent.	All AD Banks' MD/Principal Executives
02	Approval for Import Document Chain Process via E-Channel/Electronically	A committee under the Deputy Governor's direction has been monitoring this matter. The committee will soon consult with relevant educational institutions and subsequently take next steps.	FEPD (Import Policy Branch), Bangladesh Bank
03	Post Import Financing (PIF) per BRPD Circular No. 12/2021 — PIF Policy	Per the Circular's Section 2.3(b), 'PIF facility cannot be provided against local loan instruments within the same group/related party's buy-sell transactions.' To clarify this, BRPD's Nurul Alam informed the meeting that to prevent Accommodation Bill creation, local loan instruments (of any currency) can have PIF facilities. However, local currency loans must be in Taka. Banks were recommended to contact the Banking Regulation and Policy Division for necessary clarification and policy coordination.	FEPD (Import Policy Branch), Bangladesh Bank, and all AD Banks

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04	Opening LC Despite Bill of Entry Being Overdue	Per Guidelines' instructions, opening LCs with overdue Bill of Entry (within 120 days of goods entering the country) is a violation of foreign exchange laws. For the project's review, when Bill of Entry submission deadline extension is needed, the overdue Bill of Entry status import business operation monitoring should be carefully maintained. Banks' principal offices were requested to provide necessary vigilance directives. FEOD was to raise this at the meeting. After overall discussion, the chairperson directed all AD banks to take measures on this matter.	FEOD, Bangladesh Bank, and all AD Banks
05	Partial or Full Balance of Advance Export Value (ARV) Reports	The Online Export Monitoring System has an option for Advance Export Value (ARV) reports. However, timely report non-submission cases have been observed. On the other hand, before the money arrives in the country, ARV Triplicate data re-reporting causes Balance of Payment data to appear exaggerated/overstated. ARV report irregularity-related bank information was discussed in detail at the meeting. The Forum chairperson directed all AD banks to take necessary measures to prevent these irregularities. Additionally, for RIT-reported data correction/updates, liaising with the Statistical Division for the chairperson was requested.	Statistical Division, FEOD (Export Trade Branch), Bangladesh Bank, and all AD Banks
06	Confirming the Legitimacy of Export Value Repatriation Time Extension Applications	Although export goods must be repatriated within 4 months, due to COVID and other logistical reasons, FEOD time extensions have been granted. For export value repatriation, banks need to be aware that some customers' export value repatriation decisions have been adopted. Currently, these matters are being ignored and extensions are being requested only due to COVID. The same customer's multiple export value repatriation time extension applications for different banks are improper. It was proposed that for considering time extension, two matters must be clearly mentioned: (1) the adopted measure for export value repatriation; and (2) the specific reason for the requested time extension. For proper measures in this regard, the Foreign Exchange Operations Department (FEOD) per letter No. FEOD/Export Trade/038/2021-411 dated 01/02/2021 directed all AD banks at the Forum.	FEOD (Export Trade Branch), Bangladesh Bank, and all AD Banks
07	Necessity of BIPPA Membership for Fuel Oil Importers	For fuel oil imports, relevant ministry special approval is required. Based on that approval, approved institutions (Independent Power Producers) can open import LCs. Primary importers' association — Bangladesh Independent Power Producers' Association (BIPPA) membership is necessary. Since Commerce Ministry Memorandum No. BAM/TIO-2/E-40/2018/59 dated 25/02/2016 directed all Power Producers to notify BIPPA of their business activities and subsequently FE Circular Letter No. FEPD(Import Policy)123/2016-6, dated 16/03/2016 informed all AD banks of the above Commerce Ministry directive for necessary action. However, some establishments' BIPPA membership is not confirmed. Per Import Policy Order, import activity must be carried out by a recognized Industry Chamber or trade association member. Per Commerce Ministry instruction, banks can request establishments to take BIPPA membership.	FEPD (Import Policy Branch), Bangladesh Bank
08	Reporting Ship Freight via FOB Basis in OIMS for FOB Import-Based Freight LC Issuance	For FOB import goods, including freight and ship rent, specific importers are required to open freight LCs with Bangladesh Bank's Online Import Monitoring System (OIMS) dashboard reporting. Banks were asked for written views/opinions via e-mail or letter by 23/09/2021 to the FEPD Deputy Managing Director on freight circular views and opinions.	FEOD, Bangladesh Bank, and all AD Banks

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09	Advance Duty Payment for EPZ Establishments	For Type-A or Type-B specialized zone establishments' offshore banking advance import duty payment, the Guidelines for Foreign Exchange Transactions-2018, Chapter 16 states no directive for Type B and C importers' advance payment. However, locally based bank's own source loans are available. For specialized zone establishments' advance import duty payment, the Guidelines for Foreign Exchange Transactions-2018, Chapter 16 does not provide specific directives — raising concerns about overall risk increase in the specialized zone banking sector. After detailed discussion at the meeting, it was decided that current practices should be maintained and advance payments should be made with caution.	FEPD (Import Policy Branch), Bangladesh Bank, and all AD Banks
10	Importers' Annual Total Import Value-Based Residual Entitlement Reflected in Online Import Monitoring System	Per Import Policy Order (Clause 9), importers can import up to 6 value limits. Many importers at multiple banks complete import operations. Currently, AD branches cannot determine the remaining import entitlement. If OIMS-related data is added, AD branches would be able to properly implement Import Policy Order directives. The matter was raised at the meeting. FEOD informed the meeting that specific importer import value dashboard reporting arrangements have already been implemented.	FEOD, Bangladesh Bank, and all AD Banks
11	Ceiling for Long-Term Loan Interest Rate Distributed via Banks' Offshore Banking Unit	For short-term loan distribution via banks' offshore banking services, the Guidelines and related circulars define the ceiling. Long-term loan interest rates being higher than short-term rates is natural. For banks distributing long-term loans via Offshore Banking services, Bangladesh Bank's specific directives were requested. The meeting was informed that long-term loan interest rates are considered case by case by the appropriate authority/committee.	FEID, Bangladesh Bank, and all AD Banks
12	Future Date Reporting Arrangement for Overdue Bill of Entry in Online Import Monitoring System (OIMS)	In OIMS, Bill of Entry over due is shown at a specific future date (Future date) so it cannot be seen. For reporting overdue Bill of Entry future dates, Standard Chartered Bank proposed a system arrangement. After discussion, the chairperson informed the meeting that banks can see their own Bill of Entry over due future dates, but data confidentiality cannot allow seeing other banks' over due data.	FEOD, Bangladesh Bank, and all AD Banks
13	Making Pre-2002 Circulars Available on Bangladesh Bank's Web Portal	Pre-2002 various department circulars are available on the central bank's web portal. A proposal to upload pre-2002 circulars to the website was made. It was decided that initiative will be taken on this matter.	ISDSD, Bangladesh Bank
14	EPZ and Non-EPZ Exporters' Master LC Local Bank-to-Bank Washing, Dyeing, Printing, and Lab Testing LC Issuance as Domestic Service LC	Inland bank representatives informed the meeting that per Guidelines for Foreign Exchange Transactions Volume-1, Chapter-7, Section-2, Clause 19(9), for Clean, Revolving, and Realization condition LCs, Bangladesh Bank prior approval is required. However, for local bank to bank service LC issuance, some issues were raised. Per that LC's document submission at beneficiary bank: beneficiary bank draft, invoice, packing list, delivery challan submission was required per that LC but these are not Clean LC's included documents. For this type of LC issuance, Bangladesh Bank prior approval is needed or not was asked. FEPD's response: for washing/printing plants, local bank to bank loan instruments for national operations are used. For example, washing plants' printing under large LC programs proceed via bank-to-bank loan instruments without other means as per Guidelines for Foreign Exchange Transactions Chapter 40(a).	FEPD (Import Policy Branch), DFEI, Bangladesh Bank

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15	Post-Renewal Approval for Standby Letter of Credit (ASBSLC) or Guarantee for VISA, MasterCard, AMEX, Diners Club, International Unions, GJC International Payment Brand Issuance	VISA, MasterCard and other organization-assisted local banks' business operations. Regular banking activity as part of card business start and each bank's payment standby letter of credit and ASBSLC or guarantee issuance and renewal is required. For all these payment certainty-providing banks, subsequently Bangladesh Bank's AD authority renewal approval was requested. After discussion, it was decided to review and take necessary measures for the matter.	FEPD (ATENFTBI Branch), Bangladesh Bank
16	Same-Day FDD Return Information Delivery	If any FDD return comes to Bangladesh Bank's Foreign Currency Clearing, that day, possible banking work hour delivery to banks is needed — the Clearing Division was informed. FRTMD informed the meeting that FC Clearing Branch's banking work hour end (After Business Hour) Bangladesh Bank's Foreign Currency Clearing System runs. Therefore, within banking work hours FDD return delivery is not possible.	FRTMD (FC Clearing Branch), Bangladesh Bank, and all AD Banks
17	Updating EXP Form's Shipment-Related Data — Ship Name, Number, Destination, Port, Ship Company Name, Date, etc. — in Bangladesh Bank's Online Export Monitoring System	For export EXP form shipment data, exporters or AD banks update it (Duplicate EXP reporting). Usually this duplicate reporting is flexible and dynamic for making Bangladesh Bank's Online Export Monitoring System accurate. However, when shipping information is provided to the system, duplicate EXP reporting data becomes fixed and shipment data-related transaction information cannot be provided to Bangladesh Bank's Online Export Monitoring System. The matter was examined and under the current system shipping information cannot be provided to Bangladesh Bank's Online Export Monitoring System.	FEOD and ISDSD, Banglades h Bank, and all AD Banks
18	Stamp Attachment Addition in LC Application	Per Stamp Act 1899 and Finance Act 2012, Schedule I, Serial No. 37, BDT 300/- stamp duty is required at LC establishment time. Per this directive, banks at LC establishment time collect BDT 300 stamp duty from customers and in the current practice maintain hard copy applications with stamp attached. Banks mainly purchase these adhesive stamps from vendors. There is a risk of these stamps being counterfeited. Additionally, LC application hard copy stamp attachment in the digitalization process is an obstacle. The appropriate authority's opinion on the matter was sought. After overall discussion, it was decided to take the appropriate authority's opinion and Bangladesh Bank will take subsequent action.	FEPD (Import Policy Branch), Bangladesh Bank
19	Cash Assistance for Exports in CM/CMT Basis	HSCBC's representative informed the meeting that many garment exporters receive raw materials free of charge from foreign buyers and receive cutting, making, and/or trimming (CM or CMT) service fees. In this context, CM value addition is repatriated as export value. For such garment exporters' CM or CMT-basis exports, they apply for cash assistance. For national operations' CM/CMT export value-based exporters per FE Circular No. 01, dated 07 January 2020, special cash assistance and FE Circular No. 21, dated 09 November 2010 new market expansion assistance eligibility clarification was requested. FEPD responded that per Import Policy Order directives, free-of-charge raw material import UPAS issuance and invoice value inclusion is allowed. Therefore, import application form CM/CMT mention is not an obstacle.	FEPD (Export Policy Branch), Bangladesh Bank

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