

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

**Bangladesh Bank - Authorized Dealers' Forum**  
**35th Meeting - Record Notes**

The 35th meeting of the "**Bangladesh Bank-Authorized Dealers' Forum**" was held on **07/05/2024 at 11:00 AM** at the Jahangir Alam Conference Hall, 5th floor, Head Office, Bangladesh Bank. The meeting was convened and chaired by **Kazi Rafiqul Hasan, 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 34th 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 34th and 35th meetings were discussed. The detailed discussions and decisions are as follows:

| Sl. No. | Agenda Item                                                                                                     | Raised By             | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Responsible Party |
|---------|-----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 01      | Confirmation of Full and Partial Overdue Reports in OEMS                                                        | FEOD, Bangladesh Bank | FEOD informed the meeting that per FEOD Circular No. 01/2024, monthly statements of unrepatriated export bills, copies of PRC or FE Circular-sent export trade reports are not required to be sent as hard copies to the department. However, documents must be retained for future reference, and banks were directed to confirm EXP overdue reports in OEMS by the 10th of each month. Some banks are still sending hard copy statements via email. Additionally, some banks are not regularly reporting online against overdue EXP items. The chairperson directed all AD bank representatives to be aware and vigilant. | All Banks         |
| 02      | Bangladesh Bank's No-Objection for Re-export                                                                    | FEOD, Bangladesh Bank | Customs houses were advised to consult the relevant bank for re-export per applicable conditions, and in special cases requiring Bangladesh Bank's no-objection letter, to send a letter via the National Revenue Board. FEOD informed the meeting that this has been communicated to NRB and copies sent to all AD banks. Only where customs require a no-objection letter from Bangladesh Bank for re-export should it be considered, and the chairperson directed all AD banks to follow accordingly.                                                                                                                    | All Banks         |
| 03      | Properly Specifying Subject Matter and Attaching Required Documents When Applying via E-Ticket for OIMS Updates | FEOD, Bangladesh Bank | FEOD's representative informed the meeting that when banks apply via e-ticket to correct various errors in OIMS, the subject matter is often not properly specified or required documents are not attached. After overall discussion, the chairperson directed all present bank representatives to properly specify the subject matter and ensure required documents are attached when submitting e-tickets.                                                                                                                                                                                                                | All Banks         |

| Sl. No. | Agenda Item                                                    | Raised By                                     | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Responsible Party                             |
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| 04      | Advance Payment Guarantee (APG) and Advance Payment Settlement | FEOD, Bangladesh Bank                         | Per current Guidelines, for sending BDT 10,000,000 or more as advance payment to foreign suppliers, APG must be obtained or FEOD approval must be obtained from Bangladesh Bank. In many cases, advances of BDT 10,000,000 or more are being sent without APG or FEOD approval, other than margin dollars. FEOD highlighted this at the meeting. After overall discussion, the chairperson directed all concerned to properly comply with current Guidelines provisions and all related instructions.                                                                                  | All Banks                                     |
| 05      | Caution Regarding Attractive Foreign Investment Proposals      | BFIU, Bangladesh Bank                         | BFIU's representative drew attention to the fact that despite BFIU Circular Letter No. 01/2016 cautioning banks and domestic investors about lucrative foreign investment, various banks and domestic investors are still receiving and processing such attractive/lucrative proposals, which are found to be fraudulent upon investigation. After discussion, the chairperson advised all AD banks to always be vigilant and not forward such investment proposals to Bangladesh Bank without verification.                                                                           | All Banks                                     |
| 06      | Settlement of Unpaid Bill Values                               | Import Policy Branch-1, FEOD, Bangladesh Bank | Per FE Circular Letter No. 17/2013, FEOD and FICSD take action regarding various customer complaints on accepted bill value settlement. Banks/customers must inform FEOD and FICSD about necessary steps for settling LC-backed bill values. However, banks/customers are applying to FEOD and other departments for settling various types of bill values, causing work backlogs. After overall consideration, it was decided that for LC-backed accepted bill value settlement, only FEOD for accepted bill settlement and FICSD for other customer complaints should be applied to. | All Banks                                     |
| 07      | Opening LC Only via Bank-Appointed Banks                       | Standard Chartered Bank                       | Per Import Policy Order 2021-2024, Chapter 2, Clause 15(Ka)(Cha), private sector recognized industries and registered importers must open LCs only via their self-nominated bank. The bank noted that businesses require more than one nominated bank at CCIE, and representatives expressed that CCIE-nominated AD banks should be able to withdraw the nominated bank name and provide margin dollar instead of payable limit. After overall discussion, the chairperson directed AD banks to apply to FEOD to take necessary measures to incorporate these matters into CCIE.       | Import Policy Branch-1, FEOD, Bangladesh Bank |

| Sl. No. | Agenda Item                                                                                      | Raised By               | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Responsible Party                                              |
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| 08      | Digital IRC Number Update                                                                        | Standard Chartered Bank | Standard Chartered Bank noted that in Bangladesh Bank's Online Import Monitoring System, old IRC numbers still exist alongside digital IRC in the IRC profile, causing harmonization issues, and requested that all AD banks update importers' IRC profiles with digital IRC numbers. FEOD's representative informed the meeting that digital IRC updating is currently in progress.                                                                                                                                                                               | –                                                              |
| 09      | Applicability of Incoterms for Software and Service Imports via E-Delivery                       | Standard Chartered Bank | BBOIMS requires mandatory Incoterms entry for import contracts/LCs. For software and service imports via e-delivery, Standard Chartered Bank raised the issue of Incoterms applicability. FEPD's representative informed the meeting that for software imports via e-delivery, freight and other liabilities under Incoterms do not apply, and use of Incoterms in the CAIEP form is not applicable or appropriate wording should be used. It was decided that this matter will be resolved by FEPD and the Statistics Department as the lead department.          | FEOD, Bangladesh Bank                                          |
| 10      | Settlement of Discrepant Import Bill Obligations                                                 | Standard Chartered      | Per GFET Vol-1, Chapter 7, Clause 26, after receiving a discrepancy notice for an import bill, customs can clear goods upon subsequent Bill of Entry, and import payment instructions are provided. However, per UCP-600 Article 16, after notifying discrepancy, the exporter bank's direction or applicant waiver is needed before settlement. Standard Chartered raised this for harmonizing GFET and UCP-600 discrepancy clauses. After overall discussion, FEPD's Import Policy Branch will form a committee of concerned parties to take necessary measures. | Import Policy Branch-1, FEPD, Bangladesh Bank                  |
| 11      | Proof of Submission of Return (PSR) for Import                                                   | Standard Chartered      | Per Income Tax Act-2023, Section 264, Clauses 3(3) and 3(20), PSR collection is required at the time of obtaining/renewing import-export registration certificates and before opening LCs. Standard Chartered asked whether there is a specific directive on mandatory PSR collection if the nominated dealer bank already has PSR for the registration certificate. In response, FEPD stated that necessary measures will be taken in light of the related correspondence.                                                                                        | Import Policy Branch-1, FEPD, Bangladesh Bank                  |
| 12      | Linking Overdue EXP Report with Accepted Import LC Bills as Overdue Unpaid Accepted Bills Report | Standard Chartered      | Standard Chartered Bank proposed linking the Overdue EXP report in Bangladesh Bank's online portal with the accepted bill value outstanding amount to serve as an Overdue Unpaid Accepted Bills report. FEOD noted that one such menu exists in Bangladesh Bank's online portal. Regarding timely settlement of accepted import bill values, 100% provision maintenance, MCR increase, punitive action against concerned officials, and making them accountable for forced loan creation, BRPD can take necessary measures.                                        | Banking Regulation and Policy Division (BRPD), Bangladesh Bank |

| Sl. No. | Agenda Item                                                              | Raised By           | Discussion & Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Responsible Party     |
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| 13      | Removing Manual Stamp from PRC and Issuing Only Electronic/Digitized PRC | Standard Chartered  | Per current provisions, after export value repatriation, banks must issue a PRC from BB OEMS and bank officials must sign the PRC. Standard Chartered Bank proposed removing the requirement for manual signatures, as all data is available in BB OEMS. FEPD's export policy branch noted that for cash incentives, physical PIARSIC signature verification is mandatory, so there is currently no scope to remove PIARSIC signatures. The chairperson supported following the current PIARSIC signature procedure.                    | –                     |
| 14      | Daily Domestic and Outward Remittance Online Reporting                   | Brac Bank PLC       | Per current provisions, Form-C and TM form must be reported in the online monitoring system on the same day of foreign currency transactions. Brac Bank's representative expressed that same-day reporting is costly and time-consuming, and proposed that same-day data be reported before the next working day. After overall discussion, FEOD will examine this matter and take necessary measures.                                                                                                                                  | FEOD, Bangladesh Bank |
| 15      | Freight Forwarders' Foreign Currency ARTGS                               | Brac Bank PLC       | Per current Guidelines, freight forwarders are authorized to receive foreign currency payments via ARTGS from shipping companies and airlines for FOB imports. Brac Bank noted that freight forwarders with direct contracts with airline/shipping lines must settle via ARTGS but banks cannot currently facilitate such transactions. If FOB import freight is paid via ARTGS by one freight forwarder to another, it would benefit both parties. After overall discussion, the chairperson directed FEPD to take necessary measures. | FEPD, Bangladesh Bank |
| 16      | Digital TM Form Submission via Online Platform                           | Brac Bank PLC       | Per current provisions, permission has been given to digitally submit Form-Si for outward remittance. Brac Bank noted that RFCD, NFCD account holders and individuals up to OBU FC account holders could use the same platform digitally to submit remittance applications and TM forms. FEPD's representative informed the meeting that offshore banking unit customer work has been ongoing for a long time and FE Circular No. 13 (dated September 22, 2008) is still in force.                                                      | –                     |
| 17      | EDF Interim Interest Rate                                                | Brac Bank and HSCBC | Per FE Circular-02/2023, for AD banks settling LC obligations by obtaining EDF funds, the maximum interim period interest rate (from payment date to EDF fund receipt) is 5.5%. Brac Bank noted that actual interim funding cost exceeds 5.5%. HSCBC proposed SOFR + 1.5% as the annual interest rate. After discussion, FEPD and FPARTMED Director noted there is no current scope for reconsideration, but Bangladesh Bank can work to reduce reimbursement time, and the chairperson agreed.                                         | –                     |

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|---------|----------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 18      | High Withholding Tax on Interest in Non-Resident Foreign Currency Accounts | HSCBC     | HSCBC informed the meeting that per Income Tax Act-2023, Section 119, withholding tax on interest earned in non-resident foreign currency accounts is 20%, while for resident Bangladeshis bank deposit interest withholding tax is 10%-15%. This high 20% rate may cause foreign currency deposits to migrate to other instruments. HSCBC requested Bangladesh Bank's assistance in reducing this rate. It was decided that FEPD will take necessary initiatives pending application from banks subject to NBR's relevant provisions.                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ATENFBI P Branch, FEPD, Bangladesh Bank |
| 19      | Special Decision Regarding Holding the Next (37th) BB-AD Forum Meeting     | FEPD      | Bangladesh Bank, to simplify foreign exchange rules and foster capital account transaction dialogue, established per Governor's approval dated 25/11/2013 a 65-member BB-Authorized Dealers Forum. The Forum's Terms of Reference specify regular dialogue (at least once every three months) with AD banks, and at least one meeting per year is held outside Dhaka. The chairperson directed forming a committee to review the venue for the next (37th) meeting outside Dhaka. A committee was formed under the leadership of Kazi Rafiqul Hasan, Executive Director and Convener, consisting of: (1) Mr. Saroyar Hossain, Director, FEPD; (2) Mr. A.K.M. Ramizul Islam, Additional Director, FEPD; (3) Ms. Roksana Akter, Member Secretary, Additional Director, FEPD; (4) Mr. Nuruddin Haydar, Deputy Director, FEPD; (5) Secretary General, BAFEDA; (6) Member, SCB; (7) Member, HSCBC; (8) Member, UCBL; (9) Member, Brac Bank; (10) Member, Exim Bank; (11) Member, NRB Commercial Bank. | FEPD, Bangladesh Bank                   |

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Finally, the chairperson thanked all present and declared the meeting closed.

**(Kazi Rafiqul Hasan)**  
 Convener, BB-AD Forum  
 &  
 Executive Director, Bangladesh Bank