

**Foreign Exchange Policy Department**  
**Bangladesh Bank, Head Office, Dhaka**

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**Bangladesh Bank - Authorized Dealers' Forum**  
**31st Meeting - Record Notes**

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The 31st meeting of the "**Bangladesh Bank-Authorized Dealers' Forum**" was held on **18/10/2022 at 10:00 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 with introductions of new participants. The record notes of the 30th meeting were presented and adopted unanimously. Subsequently, progress on implementation of decisions from previous meetings was reported. Various circulars and circular letters issued between the 30th and 31st meetings were discussed. The detailed discussions and decisions are as follows:

| Sl. No. | Agenda Item                                             | Raised By             | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible Party |
|---------|---------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 01      | EXP Forms Issued in 2021 That Are Still Unresolved      | FEOD, Bangladesh Bank | FEOD informed the meeting that a noteworthy number of EXP Form Non-Reported cases exist at various banks. Of the total 21,603,153 EXP forms issued between 01/01/2021 and 31/12/2021, 7,201 EXP forms at various banks remained unresolved as of 06/09/2022. FEOD stated that it regularly provides directives and there are cases where no Bill of Export, shipping information (duplicate) or export value repatriation data (triplicate) has been reported in the system despite the repatriation deadline passing. Regarding what banks should do in such cases, FEOD proposed contacting the concerned exporters. It was also stated that per current procedure, exporters should try to maintain the EXP issuance program before export. The chairperson directed banks to alert exporters regarding export trade and to notify banks about unresolved EXP disposal. | All Banks         |
| 02      | Timely Export Value Repatriation for EPZ Establishments | FEOD, Bangladesh Bank | FEOD informed the meeting that EPZ establishments complete a notable amount of export annually, but timely export value repatriation has been reflected as lagging for EPZ establishments. All cases require compliance with clear post-shipment 120-day export value repatriation directives, yet EPZ establishments appear disproportionately in the unrepatriated list. To strengthen monitoring in this regard, FEOD proposed to the meeting. The chairperson called on all to take strong measures to reinforce export value repatriation for EPZ Type-A establishments.                                                                                                                                                                                                                                                                                              | All Banks         |

| Sl. No. | Agenda Item                                                                                                                      | Raised By             | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Responsible Party |
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| 03      | Implementation of Directives Submitted by AD Banks at International Department Meetings with Bangladesh Bank Held from July 2022 | FEOD, Bangladesh Bank | In meetings held with AD banks' international departments, directives were given on reducing the volume of Overdue Bills of Entry and timely settlement of all Overdue Accepted Bills. Additionally, directives were given to properly report LC data and avoid wrong reporting. The meeting re-directed all to pay attention to properly implementing these directives. Participants stated that these matters are currently in process. The chairperson called on all to take appropriate measures for visible progress.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | All Banks         |
| 04      | Return of Document-Less Remittances Over 90 Days                                                                                 | Brac Bank Ltd.        | For non-wage remittances, banks must collect required documents including purpose and tax determination from beneficiaries. Generally, upon remittance arrival, beneficiaries are contacted via SMS/email/letter. Even after phone calls, attempts to collect required documents fail and some customers even after a long time fail to submit documents. As a result, these remittances remain in unauthorized status. FEOD's representative informed the meeting that for the return of unauthorized remittances without beneficiary approval, the relevant bank branch manager can take responsibility. FEOD noted that for service account income up to USD 10,000, Form-Si is not required. For such cases, as per SWIFT message language and associated directives, banks apply the relevant deductions and credit the amount to the customer. Banks arrange for crediting in the case of above-limit cases per established announcements. However, inward remittances from unauthorized sources (e.g., foreign-sourced interest-bearing loans, donations, etc.) require appropriate approval before remitting to Bangladesh. Banks must be alert to non-authorized transaction inward remittances. It was decided that prior to receiving such non-authorized transaction inward remittances, the required approval must be confirmed. | All Banks         |

| Sl. No. | Agenda Item                                                                                                        | Raised By                  | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Responsible Party |
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| 05      | Encashment Certificate Provision for Freelancer Remittances via MFPS                                               | Brac Bank                  | Brac Bank informed the meeting that under the current system, there is an option to repatriate IT-sector income via MFS. Bank branch fund management duty is maintained. However, due to actual beneficiary and transaction data constraints under MFS, AD banks cannot provide encashment certificates for such transactions. For MFS-based freelancing remittances, provision for MFS encashment certificate issuance was requested. Discussion participants noted that for IT-sector income repatriation via MFS, FE Circular No. 6/2021 provides guidance. IT sector income earners can receive cash assistance. Under the current system, the cash assistance application is submitted with the encashment certificate. Additionally, the cash assistance application is filed at the bank branch. The process for MFS-based cash assistance settlement per government consultation with encashment certificates has been determined, and a meeting of interested parties for MFS-based remittance repatriation matters was held (meeting took place on 25 October 2022).                                                                                                                                                                          | –                 |
| 06      | Opening and Managing Foreign Currency Accounts in Names of Privately-Operated Bangladeshi-Owned Shipping Companies | Al-Arafah Islami Bank Ltd. | Per GFET-2018, Vol-I, Chapter-13, Para-33, Foreign Currency accounts of Shipping Companies, Airlines and Freight Forwarders are listed as Eligible Credit and Eligible Debit transactions with some instructions. However, privately operated Bangladeshi-owned shipping companies that own and operate their own ships in Bangladesh or lease or sell their ships to foreign companies collect foreign currency for rent or lease. Such companies want to settle all travel expenses related to ship operations from Bangladesh in foreign currency. Al-Arafah Islami Bank Ltd. proposed that for Bangladeshi-owned shipping companies, opening a foreign currency account should be permitted, and related expenses paid from that foreign currency account. FEPD noted that under the current system, all types of transport organizations can manage foreign currency accounts. As for the discussion account, foreign exchange earned from import-export trade and foreign currency liabilities can be settled. For domestically-owned transport organizations, foreign transport income converts to local currency. Regarding opening foreign currency accounts for such organizations, Bangladesh Bank will consider when applied through banks. | All Banks         |

| Sl. No. | Agenda Item                                                                                                                                                                                              | Raised By           |        | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Responsible Party          |
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| 07      | Addition of 'Sanctioned or Awaiting for Disbursement' Column to Exporter Outstanding Report on Bangladesh Bank e-refinance System                                                                        | Al-Arafah Bank Ltd. | Islami | Exporters who are members of recognized associations open LCs using EDF facilities at multiple banks and apply to Bangladesh Bank for EDF. Per each exporter's association membership, there is one EDF limit, but some exporters open LCs at multiple banks using the EDF facility. Per current rules, for a single bank, it is impossible to know from Bangladesh Bank what the total EDF application amount for that customer is. Therefore, on Bangladesh Bank's e-refinance System's report option, if a 'Sanctioned or Awaiting for Disbursement' column is added alongside the Exporter Outstanding Report and Total Outstanding EDF, it would be possible for all banks to better manage that customer's EDF. Al-Arafah Islami Bank Ltd. proposed this for consideration. After detailed discussion, it was decided that the feasibility of the proposed matter will be examined and EPARTIEMD will take necessary measures. | EPARTIEMD, Bangladesh Bank |
| 08      | Display of Total Export Amount Expected Against IRC Numbers' All Bank Branch Outstanding LC/Bills Due in Online Import Monitoring System and Master LC/Contract Value in Online Export Monitoring System | Al-Arafah Bank Ltd. | Islami | Al-Arafah Islami Bank proposed that for each export order, the amount of export operations still incomplete and the amount of back-to-back LC still incomplete should be incorporated into the online monitoring system. This would enable review of customer production capacity for new export order placement. After detailed discussion, it was decided that FEOD will discuss with AICSDIA and take necessary measures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | FEOD, Bangladesh Bank      |

| Sl. No. | Agenda Item                                                       | Raised By                  | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Responsible Party                           |
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| 09      | Holding an Annual National Conference of Bangladesh Bank AD Forum | Al-Arafah Islami Bank Ltd. | To reach Bangladesh's goal of 100 billion USD international trade, Bangladesh Bank's policy support and AD banks' important role is indispensable. To develop new policy frameworks aligned with contemporary international trade and develop more effective solutions to Bangladesh's foreign trade problems, the BB-AD Forum plays an important role. Therefore, to continuously keep pace with Bangladesh's foreign trade current issues alongside justice, agility, and modernization, with all AD banks' participation, through establishing a world-class uniform foreign exchange business practices platform, and to boost all banks' acceptance ability, raise public foreign exchange awareness, promote this sector in Bangladesh and global media, improve service quality through inter-governmental communication, develop bilateral relations through ICC and various chambers' dual meetings, highlight Bangladesh's image via bilateral forums and raise all senior foreign trade-related officials' awareness, Bangladesh Bank may announce a 'Foreign Exchange Day' and on that day, the BB-AD Forum may hold an annual national conference. A 'Foreign Exchange Business Rating' award could also be considered for flawless and correct compliance-related mandatory standard compliance. Al-Arafah Islami Bank Ltd. proposed this. All participants applauded the proposal. The matter will be reviewed and the chairperson will be informed. | FEPD, Bangladesh Bank                       |
| 10      | Decision on LCsIA Cancellation                                    | HSCBC                      | Per Import Policy Order 2021-24, the need for LCsIA has been fully cancelled. Per Import Policy Order, imports can only be done against loans or credit facilities under loan agreements. Accordingly, the need for LCsIA was cancelled from the beginning of the policy. However, so far no decision or directive has come from Bangladesh Bank, and banks are receiving LCsIA applications from importers. However, many foreign and Bangladeshi importer establishments are questioning the legality of LCsIA. Therefore, HSCBC requested clarification on the decision to cancel LCsIA per Import Policy Order 2021-24. The meeting was informed that a seamless arrangement for LCsIA withdrawal should be adopted (FE Circular No. 29 was issued on 20 October 2022).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Import Policy Branch, FEPD, Bangladesh Bank |

| Sl. No. | Agenda Item                                                                                                      | Raised By                        | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible Party                |
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| 11      | Eliminating Paper Use and Reducing Paper for Cash Incentive Payments Following Texcel and Green Banking Policy   | Standard Chartered               | Standard Chartered Bank informed the meeting that based on various standards, exporters (direct and compliant) receive cash incentives for exports. For primary export documents, export-related associated import documents, piARSIC and some other documents, cash incentive application submission is required. Overall, many documents must be used, contrary to Green Banking policy. In such cases, when wage earners' order remittances arrive as exporters' export income, cash incentive payment consideration is possible. Since the matter is already in OEMS with related data, applicable rules and regulations can be followed. Standard Chartered Bank proposed this. FEPD informed the meeting that cash incentive settlement per government policy decisions has had a circular issued. The work of processing bank-and-Bangladesh Bank electronic money claim processes is test-running. | All Banks                        |
| 12      | Cloud Service Use/Subscription Fee Remittance                                                                    | Remittance Policy Branch-2, FEPD | Some AD banks, after Customs Assessment for Cloud Service use, are applying for remittance approval to FEPD. Other banks, per Ordinance 1984, Section 56, are submitting Taka/VAT deduction-based invoice applications to FEPD for remittance approval. Previously, at the BB-AD Forum's 30th meeting, AD banks were asked for views/opinions on Cloud Service use subscription fees before issuing any formal directive from Bangladesh Bank. However, so far no bank has submitted views, so the Remittance Policy Branch-2 of FEPD called on AD banks' views/opinions. However, no views were obtainable from those present at the meeting. Therefore, for e-delivery method software import, the applicability of Cloud Service was examined and necessary measures will be taken.                                                                                                                     | Remittance Policy Branch-2, FEPD |
| 13      | Prohibition on Opening LCs for Raw Material Imports Demanded by Backward Linkage Textile Industry Establishments | Export Policy Branch, FEPD       | FEPD's Export Policy Branch informed the meeting that export-linked backward linkage textile industry establishments complain that LCs cannot be opened for raw material imports. For export sector overall consideration, all AD banks were directed to be more alert regarding textile industry EDF, UPAS, and Deferred LC establishment. FEPD(Import Policy)/119/2022-5101 letter was issued on 25 September 2022 for all authorized dealer banks' attention.                                                                                                                                                                                                                                                                                                                                                                                                                                           | All Banks                        |

| Sl. No. | Agenda Item                                              | Raised By                  | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible Party |
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| 14      | Shipment Tracking Program Operation                      | Export Policy Branch, FEPD | FEPD's Export Policy Branch informed the meeting that per FE Circular No. 07/2022, export shipment tracking program operation directives were provided. Authorized dealer banks' suggestions and the associated authority's views led to the decision that freight forwarder-issued shipping document-based cash incentive application processing per FE Circular No. 12/2020 and 18/2021 instructions is mandatory. On the other hand, per banks' own risk consideration for likely export value repatriation, relevant documents' necessity and later for timely transport execution-related information necessity, associated export goods' shipment tracking program must be operated. | All Banks         |
| 15      | Facility for Money Changers to Withdraw Foreign Currency | Various                    | Money changers complained that AD banks are not allowing withdrawal of foreign currency from their EFC accounts. Therefore, the chairperson directed AD banks to provide full cooperation per regulations for money changers' foreign currency withdrawal from EFC accounts operated in money changers' names.                                                                                                                                                                                                                                                                                                                                                                             | All Banks         |

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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