

**Bangladesh Foreign Exchange Dealers' Association**  
**Eastern Commercial Complex (11<sup>th</sup> Floor)**  
**73, Kakrail, Dhaka-1000, Bangladesh**

No.: BAFEDA/2<sup>nd</sup> TC MEETING/2023

Date: 19.03.2023

**Notice for 2<sup>nd</sup> TC Meeting-2023**

As per approval of the honorable Chairman-TC, this is to notify that 2<sup>nd</sup> Meeting-2023 of the Technical Committee (TC) of BAFEDA will be held on 21.03.2023 (Tuesday) at 9.30 a.m. physically in the conference room of BAFEDA, Eastern Commercial Complex (11<sup>th</sup> Floor), 73, Kakrail, Dhaka.

Please note that the key discussion will be held on the following issues/agendas:

1. Confirmation of the minutes of 1<sup>st</sup> TC meeting-2023 held on 31.01.2023 (Tuesday);
2. Implementation status of the decision of joint meeting between BAFEDA & ABB the last one being held on 28.02.2023 and disseminated vide letter No.: BAFEDA-ABB/EX.RATE/09/2023(4)/365 dt.01.03.2023;
3. Review of current inter-bank market situation & movement of exchange rates;
4. Simplification/revision of existing daily reporting formats of FX transactions/dealings by the member banks to BAFEDA and
5. Miscellaneous, with the permission of the Chair.

Kindly make it convenient to attend the meeting in time.

With best regards

Yours' faithfully,

sd/-

(Md. Abul Hashem)  
Executive Secretary

Copy forwarded for kind information and necessary action to :

01. Mr. Ashim Kumar Saha, SEVP & Head of Treasury, Mercantile Bank Limited & Chairman-TC.
02. Mr. Md. Shamsul Islam, SEVP & Head of Treasury, Mutual Trust Bank Limited & Member-TC.
03. Mr. Md. Sadiqur Rahman, SEVP & Head of Treasury, Meghna Bank Limited & Member-TC.
04. Mr. Md. Areful Arefeen, SEVP & Head of Treasury, Bank Asia Limited & Member-TC.
05. Mr. Mohammad Fazlul Kabir, DGM & Head of Treasury-1, Sonali Bank Limited & Member-TC.
06. Mr. Mahiuddin Mohammad Awrangzeb, DGM & Head of Treasury, Janata Bank Limited & Member-TC.
07. Mr. Mokhesur Rahman, DGM & Head of Treasury, Agrani Bank Limited & Member-TC.
08. Mr. Masud Shahjahan, EVP & Head of Treasury, Trust Bank Limited & Member-TC.
09. Mr. Mohammad Sahin Uddin, EVP & Head of Treasury, IFIC Bank Limited & Member-TC.
10. Mr. Md. Mehedi Hassan, EVP & Head of Treasury, Jamuna Bank Limited & Member-TC.
11. Mr. Chirantha Caldera, Head of Treasury, Commercial Bank of Ceylon PLC & Member-TC.
12. Jb. Mohammed Eyahya, SVP & Head of Treasury, Islami Bank Bangladesh Limited & Member-TC.
13. Mr. Mohammad Monower Hossain, SVP & Head of Treasury, UCBL & Member-TC.

(Md. Abul Hashem)  
Executive Secretary

19/03/2023

Encl: 05 only





# BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

No.: BAFEDA/1<sup>st</sup> TC MEETING/ 2023

Date: 02.02.2023

## Minutes of the 1<sup>st</sup> TC Meeting -2023 of BAFEDA held on 31.01.2023 (Tuesday).

The 1<sup>st</sup> TC Meeting-2023 of the Technical Committee (TC) of Bangladesh Foreign Exchange Dealers' Association (BAFEDA) was held on 31.01.2023 (Tuesday) at 9.30 a.m. physically in the conference room of BAFEDA. Mr. Ashim Kumar Saha, Chairman-TC and SEVP & Head of Treasury, Mercantile Bank Limited presided over the meeting. The following members were attended the meeting:

01	Mr. Md. Shamsul Islam SEVP & Head of Treasury Mutual Trust Bank Limited Head Office, Dhaka.	02	Mr. Md. Sadiqur Rahman SEVP & Head of Treasury Meghna Bank Limited Head Office, Dhaka.
03	Mr. Md. Arequl Arefeen SEVP & Head of Treasury Bank Asia Limited Head Office, Dhaka.	04.	Mosammat Ambia Begum GM & Head of Treasury Janata Bank Limited Head Office, Dhaka
05	Mr. Mohammed Fazlul Kabir DGM & Head of Treasury-1 Sonali Bank Limited Head Office, Dhaka	06	Mr. Mokhlesur Rahman DGM & Head of Treasury Agrani Bank Limited Head Office, Dhaka.
07	Mr. Masud Shahjahan EVP & Head of Treasury Trust Bank Limited Head Office, Dhaka	08	Mr. Mohammad Sahin Uddin EVP & Head of Treasury IFIC Bank Limited Head Office, Dhaka
09	Mr. Md. Mehedi Hassan EVP & Head of Treasury Jamuna Bank Limited Head Office, Dhaka	10	Mr. Chirantha Caldera Head of Treasury Commercial Bank of Ceylon PLC Dhaka.
11	Jb. Mohammed Eyahya SVP & Head of Treasury Islami Bank Bangladesh Limited Head Office, Dhaka	12	Mr. Mohammad Monower Hossain SVP & Head of Treasury United Commercial Bank Limited Head Office, Dhaka.

On the scheduled time, Mr. Md. Abul Hashem, Executive Secretary informed that there was a quorum for the meeting, as such the Chairman called the meeting to order. Then the Chairman invited the undernoted agenda-wise discussion and took the following decisions:

### Agenda No. 01:

#### Submission of the Minutes of 6<sup>th</sup> TC Meeting-2022 dt. 20.10.2022 for confirmation.

Minutes of the 6<sup>th</sup> TC Meeting-2022 dt. 20.10.2022 (Thursday) was taken up for confirmation. The Chairman invited comments from the distinguished members on the recorded minutes of the aforesaid meeting. All members attending the meeting opined that the minutes of the 6<sup>th</sup> TC Meeting-2022 dt. 20.10.2022 has been recorded in accordance with the discussion and decisions of the meeting.

### Decision :

The TC confirmed the minutes of the 6<sup>th</sup> Meeting-2022 held on 20.10.2022 (Thursday) accordingly.





# BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

## Agenda No. 02:

### Implementation status of the decision of 6<sup>th</sup> TC Meeting-2022 dt. 20.10.2022.

Being asked by the Chairman, the Executive Secretary apprised the following implementation status of the decision of the 4<sup>th</sup> TC meeting (Agenda No.: 04 ) dt. 14.09.2022:

Agenda No.	Subject matter of the agenda & Decision(s) passed by the TC	Implementation Status
04	<p><b>Implementation progress &amp; impacts of the decision taken at the joint meeting held between BAFEDA &amp; ABB on 26.09.2022.</b></p> <p>The TC reviewed implementation progress and impacts of the decision taken at the joint meeting held between BAFEDA &amp; ABB on 26.09.2022, which was circulated to all AD banks vide BAFEDA's letter No.: BAFEDA-ABB/EXCHANGE RATE/ 2022/103 dt 27.09.2022. Most of the members attending that meeting took part in the discussion. The meeting expressed their concern about the present FC liquidity crisis of inter-bank FX market. On the other hand in order to make inter-bank FX market more active, stable and to prevent uneven competition between the AD banks especially in case of foreign remittance procurement they opined as under:</p> <p><b>Opinion:</b></p> <p>01. Only the wage earners remittances, which are entitled for GoB declared incentive 2.50% will be bought at maximum BDT 107.50 per USD.</p> <p>(Relating to SL No.: 1 of letter No.: BAFEDA-ABB/EXCHANGE RATE/2022/103 dt. 27.09.2022)</p> <p>02. For any other currencies (except USD) received from Remittance Houses, USD equivalent rate shall not be over BDT 107.50 (For example AED: <math>107.50/3.6730=29.2676</math>). Bank has to convert the received other currencies (except USD) on the same day or in case of holiday on the following working day and report the same to BAFEDA as per prescribed format. The said conversion is not required if there any underlying payment obligation.</p> <p>(Relating to SL NO.: 1 of letter No.: BAFEDA-ABB/EXCHANGE RATE/2022/103 dt. 27.09.2022)</p> <p>03. To calculate the weighted average buying cost, AD banks may use 10 working days rolling average instead of existing 5 working days.</p> <p>(Relating to SL No.: 3 of letter No.: BAFEDA-ABB/EXCHANGE RATE/2022/103 dt. 27.09.2022).</p> <p>04. No additional subsidy over the GoB incentive should be allowed by any individual bank for receiving inward remittances at this moment.</p>	<p>Mr. Ashim Kumar Saha , Chairman-TC himself placed the said opinion /issues (as mentioned at SL # 01 to 05) in the subsequent joint meetings of BAFEDA &amp; ABB for their kind consideration.</p> <p>Mentionable that out of total 05 opinion, 03 opinion (SL # 01, 02 &amp; 04) has already been accepted and disseminated to all ADs for compliance.</p> <p>Remaining 02 opinion (SL # 03 &amp; 05) has not considered as yet by the competent authority of BAFEDA &amp; ABB.</p>





# BAFEDAH FOREIGN EXCHANGE DEALERS' ASSOCIATION

05. Oversold Net Open Position (NOP) may be considered while calculating the daily Weighted Average Rate (WAR) of USD procurement cost. The daily average WAR of USD cost of the industry (as published by BAFEDA) may be applied as the cost of the Oversold NOP.

**Decision:**

The above noted opinion of the TC may be placed before the competent authority of BAFEDA & ABB in their upcoming meeting, if the situation is demanded.

**(B) Simplification/rivision of existing reporting formats of FX transactions/ dealings by the member banks to BAFEDA:**

The TC reviewed the existing reporting formats through which member banks are reporting their daily FX transactions/ dealings to BAFEDA. Most of the members attending the meeting opined tha it is very much essential to simplify the formats on the basis of current demand.

**Decision:**

A 03 (three) membered team is formed consisting of the following TC members of BAFEDA for simplification of the existing reporting formats of FX transactions/ dealings by the member banks to BAFEDA on the basis of current demand:

1. Mr. Md. Shamsul Islam, SEVP & Head of Treasury, Mutual Trust Bank Limited, Head Office, Dhaka.
2. Mr. Md. Sadiqur Rahman, SEVP & Head of Treasury, Meghna Bank Limited, Head Office, Dhaka.
3. Mr. Mohammad Monower Hossain, SVP & Head of Treasury, United Commercial Bank Limited, Head Office, Dhaka.

The team will simplify the existing reporting formats through which member banks has been reporting their daily FX transactions/ dealings to BAFEDA on the basis of current demand and submit the same to the Executive Secretary within 15 (fifteen) working days for placing in the next TC meeting.

The 03 (three) membered team sought further 01 (one) month time for simplification/rivision of existing reporting formats of FX transactions/ dealings by the member banks to BAFEDA

**Decision:**

The TC is informed the implementation status of the decision of the 6<sup>th</sup> TC Meeting-2022 held on 20.10.2022 accordingly.





# BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

Agenda No. : 03.

## Comparative position of Imports, Exports, Trade Deficit, Foreign Remittances, Forex Reserves, etc.

The Executive Secretary appraised the comparative position of imports, exports, foreign remittances, forex reserves and trade deficit for the month November, December & January for the FY 2021-22 and 2022-23:

Fig. in billion US\$

Sl. No.	Particulars	Month	2021-2022	2022-2023	Increase/Decrease	Percentage of increase/decrease
01	Imports (C&F)	October	7.11	6.65	-0.46	-6.47
		November	7.85	7.59	-0.26	-3.31
		<b>Total</b>	<b>14.96</b>	<b>14.24</b>	<b>-0.72</b>	<b>-9.78</b>
02	Exports	November	4.04	5.09	1.05	25.99
		December	4.91	5.37	0.46	9.37
		<b>Total</b>	<b>8.95</b>	<b>10.46</b>	<b>1.51</b>	<b>35.36</b>
03	Trade Deficit	October	-2.38	-2.29	0.09	-3.78
		November	-3.81	-2.50	1.31	-34.38
		<b>Total</b>	<b>-6.19</b>	<b>-4.79</b>	<b>1.40</b>	<b>-38.16</b>
04	Forex Reserve	November	44.88	33.79	(11.09)	(24.71)
		December	46.15	33.77	(12.38)	(26.83)
05	Foreign Remittance	November	1.55	1.60	0.05	3.23
		December	1.63	1.70	0.07	4.29
		<b>Total</b>	<b>3.18</b>	<b>3.30</b>	<b>0.12</b>	<b>7.52</b>

### Decision:

The TC is informed the latest comparative position of imports, exports, foreign remittances, foreign reserves & trade deficit etc.





# BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

**Agenda No. : 04.**

**Miscellaneous, with permission of the Chair:-**

**1. Opinion on the application of BC selling rate by the ADs:**

Being asked by the chairman, the Executive Secretary informed that as per existing joint guidelines of BAFEDA & ABB, in case of settling import bill(s) and other outward remittances (except student files & credit card payments). ADs may charge maximum Tk.1.00 as 'spread' over the 05 days weighted average actual buying cost of export proceeds & wage earners remittances. Then the chairman invited opinion on the issue that in which transactions, BC selling rate should be applied by the ADs, most of the members attending the meeting took part in the discussion and opined as under:

"BC selling rate may be used in all sorts of merchandise import payment/ settlement by the ADs".

**Decision:**

The above noted opinion may be placed before the upcoming joint meeting of BAFEDA & ABB if the situation arises.

**2. Arrangement of a workshop on "Export Facilitation Pre-finance Fund (EFPF)" disseminated vide BRPD Circular No. 01 dt. 01.01.2023:**

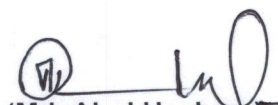
Executive Secretary apprised the meeting that for better clarity some of the member banks proposed BAFEDA to organize a workshop on the policy of "Export Facilitation Pre-finance Fund (EFPF)" disseminated to ADs vide BRPD Circular No. 01 dt. 01.01.2023.

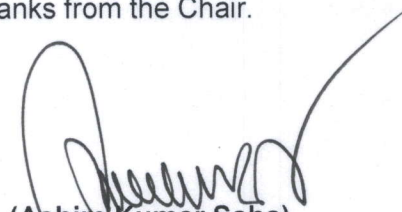
Most of the members attending the meeting took part in the discussion and opined that with a view to perform the official duties prudently, necessary arrangement may be made by BAFEDA to organize a workshop for maximum 02 (two) desk level officials/executives from each member bank with the resource personnel (speakers/ facilitators) of Bangladesh Bank, those who are directly involved with formulation of the said policy in a suitable place in the capital as soon as possible.

**Decision:**

BAFEDA may organize a workshop for maximum 02 (two) desk level officials/executives of each member bank with the resource personnel (speakers/ facilitators) of Bangladesh Bank, those who are directly involved with formulation of the said "EFPF" policy in a suitable place in the capital as soon as possible, if approved by the competent authority of BAFEDA.

There being no other business, the meeting ended with vote of thanks from the Chair.

  
(Md. Abul Hashem)  
Executive Secretary

  
(Ashim Kumar Saha)  
Chairman-Technical Committee