

Foreign Exchange Policy Department
Bangladesh Bank, Head Office, Dhaka

Bangladesh Bank – Authorized Dealers' Forum
36th Meeting – Record Notes

The 36th meeting of the "**Bangladesh Bank-Authorized Dealers' Forum**" was held on **16/10/2024 at 11:00 AM** at the Jahangir Alam Conference Hall, 5th floor, Head Office, Bangladesh Bank. The meeting was convened and chaired by **Mohammad Jamal Uddin, Executive Director, Bangladesh Bank**. The list of Forum members and representatives present is attached as Annex "Ka."

The chairperson welcomed all present and commenced the meeting with introductions of new participants. The record notes of the 35th 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 35th and 36th meetings were discussed. The detailed discussions and decisions are as follows:

Sl. No.	Agenda Item	Raised By	Discussion & Decision	Responsible Party
01	Launching Digital PRC for Compliant Exporters	FEOD, Bangladesh Bank	FEOD informed the meeting that a sub-module of the Proceed Realization Certificate for compliant exporters to receive various government benefits has been prepared for incorporation into the Online Import Monitoring System. Before going live, banks were directed to review the prepared module and inform FEOD via email within the next 10 (ten) working days whether any addition, modification, or change is needed. The chairperson directed all AD bank representatives accordingly.	All Banks
02	Non-creation of Forced Loan in Customer's Name When Import Bill is Settled from Bank's Own Funds	DFSI, Bangladesh Bank	DFSI's representative informed the meeting that per loan regulations, after settling import obligations from the nostro account, the relevant customer's Funded Debt Limit may not be available, yet funds are released to the customer. However, it is observed that many banks are excessively delaying forced loan creation. AD branches cite as reasons that creating a forced loan requires head office/principal office approval, causing delay. Additionally, branch-level inability to create forced loans also causes delays. It was noted that if a loan is not created in the customer's name after import payment, it is not reflected in the bank's balance sheet as a loan/advance, and consequently no provision is maintained. This means the associated customer's Liability Position is not accurately reflected, and credit risk cannot be properly assessed. After overall discussion, since this matter is related to BRPD, it was decided that BRPD may take necessary action for raising this at the bankers' meeting.	BRPD, Bangladesh Bank

Sl. No.	Agenda Item	Raised By	Discussion & Decision	Responsible Party
03	Over-Shipment of Export Goods and Incorporation of Necessary Provisions in GFET to Prevent Economic Crimes	DFSI, Bangladesh Bank	DFSI's representative informed the meeting that per GFET-2018, Vol-1, Chapter 8, Para-10(iv), banks have been instructed to exercise special caution to prevent under-invoicing of export goods. Where any suspicious transaction is observed, banks are advised to report to Bangladesh Bank. However, it was observed that some exporters are exporting more units per weight than the normal weight per unit for that commodity — suggesting a tendency to inflate export operations. The chairperson noted that these matters are related to trade-based money laundering. Overall, it was decided that AD banks should take necessary measures to properly alert and caution exporting establishments about foreign currency leakage through over-shipment.	All Banks
04	Inclusion of Saudi Riyal and UAE Dirham as Approved Foreign Currencies for Opening Foreign Currency Accounts	Islami Bank Bangladesh PLC	Islami Bank Bangladesh PLC's representative informed the meeting that a large number of expatriates live in Saudi Arabia and UAE and send large amounts of remittances from those countries. However, Saudi Riyal and UAE Dirham are not listed as approved foreign currencies for opening foreign currency accounts. Therefore, the representative requested that Saudi Riyal and UAE Dirham be approved for opening foreign currency accounts as a matter of general authority. After overall discussion, it was decided that FEPD will examine this matter and take necessary measures.	Accounts Branch, FEPD, Division-2, Bangladesh Bank
05	Software or Software License Import by Registered Importers via Magnetic Media/Optical Media	Standard Chartered Bank	Per Import Policy Order 2021-2024, Chapter 5, Para 25(11), registered importers may import software or software licenses via Magnetic Media/Optical Media with a recommendation from the relevant ministry or department in lieu of the related LC/agreement. Standard Chartered Bank requested specific guidance on whether the ministry/department recommendation or BASIS (Bangladesh Association of Software and Information Services) approval/recommendation is needed. Participants expressed that software/software license imports should assess the nature/quality/authenticity of the software and consider the organization as one competent and qualified for such work. In the current foreign exchange transaction system, under the e-delivery method, customs pay import value based on BASIS approval. The Import Policy Order has no specific instructions on this organization. However, per IPO Chapter 2, Clause 8(12-c), recommendations for organizations are required for all imports — which must be followed.	All Banks

Sl. No.	Agenda Item	Raised By	Discussion & Decision	Responsible Party
06	Flow of EXP Data from Duplicate Reporting for Freight Certificate Issuance	Standard Chartered Bank	Standard Chartered Bank informed the meeting that per SPA Circular No. 3 (dated 09 August 2023), freight certificates (Form FF-Export Prepaid) are issued from OEMS. EXP transport document-related data is being manually input, causing field-specific typing errors that are later corrected via BB Ticket. Since duplicate reporting leads to EXP data being used after the certificate is issued, correct data-based freight certificate issuance would be easier. The bank's representative requested specific guidance. FEOD's representative noted that freight certificate issuance from OEMS began only about 1 (one) year ago. FEOD has been consulting with various stakeholders on practical matters and working with the ICT department on technical issues, and will inform banks of necessary modifications from time to time. The chairperson directed AD banks to follow FEOD's recommendations. It was also decided that FEOD will examine the proposed matter and take necessary measures.	All Banks and FEOD
07	Reducing Paper Use and Digitally Streamlining Various Approval Processes via Green Banking	Standard Chartered Bank	Standard Chartered Bank informed the meeting that for various approvals and clarifications, hard copy applications must be submitted to Bangladesh Bank's FEPD and FEOD, which takes considerable time from the bank's central dispatch desk to reach the concerned department. In complex cases, urgent approvals are needed, and in the current emergency and geopolitical situation, applying with hard copy documents causes difficulties. If these applications could be uploaded to an online portal and Bangladesh Bank could give online approval, customers' urgent needs would be met and paper use would decrease — assisting Green Banking. The bank requested guidance on this. FEOD noted that for EXP and Bill of Entry Time Extension, very minimal paperwork is required and cases are disposed of quickly. FEPD noted this is an ongoing process and FEPD is continuously trying to reduce paper — this will continue. The chairperson urged all concerned to focus on reducing paper use and disposing of cases quickly.	—

Sl. No.	Agenda Item	Raised By	Discussion & Decision	Responsible Party
08	Guarantee Issuance Against Purchase Orders as Substitute for Tender Document	Standard Chartered Bank	Standard Chartered Bank informed the meeting that per GFET, Chapter 16, Para-8(iii), AD banks may issue performance bonds or guarantees for Bangladeshi exporters in favor of foreign buyers without prior Bangladesh Bank approval. However, per current practice, if a bank receives a performance bond or guarantee with terms stating remittance conditions, it can only be issued when terms are met. Often foreign buyers do not issue a tender document but rather directly send purchase orders to exporters. The bank requested guidance on whether such a guarantee can be issued without a tender document against such a purchase order. FEPD noted that current instructions apply for performance bond/guarantee receipt by ordinary importers. However, for advance payment repatriation in export, there is no policy barrier to guarantee issuance on the basis of bank-client relations. After overall discussion, it was decided that FEPD will take necessary measures after reviewing GFET Chapter 16, Para-8(iii) in light of Standard Chartered Bank's proposal.	Non-Funded Business Policy Branch, FEPD, Bangladesh Bank
09	Establishing Multiple Export Contracts Under a Single Export LC	Standard Chartered Bank	Standard Chartered Bank informed the meeting that under the current system, there is an option to establish a single export contract under a Master Export LC. However, given current import and export operations and foreign importers' buying preferences, many exporters want to establish multiple export contracts under one export LC. Currently the Portal does not include this option. The bank's representative requested guidance on this matter. FEPD's representative informed the meeting that this option is available in the current system, but various banks input data differently. For data input consistency, the chairperson directed FEOD to take necessary measures.	FEOD, Bangladesh Bank
10	Exchange Rate for Student File Refunds/Cancellations	Standard Chartered	Standard Chartered Bank's representative raised this matter for clarification, as mentioned in Clause 7 of the 33rd BB-AD Forum Record Notes. FEPD Division-1 Director clarified that this matter is settled at the foreign currency-taka exchange rate (TT Clean) on the date of the transaction/transfer and the chairperson informed all present that the same will be followed.	All Banks

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

(Mohammad Jamal Uddin)
Convener, BB-AD Forum

&

Executive Director, Bangladesh Bank