

Bangladesh Bank Order, 1972

(President's Order No. 127 of 1972)

*Incorporating all amendments
thereto upto March 10, 2003*

DEPARTMENT OF PUBLIC RELATIONS AND PUBLICATIONS
BANGLADESH BANK, HEAD OFFICE, DHAKA

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GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF LAW AND PARLIAMENTARY AFFAIRS
(Law Division)

NOTIFICATION

No. 935-Pub. —31st October, 1972 —The following Order made by the President, on the advice of the Prime Minister of the People's Republic of Bangladesh on the 31st October, 1972, is hereby published for general information: -

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF LAW AND PARLIAMENTARY AFFAIRS

(Law Division)

President's Order No. 127 of 1972
THE BANGLADESH BANK ORDER, 1972

[Whereas, it is necessary to establish a central bank in Bangladesh to manage the monetary and credit system of Bangladesh with a view to stabilising domestic monetary value and maintaining a competitive external par value of the Bangladesh Taka towards fostering growth and development of country's productive resources in the best national interest;]¹

Now, THEREFORE, in pursuance of the proclamation of independence of Bangladesh, read with the Provisional Constitution of Bangladesh Order, 1972, and in exercise of all powers enabling him in that behalf, the President is pleased to make the following Order: -

CHAPTER I
PRELIMINARY

1. (1) This Order may be called the Bangladesh Bank Order, 1972
- (2) It extends to the whole of Bangladesh.
- (3) It shall come into force at once and shall be deemed to have taken effect on the 16th day of December, 1971.
2. In this Order, unless there is anything repugnant in the subject or context, -
 - (a) "appointed day" means the 16th day of December, 1971;
 - (b) "approved foreign exchange" means currencies declared as such by any notification under Article 18;
 - (c) "Bank" means the Bangladesh Bank;
 - [(cc) "banking company" means 0e'isK tKiv=úibxÓ defined in `dv (Y) of aviv 5 e'isK tKiv=úibx AvBb, 1991 (1991 m#bi 14bs AvBb);]²

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Added by the Bangladesh Bank (Amendment) Act, 2003

- (d) “Bank Notes” means notes made and issued by the Bank in accordance with Article 23;
- [(dd) “bank rate” means the standard rate made public by the Bangladesh Bank under Article 21;]¹
- (e) “Board” means the Board of Directors of the Bank;
- (f) “Co-operative Bank” means any co-operative society or co-operative bank including the apex co-operative bank registered under [সমবায় সমিতি আইন, ২০০১ (২০০১ সনের ৪৭নং আইন)]², or any other law for the time being in force relating to co-operative societies, one of objectives of which is to provide financial accommodation to its members;
- (g) “Director” means a Director of the Bank;
- [(gg) “financial institution” means ঠাৱৱ ক চিঁওবও defined in `div (L) of aviv 2 of Aw_ক চিঁওব AvBb, 1993 (1993 mtbi 27bs AvBb);]³
- (h) “Governor” and “Deputy Governor” means respectively the Governor and Deputy Governor of the Bank;
- (i) “Government” means the Government of the People’s Republic of Bangladesh;
- (j) “Scheduled Bank” means a bank for the time being included in the list of banks maintained under sub-clause (a) of clause (2) of Article 37;
- (k) “State Bank” means the State Bank of Pakistan constituted under the State Bank of Pakistan Act, 1956; and
- (l) “Taka coin” means one Taka coin and one Taka note and two Taka coin and two Taka note which are legal tender in Bangladesh.

CHAPTER II

ESTABLISHMENT, INCORPORATION, CAPITAL AND MANAGEMENT

3. (1) There shall be a bank to be called the Bangladesh Bank for the purposes of carrying on the business of central banking and it shall be deemed to have been established on the appointed day.
- (2) The Bank shall be a body corporate by the name of the Bangladesh Bank, having perpetual succession and a common seal, and shall by the said name sue and be sued.
4. (1) The capital of the Bank shall be Taka three crores.
- (2) The entire capital of the Bank shall stand vested in and allotted to, the Government.
- (3) The capital of the Bank may, subject to the approval of the Government, be increased by a resolution of the Board, and any capital so increased shall be subscribed for by the Government in such form and manner as may be determined by the Government.
- (4) On the appointed day all the shares of the State Bank held in Bangladesh which have not already vested in the Government by or under any other law for the time being in force, shall by virtue of this Order, be deemed to have been vested in, and allotted to, the Government free from any trust, mortgage, charge, lien, interest, or other encumbrance whatsoever.

¹Added by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Added by the Bangladesh Bank (Amendment) Act, 2003

- (5) The Government shall pay such compensation in respect of the shares vested in the Government under clause (4) as may be determined by it and such compensation shall be distributed among the shareholders of the State Bank in Bangladesh in the manner as may be determined by the Government:
 Provided that the total compensation payable under this clause shall not exceed the total paid up value of the shares held by the shareholders, among whom such compensation is to be distributed.
5. (1) On the appointed day the entire undertaking of the State Bank in and in relation to Bangladesh shall be deemed to have been transferred to, and vested in, the Bank.
- (2) The undertaking of the State Bank so transferred and vested shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, including all lands, buildings, cash balances, reserve funds, investments, and debts or actionable claims, any security or negotiable instrument, and all other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the State Bank in relation to, or for the purpose of, the undertaking of the State Bank in or in relation to Bangladesh whether such property is situated within or without Bangladesh, and all books of account, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind of the State Bank in relation to the undertaking within the territory of Bangladesh.
- (3) Subject to the provisions of this Order all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which the State Bank is a party or which are in favour of the State Bank shall—
- (a) if they are exclusively for the purposes or for the business of the undertaking of the State Bank in Bangladesh; or
- (b) if they are partly for the purposes in sub-clause (a) and partly for any other purpose to the extent and subject to such conditions and limitation, as the Government may determine, be of as full force and effect against or in favour of the Bank and may be enforced or acted upon as fully and effectively as if in place of the State Bank, the Bank has been a party thereto or as if they had been issued in favour of the Bank.
6. (1) All suits, appeals, or other legal proceedings of whatever nature pending on the appointed day by or against the State Bank in relation to its undertaking which has vested in the Bank under Article 5, shall be deemed to be suits, appeals and other legal proceedings pending by or against the Bank and may be continued and enforced by or against the Bank.
- (2) Notwithstanding anything contained in any other law for the time being in force, where any proceeding for the winding up of a banking company under the Banking Companies Ordinance, 1962, is pending before the High Court of Bangladesh immediately before the appointed day in which the State Bank was appointed as Official Liquidator, the Bank shall be substituted in place of the State Bank as the Official Liquidator and shall be deemed always to have been so substituted.
7. Subject to the provisions of this order and any other law for the time being in force, any person being a citizen of Bangladesh who, immediately before the appointed day, was an employee of the State Bank shall, as from that day, continue to be an employee of the Bank on the same terms and conditions as were applicable to him immediately before that day.
- [7A. The main functions of the Bank shall be :
- (a) to formulate and implement monetary policy;
- (b) to formulate and implement intervention policies in the foreign exchange market;

- (c) to give advice to the Government on the interaction of monetary policy with fiscal and exchange rate policy, on the impact of various policy measures on the economy and to propose legislative measures it considers necessary or appropriate to attain its objectives and perform its functions;
 - (d) to hold and manage the official foreign reserves of Bangladesh;
 - (e) to promote, regulate and ensure a secure and efficient payment system, including the issue of bank notes;
 - (f) to regulate and supervise banking companies and financial institutions.]1
8. (1) The Head Office of the Bank shall be at Dhaka.
- [(2) The Bank shall have Offices at Dhaka, Chittagong, Khulna, Bogra, Rajshahi, Sylhet, Barisal and Rangpur and may establish other offices, branches, and agencies in Bangladesh or in consultation with the Government anywhere outside Bangladesh.]²
9. [(1)]³
- (2) [The general superintendence]⁴ and direction of the affairs and business of the Bank shall be entrusted to a Board of Directors which may exercise all the powers and do all acts and things that may be exercised or done by the Bank; Provided that until the first Board is constituted the Governor may exercise all powers and do all acts and things as are required to be exercised or done by the Board.
- (3) The Board shall consist of—
- (a) the Governor;
 - (b) a Deputy Governor to be nominated by the Government;
 - (c) [four Directors who will not be Government officials]⁵ to be nominated by the Government, from amongst persons who, in the opinion of the Government, have had experience and shown capacity in the field of banking, trade, commerce, industry, or agriculture;
 - (d) three Government officials to be nominated by the Government.

¹Added by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Omitted by the Bangladesh Bank (Amendment) Act, 2003

⁴Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁵Substituted by the Bangladesh Bank (Amendment) Act, 2003

[9A.(1) There shall be a Council for the co-ordination of fiscal, monetary and exchange rate policies, hereinafter called the Co-ordination Council, consisting of—

(i)	Minister for Finance.....	Chairman
(ii)	Minister for Commerce.....	Member
(iii)	Governor, Bangladesh Bank	Member
(iv)	Secretary, Finance Division	Member
(v)	Secretary, Internal Resources Division..	Member
(vi)	Member (Programming), Planning Commission	Member

(2) The Co-ordination Council shall—

- (a) co-ordinate the macro-economic framework including fiscal, monetary and exchange rate strategies and policies;
- (b) ensure consistency among macro-economic targets of growth, inflation and fiscal, monetary and external accounts;
- (c) meet for the purposes of clauses (a) and (b) before the finalization of the budget to determine the extent of public sector borrowing taking into account credit

- requirements of the private sector, monetary expansion based on projected growth, price inflation, and net foreign assets of the banking system;
- (d) meet at least on a quarterly basis to review the consistency of macro-economic policies and to revise limits and targets set at the time of the formulation of the budget, keeping in view the latest developments in the economy;
 - (e) consider limits of the government borrowing as revised from time to time in the meetings to be held before and after passage of the annual budget.
 - (3) The Bangladesh Bank shall ensure that the macro-economic framework as co-ordinated by the Co-ordination Council is reflected in the policies of the Bangladesh Bank.
 - (4) The Bangladesh Bank shall place before the Co-ordination council—
 - (a) relevant data relating to monetary expansion and Government borrowing from the banking system, and
 - (b) the assessment of the Bangladesh Bank regarding the impact of economic policies of the government on monetary aggregates and balance of payments.
 - (5) The Ministry of Finance shall, from time to time, bring to the notice of the Co-ordination Council the impact of tax, budget and debt management policies on overall macro-economic situation.
 - (6) The Ministry of Commerce shall, from time to time, bring to the notice of the Co-ordination Council the impact of trade and tariff policies on overall macro-economic situation.]¹

¹Added by the Bangladesh Bank (Amendment) Act, 2003

10. (1) The Governor of the Bank shall be the Chief Executive Officer and shall, on behalf of the Board, direct and control the whole affairs of the Bank.
 - (2) In the matters not specifically required by this Order or by regulations made thereunder, to be done by the Board, the Governor shall have powers of general superintendence and direction of the affairs and business of the Bank and may exercise all powers and do all acts and things which may be exercised or done by the Bank.
 - (3) The Governor shall be appointed by the Government on such salary and terms and conditions as may be determined by the Government except that neither the salary of the Governor nor his other terms and conditions of service shall be varied to his disadvantage after his appointment.
 - (4) One or more Deputy Governors shall be appointed by the Government on such salary and on such terms and conditions as the Government may determine except that neither the salary of a Deputy Governor nor his other terms and conditions shall be varied to his disadvantage after his appointment.
 - (5) [The Governor shall hold office for a period of four years and shall be eligible for re-appointment :
- Provided that the Governor shall not hold office if he attains the age of sixty five years;]¹
- (6) The Governor and a Deputy Governor shall devote their wholetime to the affairs of the Bank.
 - (7) [The Government may require a Deputy Governor to hold an office other than in the Bank, in which event the Deputy Governor shall vacate his office, and the period during which he holds the other office shall not count towards his tenure of office as Deputy Governor.]²

- (8) The Governor, or a Deputy Governor, as the case may be, may, in addition to his duties as the Governor or a Deputy Governor, be entrusted by an order of the Government with such duties for such period as may be specified in the order.
- (9) No person shall hold office as [Governor or Deputy Governor]³ :
 - (a) [Who is a member of the Legislature or a Local Government]⁴;
 - (b) who is employed in any capacity in the public service of Bangladesh or holds any office or position for which any salary or other remuneration is payable out of public funds;
 - (c) who is a Director, officer or employee of any other [banking company or financial institution]⁵ or of any other business concern:

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁴Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁵Substituted by the Bangladesh Bank (Amendment) Act, 2003

Provided that nothing in this sub-clause shall apply where the [Governor or Deputy Governor]¹ is entrusted with additional duties under clause (8);

- (d) [who has defaulted in payment of dues of the government or of any banking company or any financial institution;]²
- [(e) who is, or at any time has been, adjudicated an insolvent or had suspended payment or has compounded with his creditors;
- (f) who is found lunatic or becomes of unsound mind;
- (g) who has been convicted of an offence involving moral turpitude or has been sentenced by a court for a term of imprisonment exceeding one year.]³
- (10) The Government may grant leave to the Governor and Deputy Governor for such period and on such terms and conditions as may be specified by the Government;
- (11) Where the Governor during his term of office is incapacitated or is absent on deputation, leave or otherwise, the Government may appoint any person qualified under clause (9) but who may not be qualified under sub-clause (b) of that clause to act for the time being as the Governor in his place.
- 11. (1) Meetings of the Board shall be convened by the Governor at least six times in each year and at least once in each quarter.
- (2) Any three Directors may require the Governor to convene a meeting of the Board at any time and the Governor shall forthwith convene a meeting accordingly.
- (3) The Governor or, if for any reason he is unable to attend, the Deputy Governor nominated under sub-clause (b) of clause (3) of Article 9, shall preside at meetings of the Board and in the event of any equality of votes, shall have a second or casting vote. In case the Deputy Governor is also unable to attend for any reason, any other Director, authorised by the Governor, shall preside over the meeting of the Board and shall have a second or casting vote.
- (4) No act or proceedings of the Board shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board.
- 12. (1) There shall be an Executive Committee consisting of—
 - (a) the Governor;
 - (b) the Director nominated under sub-clause (b) of clause (3) of Article 9;
 - (c) one Director elected by the Board from amongst the Directors nominated under sub-clause (c) of clause (3) of Article 9; and

- (d) one Director appointed by the Government from amongst the Directors nominated under sub-clause (d) of clause (3) of Article 9.
- (2) Except when the Board is in session, the Executive Committee shall deal with and decide any matter within the competence of the Board and shall keep minutes of its proceedings, which shall be submitted to the Board for information at its next meeting.

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Added by the Bangladesh Bank (Amendment) Act, 2003

- 13. (1) No person shall be or shall continue to be a Director—
 - (a) [Who is a Member of the Legislature or a Local Government; or]1;
 - (b) [who has defaulted in payment of dues of the Government or of any banking company or any financial institution; or]2;
 - (c) who is, or at any time has been, adjudicated an insolvent or had suspended payment or has compounded with his creditors; or
 - (d) who is found lunatic or becomes of unsound mind; or
 - (e) who is an officer or employee of any [banking company]3 or any financial institution; or
 - (f) who is a Director of [any banking company or financial institution]4, but he shall not be disqualified or cease to be a Director if he is a Director of a bank which is a society registered under the [mgexq mgqz AvBb, 2001 (2001 mbi 47 bs AvBb)]5 or any other law for the time being in force relating to co-operative societies; or
 - (g) who absents himself from three consecutive meetings of the Board, without leave from the Board; [or
 - (h) who has been convicted of an offence involving moral turpitude or has been sentenced by a court for a term of imprisonment exceeding one year.]6
- (2) Nothing in sub-clause (b) of clause (1) of this Article shall apply to the Government Official nominated as Director under sub-clause (d) of clause (3) of Article 9.
- 14. (1) The Directors nominated under sub-clause (c) of clause (3) of Article 9 shall hold office for three years.
- (2) A Director nominated under sub-clause (d) of clause (3) of Article 9 shall hold office at the pleasure of the Government.
- (3) Directors shall on the expiry of their term of office be eligible for re-nomination.
- 15. (1) The Government may remove from office—
 - (a) the Governor or a Deputy Governor if he becomes permanently incapable of performing his duties or subject to any of the disqualifications specified in clause (9) of Article 10 or has done any act which is a breach of the trust reposed in him, or if his continuance in office is regarded as manifestly opposed to the interests of the Bank; and
 - (b) any Director.
- (2) (a) The Governor, a Deputy Governor or a Director may resign his office by statement to that effect in writing signed by him and addressed to the Government;

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁴Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁵Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁶Added by the Bangladesh Bank (Amendment) Act, 2003

- (b) A statement of resignation by a Deputy Governor or a Director shall be addressed as above through the Governor;
- (c) On the acceptance of such a resignation by the Government, the office shall become vacant;
- (3) Any Director vacating office under this Article shall not be eligible to become a Director until the expiry of the term of office for which he was nominated; and
- (4) In the event of a vacancy occurring, the Government shall fill the vacancy by nominating another Director.

CHAPTER III BUSINESS AND FUNCTIONS OF THE BANK

16. The Bank is authorised to carry on and transact the several kinds of business hereinafter specified, namely : -

(1) [the accepting of money on deposit from and the collection of money for the Government, foreign Governments, domestic and foreign banks, domestic and foreign financial institutions and local authorities with or without interest;]1

[(1A)]2

- (2) (a) the purchase, sale and rediscount of bills of exchange and promissory notes drawn on and payable in Bangladesh and arising out of bona fide commercial or trade transactions bearing two or more good signatures one of which shall be that of a scheduled bank, and maturing within one hundred eighty days from the date of such purchase or rediscount, exclusive of days of grace;
- (b) the purchase, sale and rediscount of bills of exchange and promissory notes, drawn on and payable in Bangladesh and bearing two or more good signatures one of which shall be that of a scheduled bank or the apex co-operative bank and drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops, and maturing within fifteen months from the date of such purchase or rediscount exclusive of days of grace;
Explanation—For the purpose of this sub-clause—
 - (i) [the expression “agricultural operations” include cultivation of crops, plantation, agricultural machineries and implements, fertilizers and pesticides, fishing, pisciculture, animal husbandry, forestry, horticulture and allied activities;]3
 - (ii) “crops” include products of agricultural operations;
 - (iii) the expression “marketing of crops” includes the processing of crops prior to marketing by agricultural producers or any organisation of such producers;

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Omitted by the Bangladesh Bank (Amendment) Act, 2003

³Substituted by the Bangladesh Bank (Amendment) Act, 2003

- (c) the purchase, sale and rediscount of bills of exchange and promissory notes drawn on and payable in Bangladesh and bearing two or more good signatures, one of which shall be that of the apex co-operative bank or a financial corporation and drawn or issued for the purpose of financing the production or marketing activities

of cottage and small scale industries approved by the Bank and maturing within eighteen months from the date of such purchase or rediscount, exclusive of days of grace :

Provided that the payment of the principal and interest of such bills of exchange or promissory notes is guaranteed by the Government to the satisfaction of the Bank.

- (d) The making to a corporation declared eligible by the Government in consultation with the Bank of loans and advances—
- (i) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loan or advance, against securities of the Government; or
 - (ii) repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Government of any maturity, or against bonds and debentures issued by the Corporation to which the loan or advance is made, and guaranteed by the Government and maturing within a period not exceeding eighteen months from the date of such loan or advance;
- (e) the purchase, sale and rediscount of bills of exchange and promissory notes drawn on and payable in Bangladesh and bearing the signature of a scheduled bank, and issued or drawn for the purpose of holding or trading in securities of the Government and maturing within ninety days from the date of such purchase or rediscount, exclusive of days of grace;
- (f) the purchase, sale and rediscount of bills of exchange and promissory notes drawn on and payable in Bangladesh and bearing two or more good signatures one of which shall be that of a scheduled bank or the apex co-operative bank or any corporation approved by the Government and having as one of its objects the making of loans and advances in cash or kind, drawn and issued for financing the development of agriculture, or of agricultural or animal produce or the needs of industry, having maturities not exceeding ten years from the date of such purchase or rediscount :

Provided that the Bank may from time to time issue to a corporation which may have dealings with the Bank under this sub-clause any directions which can be issued to a banking company under the [e'wSK tKv=UvBx AvBb, 1991 (1991 m'bi 14 bs AvBb)]¹, and in the event of anybody, while carrying out any direction hereunder, either wilfully making a false statement or wilfully omitting to make material statement shall be punishable under [sub-section (2) of section 109 of the said Act of 1991]², and in the event of any contravention or default in compliance with any direction, any Director or Officer who is knowingly a party to the contravention or default shall be punishable under [sub-section (7) of the said section]³, and the provisions of [Section 111 of the said Act]⁴ shall apply to such proceedings as if such corporation were a banking company;

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁴Substituted by the Bangladesh Bank (Amendment) Act, 2003

- (g) the purchase, sale and rediscount of such Government guaranteed debentures issued by a public company or corporation established by or under any law for the time being in force as the Bank may from time to time approve in this behalf;
- (h) to guarantee, to the extent the Bank deems fit, issue of loans and debentures by the scheduled banks or financial institutions to rural credit institutions;

- (i) to guarantee funds of scheduled bank in agricultural credit operations to the extent the Bank deems fit.
- (3) (a) the purchase and sale of approved foreign exchange;
- (b) the purchase, sale and rediscount of bills of exchange including treasury bills drawn in or on any place in countries whose currency has been declared as approved foreign exchange and maturing within one hundred and eighty days from the date of purchase :
Provided that no such purchase, sale or rediscount shall be made in Bangladesh except with a scheduled bank;
- (c) the keeping of balances with banks in countries whose currency has been declared as approved foreign exchange;
- [(d) subject to the approval of the Board the placing of balances abroad with asset management companies of global standing and reputation for investment in countries whose currencies have been declared as approved foreign exchange:
Provided that the placement under this clause shall not exceed 25 percent of the balance kept abroad.]¹
- (4) The making to Local Authorities, scheduled banks or co-operative banks of advances and loans repayable on demand or on the expiry of fixed periods not exceeding ninety days against the security of—
 - (a) stocks, funds and securities, other than immovable property, in which a trustee is authorised to invest trust money by any law for the time being in force in Bangladesh;
 - (b) gold or silver or documents of title to the same;
 - (c) such bills of exchange and promissory notes as are eligible for purchase or rediscount by the bank; and
- (d) promissory notes of any scheduled bank supported by documents of title relating to goods, such documents having been transferred, assigned or pledged to any such bank as security, for a cash credit or overdraft granted for bona fide commercial or trade transactions or for the purpose of financing seasonal agricultural operations or the marketing of crops;
- (5) the making of loans and advances out of the Rural Credit Fund established under Article 60 for the purposes specified therein;
- (6) the making of loans and advances out of the Agricultural Credit Stabilisation Fund established under Article 61 for the purposes specified therein;

¹Added by the Bangladesh Bank (Amendment) Act, 2003

- (7) the making of loans and advances out of the Industrial Credit Fund established under Article 62 for the purposes specified therein;
- (8) the making of loans and advances out of the Export Credit Fund established under Article 63 for the purposes specified therein;
- (9) the making to the Government of advances repayable in each case not later than three months from the date of the making of the advance;
- (10) the making to institutions or banks, specially established for the purpose of promoting agricultural or industrial development in the country or co-operative banks of advances and loans for such amounts and on such terms and conditions as the Board may decide from time to time;
- (11) the purchase holding and sale of shares and debentures of any company or corporation or institution as may be decided in consultation with the Government;

- (12) the issue and purchase of telegraphic transfers, demand drafts and other kinds of remittances make payable at its own branches, offices or agencies;
- (13) the drawing accepting, making and issue, on its own account or account of the Government, as the case may be of any bill of exchange, hundi, promissory note or engagement for the payment within or without Bangladesh, of Bangladesh or foreign currency payable to bearer or to a banker on demand; but no such business shall be carried on or transacted without the previous approval of the Government;
- [(13A) the issue of its own negotiable securities on such rate of interest as the Bank may decide;]¹
- (14) (a) subject to sub-clause (b) the purchase and sale of securities of countries whose currency has been declared as approved foreign exchange with an unexpired currency of not more than ten years;
 - (b) the restrictions relating to maturity shall not apply to securities held by the Bank on the date on which this Order comes into force or any securities that may be received as assets including those transferred to and vested in the Bank under Article 5;
- (15) (a) the purchase and sale of securities of the Government, or of such securities of a Local Authority as may be specified in this behalf by the Government by notification in the Official Gazette on the recommendation of the Board;
 - (b) securities, debentures and shares fully guaranteed as to principal and interest by the Government shall be deemed for the purpose of this clause to be securities of the Government;
 - (c) the amount of such securities held at any time in the Banking Department shall be so regulated that the total value of such securities shall not exceed the aggregate amount of the capital of the Bank, the Reserve Fund and four-fifths of the Liabilities of the Banking Department in respect of deposits;
- (16) the custody of monies, securities and other articles of value and the collection of the proceeds whether principal, interest or dividends of any such securities;

¹Added vide Act No. 17 of 1990.

- (17) the sale and realisation of all property, whether movable or immovable which may in any way come into the possession of the Bank in satisfaction, or part satisfaction of any of its claims;
- (18) the acting as agent to the Government, or any Local Authority in the transaction of any of the following kinds of business, namely :-
 - (a) the purchase and sale of gold or silver or approved foreign exchange;
 - (b) the purchase, sale, transfer and custody of bills of exchange, securities or shares in any company;
 - (c) the collection of the proceeds, whether principal, interest or dividends, or any securities or shares;
 - (d) the remittance of such proceeds, at the risk of the principal, by bills of exchange payable either in Bangladesh or elsewhere;
 - (e) and the management of public debt;
- (19) the purchase and sale of gold coin and gold or silver bullion;
- (20) the opening of an account with or the making of any agency arrangement with, and the acting as agent or correspondent of a bank incorporated in any country outside Bangladesh or the principal currency authority of any country under the

law for the time being in force in that country or any international or regional bank formed by such principal currency authorities, and the investing of the funds of the Bank in the shares and securities of any such international or regional bank;

- (21) (a) subject of sub-clauses (b) and (c), the borrowing of money for purposes of the business of the bank and the giving of security for money so borrowed;
 - (b) no money shall be borrowed under this clause from any person in Bangladesh other than a scheduled bank for a period exceeding three months and an amount not at any time exceeding the amount of the capital of the Bank;
 - (c) no money shall be borrowed under this clause from any foreign national in or outside Bangladesh other than foreign and international banks, companies, institutions or concerns;
 - (22) the making and issue of bank notes subject to the provisions of this Order;
 - (23) the performance of the functions of the Bank under the International Financial Organisations Order, 1972;
 - (24) establish credits and give guarantees;
 - (25) the exercise of powers and functions and the performance of duties entrusted to the Bank under this Order or under any other law for the time being in force; and
 - (26) generally, the doing of all such matters and things as may be necessary, incidental to or consequential upon the exercise of its powers or the discharge of its duties or functions under this Order.
17. (1) Where, in the opinion of the Board or of the Governor, circumstances so warrant, the Bank may, notwithstanding any limitation contained in sub-clauses (a) and (b) of clause (2) or sub-clauses (a) and (b) of clause (3) or clause (4) of Article 16—
- (a) purchase, sell or discount any of the bills of exchange or promissory notes specified in sub-clause (a) or sub-clause (b) of clause (2) or sub-clause (b) of clause (3) of Article 16 though such bill or promissory note does not bear the signature of a scheduled bank; or
 - (b) make advances or loans repayable on demand or on the expiry of fixed periods not exceeding ninety days against the various forms of security specified in clause (4) of Article 16 or against the security of goods or when the advance or loan is made to a banking company against such other form of security as the Bank may consider sufficient.
- (2) Notwithstanding anything to the contrary contained in any other law for the time being in force where a banking company, to which an advance or loan has been made under the provisions of sub-clause (b) of clause(1) is wound up, any sum due to the Bank in respect of such advance or loan shall, subject only to the claims, if any, of any other banking company in respect of any prior claim or advance made by such banking company against any security, be a first charge on the assets of the banking company.
18. [The Bank shall by notification in the official Gazette, declare the currency of any country to be approved foreign exchange for all or any of the purposes of this order.]1
19. The Bank shall not, except as authorised under this Order—
- (1) engage in trade or otherwise have a direct interest in any Commercial, industrial or other undertaking except such interest as it may in any way acquire in the course of the satisfaction of any of its claims, but all such interest shall be disposed of at the earliest possible moment;
 - [(2)]2
 - (3) advance money on the mortgage, or otherwise on the security, of immovable property or documents of title relating thereto, except where such advance is

- made to any of its employees for building or purchasing a house for his personal use against the security of the house;
- (4) become the owner of any immovable property except where ownership is necessary for the use of such property by the Bank, or for the residence, recreation or welfare of its employees;
 - (5) make unsecured advances and loans; and
 - (6) draw or accept bills payable otherwise than on demand.
20. (1) The Bank shall undertake to accept monies for account of the Government, and to make payments up to the amount standing to the credit of their accounts and to carry out its exchange, remittance and other banking operations, including the management of the public debt.
 - (2) (a) The Government shall entrust the Bank, on such conditions as may be agreed upon between the Government and the Bank, with all their money, remittance, and banking transactions in Bangladesh, and, in particular, shall deposit free of interest all its cash balances with the Bank.
 - (b) Nothing in this clause shall be deemed to prevent the Government from carrying on money transactions, at places where the Bank has no office, branch or agency or from holding at such places such balances as it may require.
- ¹Substituted by the Bangladesh Bank (Amendment) Act, 2003
- ²Omitted by the Bangladesh Bank (Amendment) Act, 2003
- (c) The Government shall entrust the Bank, on such conditions as may be agreed upon between the Government and the Bank, with the management of the public debt and with the issue of any new loans.
 - (3) In the event of any failure to reach agreement on the conditions referred to in this Article, the Government shall decide the conditions and its decision shall be final.
 - (4) Any agreement made under this Article shall be laid, as soon as may be after it is made, before the Legislature.
21. The Bank shall make public from time to time the standard rate at which it is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under this Order.
 22. [The Bank shall sell to or buy from any authorised dealer in Bangladesh approved foreign exchange at such rates of exchange and on such conditions as it may determine Pursuant to its monetary and exchange rate policy.]¹
Explanation—In this Article “authorised dealer” means a person for the time being authorised under section 3 of the Foreign Exchange Regulation Act, 1947, to deal in foreign exchange.
 23. (1) The Bank shall have the sole right to issue Bank Notes made payable to bearer on demand in Bangladesh in accordance with the provisions hereinafter made.
 - (2) Any person contravening this authority or committing any other offence specified in Article 35 shall be liable to the penalties mentioned therein.
 24. (1) Subject to the provisions of clause (2) all Bank Notes, Coins and Currency Notes and those which were in circulation in Bangladesh on the appointed day shall continue to be legal tender at any place in Bangladesh for the amount expressed therein and shall be guaranteed by the Government.
 - (2) On the recommendation of the Board, the Government, may, by notification in the official Gazette, declare that with effect from such date as may be specified in the notification, any series of Bank Notes of any denomination shall cease to be legal tender save at such offices, branches and agencies, if any, of the Bank as may be specified in the notification.

25. Notwithstanding anything contained in Article 24 no Pakistan Bank note of the denominational value of five hundred rupees and one hundred rupees issued before 8th day of June, 1971 shall be legal tender in payment or an account of amount expressed therein.
26. (1) The issue of Bank Notes shall be conducted by the Bank in an Issue Department which shall be separated and kept wholly distinct from the Banking Department and the assets of the Issue Department shall not be subject to any liability other than the liabilities of the Issue Department as defined in Article 32.
- (2) The Issue Department shall not issue Bank Notes to the Banking Department or to any person except in exchange for other Bank Notes or for such coin, bullion, approved foreign exchange or securities as are permitted under this Order to form part of the assets of the Issue Department.

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

27. The Bank Notes made and issued by the Bank shall be in such denominations and of such design, form and material as may be approved by the Government on the recommendations of the Board.
28. The Bank shall not reissue Bank Notes which are torn, defaced or excessively soiled.
29. Notwithstanding anything contained in any enactment or rule or law to the contrary, no person shall as of right be entitled to recover from the Government or the Bank the value of any lost, stolen, mutilated or imperfect Bank Note.
30. (1) The assets of the Issue Department shall not be less than the total of its liabilities and shall be maintained as follows: -
 - (a) of the total amount of the assets, assets of such value as the Government in consultation with the Bank, may, by notification in the official Gazette, specify shall be held in gold coins, gold bullion, silver bullion, Special Drawing Rights, Asian Monetary Units, Islamic Dinars or approved foreign exchange, and
 - (b) the remainder of the assets shall be held in—
 - (i) Taka coins;
 - (ii) Taka securities of any maturity;
 - (iii) such bills of exchange and promissory notes payable in Bangladesh as are eligible for purchase by the Bank under sub-clauses (a), (b) and (f) of clause (2) of Article 16;
 - (iv) Promissory notes obtained by the Bank in respect of advances and loans made under clause (4) of Article 16 against such securities as are mentioned in sub-clauses (a) and (b) of that clause; and
 - (v) Promissory notes obtained by the Bank in respect of advances and loans made under clause (10) of Article 16.
- (2) For the purposes of this Article—
 - (a) gold coin, gold bullion and silver bullion shall be valued at the market value of the fine gold or silver content thereof, as the case may be;
 - (b) Taka coin shall be valued at its face value; and
 - (c) Taka securities and securities specified in clause (4) shall be valued at the market value for the time being obtaining or face value whichever is less.
- (3) Of the gold coin and gold or silver bullion held as assets not less than seventeen-twentieths shall be held in the custody of the Bank including its branches, offices of agencies, and the gold or silver belonging to the Bank which is in any other bank or in any mint or treasury or in transit may be reckoned as part of the assets.

- (4) For the purposes of this Article that approved foreign exchange which may be held as part of the assets shall be in any of the following forms, namely—
 - (a) balances standing to the credit of the Bank with the principal currency authority of a country whose currency is an approved foreign exchange, or at any bank in such country;
 - (b) bills of exchange bearing two or more good signatures having a maturity not exceeding one hundred and eighty days and drawn on and payable at any place in a country whose currency is an approved foreign exchange; and
 - (c) securities of a Government with an unexpired currency of not more than five years and payable in a currency which is an approved foreign exchange.
- (5) Restrictions relating to maturity shall not apply to securities mentioned in clause (4) held by the Bank on the appointed day or any securities transferred to and vested in the Bank under article 5.
31. Notwithstanding anything contained in the foregoing provisions, the Bank may, with the previous sanction of the Government, for periods not exceeding six months in the first instance, which may with the like sanction be extended from time to time by periods not exceeding three months at a time, hold as assets gold coin, gold or silver bullion, Special Drawing Rights, Asian Monetary Units, Islamic Dinars or approved foreign exchange of less aggregate amount than that required by sub-clause (a) of clause (1) of Article 30.
32. (1) The liabilities of the Issue Department shall be an amount equal to the total of the amount of the Bank Notes for the time being in circulation.
- (2) for the purposes of this Article any Bank Note which has not been presented for payment within forty years from the first day of July following the date of its issue shall be deemed not to be in circulation and the value thereof shall notwithstanding anything contained in clause (2) of Article 26 be paid by the Issue Department to the Banking Department; but any such Bank Note if subsequently presented for payment, shall be paid by the Banking Department.
- 33.(1) The Bank shall issue Taka coin on demand in exchange for Bank Notes and Bank Notes on demand in exchange for coin which is legal tender in Bangladesh.
- (2) The Bank shall in exchange for Bank Notes of ten taka or upwards supply Bank Notes of lower value or coins which are legal tender in Bangladesh under the Bangladesh Coinage Order, 1972, in such quantities as may in the opinion of the Bank be required for circulation. The Government shall supply such coins to the Bank on demand and if it fails to do so at any time the Bank shall be released during the period of such failure from obligation to supply them to the public.
- (3) The Government shall take over from the Bank at such times and in such quantities as the Bank may, with the previous approval of the Government, determine Taka coins which are not required for purposes of circulation against payment.
34. The Government shall not reissue any Taka coins taken over under clause (3) of Article 33 nor put into circulation any Taka coin except through the Bank and the Bank shall not dispose of Taka coin otherwise than for purposes of circulation or by delivery to the Government under the preceding Article.
35. (1) No person in Bangladesh other than the Bank or as expressly authorised by this Order, the Government shall draw, accept, make or issue any Bill of Exchange, Hundi, Promissory Note or engagement for the payment of money payable to bearer on demand, or borrow, owe or take up any sum or sums of money on the Bills, Hundis or Notes payable to bearer on demand of any such persons, but such Cheques, or Drafts, including Hundi, payable to bearer on demand or otherwise may be drawn on a person's account with a banker.

- (2) Notwithstanding anything contained in the Negotiable Instrument Act, 1881, no person in Bangladesh other than the Bank, or as expressly authorised by this Order, the Government shall make or issue any Promissory Note expressed to be payable to the bearer of the instrument.
 - (3) Any person contravening the provision of this Article shall be punishable upon conviction with fine which may extend to double the amount of the Bill, Hundi, Promissory Note or engagement in respect whereof the offence is committed.
 - (4) No prosecution under this Article shall be instituted except on complaint made in writing on behalf of the Bank.
36. [(1) Every scheduled bank shall maintain with the Bank a balance the amount of which shall not be less than such portion of its total demand and time liabilities as may be prescribed by the Bank pursuant to the monetary policy objectives of the Bank, by notification in the official Gazette.
 Explanation—For the purposes of this Article liabilities shall not include the paid-up capital or the reserves, or any credit balance in the profit and loss account of such bank or the amount of any loan taken from the Bank.]¹
- [(2) Based on the monetary policy objectives pursued by the Bank, it shall prescribe from time to time the terms and conditions of admissibility of interest, and the rate of interest, on the required minimum balances and/or on amounts in excess of the required minimum balances.]²
 - [(2A)]³
 - [(2B)]⁴
 - (3) Every scheduled bank shall send to the Bank returns signed by two responsible officers of such bank containing such information as may be deemed necessary for carrying out the purposes and objects of this Order at such periods of time as the Bank may from time to time direct.
 - (4) [If at the close of business on any day before the day fixed for the next return under the preceding clause, the balance held at the Bank by any scheduled bank is below the minimum fixed by clause (1) such scheduled bank may be ordered by the Bank to pay the Bank in respect of such day penal interest at such rate above the Bank rate as may be determined by the Bank from time to time on the amount by which the balance with the Bank falls short of the fixed minimum, and if, on the day on which the next return is due, such balance is still below the fixed minimum as disclosed by this return, Bangladesh Bank may impose a higher rate of penal interest above the Bank rate in respect of that day and each subsequent day on which the balance held at the Bank at the close of business on the day is below the fixed minimum.]⁵
 - (5) When under the provisions of clause (4) penal interest [.....]⁶ has become payable by a scheduled bank, if thereafter on the day fixed for the next return under clause (3) the balance held at the Bank is still below the fixed minimum as disclosed by this return—

¹ Substituted by the Bangladesh Bank (Amendment) Act, 2003

² Substituted by the Bangladesh Bank (Amendment) Act, 2003

³ Omitted by the Bangladesh Bank (Amendment) Act, 2003

⁴ Omitted by the Bangladesh Bank (Amendment) Act, 2003

⁵ Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁶ Omitted by the Bangladesh Bank (Amendment) Act, 2003

- (a) every director and officer of the scheduled bank, who is knowingly and wilfully a party to the default, shall by order of the Bank be punishable with fine which may extend to [Taka one lakh]¹ and with a further fine which may extend to [Taka one lakh]² for each subsequent day on which the default continues; and
- (b) the Bank may prohibit the scheduled bank from receiving after the said day any fresh deposit, and if default is made by the scheduled bank in complying with such prohibition, every director and officer of the scheduled bank who is knowingly and wilfully a party to such default or who through negligence or otherwise contributes to such default shall by order of the Bank be punishable in respect of each default with fine which may extend to [Taka one lakh]³ for each day after the first on which a deposit received in contravention of such prohibition is retained by the scheduled bank. [.....]⁴
- (6) Any scheduled bank failing to comply with the provisions of clause (3) shall by order of the Bank be liable to pay to the Bank a penalty of [Taka twenty five thousand]⁵ for each day during which the failure continues.
- (7) Whoever in any return under this Article wilfully or recklessly makes a statement false in any material particular or wilfully or recklessly omits to state a material particular shall by order of the Bank be punishable with fine which may extend to [Taka ten lakh]⁶ in respect of each such return.
- (8) The penalties imposed by clauses (4), (5), (6) and (7) shall be payable on demand made by the Bank and in the event of refusal by the defaulting bank, director or officer to pay on such demand, may be levied by a direction of the Civil Court having jurisdiction in the area where an office of the defaulting bank is situated, such direction being made only upon application made in this behalf to the court by the Bank, with the previous sanction of the Government.
- 37. (1) The Bank shall maintain at all its offices and branches an up-to-date list of banks declared by it to be scheduled banks under sub-clause(a) of clause (2).
- (2) The Bank shall, by notification, in the Official Gazette—
 - (a) declare any bank to be scheduled bank which is carrying on the business of banking in Bangladesh and which—
 - (i) is a banking company [.....]⁷ or a co-operative bank, or a corporation or a company incorporated by or established under any law in force in any place in or outside Bangladesh;

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

³Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁴Omitted by the Bangladesh Bank (Amendment) Act, 2003

⁵Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁶Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁷Omitted by the Bangladesh Bank (Amendment) Act, 2003

- (ii) has a paid-up capital and reserves of an aggregate value of [an amount not less than that required to be maintained under s. 13 of the Companies Act, 1991 (1991 Act)] :
Provided that in the case of a co-operative bank, an exception may be made by the Bank;

- (iii) satisfies the Bank that its affairs are not being conducted in a manner detrimental to the interests of its depositors;

- (b) [Direct the de-scheduling of any scheduled bank which—

- (i) ceases to fulfil the requirements mentioned in sub-clause (a) or goes into liquidation or otherwise wholly or partly ceases to carry on banking business; or
 - (ii) in the opinion of the bank, is conducting its business in a manner detrimental to the interests of its depositors :
Provided that the Bank may, on application of the scheduled bank concerned and subject to such conditions, if any, as it may impose, defer the making of a direction under sub-clause (b) for such period as the Bank considers reasonable to give the scheduled bank an opportunity of fulfilling the requirements mentioned in paragraphs (ii) and (iii) of sub- clause (a);]²
 - (c) alter the description in the list of scheduled banks whenever any scheduled bank changes its name.
Explanation—In clause (2) the expression “Value” means the real or exchangeable and not the nominal value of the capital and reserves and the valuation made by the Bank shall be final.
38. The Bank may require any Corporation with which it has any transactions under Article 16 to furnish returns referred to in clause (3) of Article 36 and if it does so require, the provisions of clauses (6), (7) and (8) of Article 36 shall apply, so far as may be, to such Corporation as if it were a scheduled bank.
- [38A. The Governor shall at least once a year or at any other instance, if so summoned appear before the Parliamentary Committee on Finance to report on the monetary policy and of other activities of the Bank and to answer questions.]³
39. [The Bank shall compile and publish in such manner and at such times as the Board may consider appropriate a consolidated statement from such information as may be received under this Order]⁴.
40. (1) The Bank shall prepare and transmit to the Government a weekly account of the Issue Department and of the Banking Department in such form as the Government may, by notification in the Official Gazette direct. The Government shall cause these accounts to be published weekly in the Official Gazette.

1Substituted by the Bangladesh Bank (Amendment) Act, 2003

2Substituted by the Bangladesh Bank (Amendment) Act, 2003

3Added by the Bangladesh Bank (Amendment) Act, 2003

4Substituted by the Bangladesh Bank (Amendment) Act, 2003

- (2) The Bank shall also, within two months from the date on which the annual accounts of the Bank are closed, transmit to the Government a copy of the annual accounts signed by the Governor, the Deputy Governor, if any, and the Chief Accounting Officer of the Bank, and certified by the Auditors together with a report by the Board on the working of the Bank throughout the year, and the Government shall cause such accounts and report to be published in the Official Gazette.
41. (1) No suit or other legal proceedings shall lie against the Bank or any of its officers for anything which is in good faith done or intended to be done in pursuance of Article 36 or Article 37 or Article 38 or Article 39 or Article 40 or in pursuance of the provisions of Chapter IV.
- (2) No suit or other legal proceedings shall lie against the Bank or any of its officers for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of Article 36 or Article 37 or Article 38 or Article 39 or Article 40, or in pursuance of the provisions of Chapter IV.

CHAPTER IV
COLLECTION AND FURNISHING OF CREDIT INFORMATION

42. In this Chapter, unless the context otherwise requires,—
- (a) “banking company” means the banking company as defined in [clause (cc) of article 2 of this Order]¹ and includes the apex co-operative bank or any other banking or financial institution notified by the Government in this behalf;
 - (b) “borrower” means any person to whom any credit limit has been sanctioned by any banking company, whether availed of or not, and includes—
 - (i) in the case of a company or corporation, its subsidiaries;
 - (ii) in the case of a Hindu undivided family, any member thereof or any firm in which such member is a partner;
 - (iii) in the case of a firm, any partner thereof or any other firm in which such partner is a partner; and
 - (iv) in the case of an individual, any firm in which such individual is a partner;
 - (c) “credit information” means any information relating to—
 - (i) the amounts and the nature of loans or advances and other credit facilities granted by a banking company to any borrower or class of borrowers;

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

- (ii) the nature of security taken from any borrower for credit facilities granted to him; and
 - (iii) the guarantee furnished by a banking company for any of its customers.
43. The Bank may—
- (a) collect, in such manner as it may think fit, credit information from every banking company; and
 - (b) furnish such information to any banking company in accordance with the provisions of Article 45.
44. (1) For the purpose of enabling the Bank to discharge its functions under this Chapter, it may at any time direct any banking company to submit to it such statements relating to such credit information and in such form and within such time as may be specified by the Bank from time to time.
- (2) A banking company shall, notwithstanding anything to the contrary contained in any other law for the time being in force or in any instrument regulating the “ constitution thereof or in any agreement executed by it relating to the secrecy of its dealing with its constituents, be bound to comply with any direction issued under clause (1).”
45. (1) A banking company may, in connection with any financial arrangement entered into or proposed to be entered into by it with any person, make an application to the Bank in such form as the Bank may specify requesting it to furnish the applicant with such credit information as may be specified in the application.
- (2) On receipt of an application under clause (1), the Bank may, as soon as may be, furnish the applicant with such credit information relating to the matters specified in the application, as may be in its possession :
Provided that the information so furnished shall not disclose the names of the banking companies which have submitted such information to the Bank.
- (3) The Bank may in respect of each application levy such fees, as it may deem fit, for furnishing credit information.

46. (1) Any credit information contained in any statement submitted by a banking company under Article 44 or furnished by the Bank to any banking company under Article 45 shall be treated as confidential and shall not, except for the purposes of this Chapter, be published or otherwise disclosed.
- (2) Nothing in this Article shall apply to—
- (a) the disclosure by any banking company, with the previous permission of the Bank, of any information furnished to the Bank under article 44;
- (b) the publication by the Bank, if it considers necessary in the public interest so to do, of any information collected by it under Article 44, in such consolidated form as it may deem fit without disclosing the name of any banking company or its borrowers.
- (3) Notwithstanding anything contained in any law for the time being in force, no court, tribunal or [other authority except Parliament]¹ shall compel the Bank or any banking company to produce or to give inspection of any statement submitted by that banking company under Article 44 or to disclose any credit information furnished by the Bank to that banking company under Article 45.
47. No person shall have any right, whether in contract or otherwise, to any compensation for any loss incurred by reason of the operation of any of the provisions of this Chapter.
48. (1) If any banking company—
- (a) fails to submit any statement required under Article 44 or submits under the Article a statement which is false in any material particular; or
- (b) fails to comply with any condition imposed under this Chapter, every director or other officer of the company and every other person who is knowingly a party to the breach shall be punishable with fine which may extend to [Taka five lakh]².
- (2) If any person discloses any credit information, the disclosure of which is prohibited under Article 46, he shall be punishable with imprisonment which may extend to six months or with fine which may extend to [Taka one lakh]³ or with both.

CHAPTER V

[.....]⁴

CHAPTER VI GENERAL

59. Securities of the value of Taka three crores may be allocated for the purpose by the Government and shall be held by the Bank as the Reserve Fund.
60. (1) The Bank may establish and maintain a Fund to be called the Rural Credit Fund to which shall be credited—

¹ Substituted by the Bangladesh Bank (Amendment) Act, 2003

² Substituted by the Bangladesh Bank (Amendment) Act, 2003

³ Substituted by the Bangladesh Bank (Amendment) Act, 2003

⁴ Chapter V, Articles 49, 50, 51, 52, 53, 54, 55, 56, 57 and 58 omitted with effect from the 16th August, 1993 by Act 27 of 1993.

- (a) an initial sum of Taka 50 lakhs to be subscribed by the Government; and
- (b) appropriations of such amount from the surplus profits of the Bank as may be determined by the Bank in consultation with the Government.

- (2) The Rural Credit Fund may be applied by the Bank to the following objects, namely:-
- (a) the making of medium-term loans and advances to co-operative banks, repayable on the expiry of a fixed period, not exceeding five years from the date of the making thereof, against such security as the Bank may, from time to time, specify in this behalf;
 - (b) the making of medium-term and long-term loans and advances to rural credit agencies created or established by or under any law for the time being in force including scheduled banks on such terms and conditions as the Bank may, from time to time, specify in this behalf;
 - (c) where the Bank is satisfied that any co-operative bank or any scheduled bank to which a loan or advance as is referred to in clause (4) of Article 16 has been made is unable to repay the same in time, the converting of such loan or advance, into a medium-term loan or advance, as the case may be, in accordance with the provisions of sub-clause (a);
 - (d) the making of short-term and medium-term loans and advances to scheduled banks as refinance against their loans and advances to co-operative societies or farmers or dealers supplying seed, machinery, fertilizer and other requisites of agriculture to farmers on credit:
 Provided that such credit is granted on such terms and conditions as to security and otherwise; as may be laid down by the Bank; and
 - (e) The financing of a system of guarantees in accordance with rules to be made by the Bank to cover a portion of the bona fide loss that a scheduled bank is proved to the satisfaction of the Bank to have incurred in any transaction of loan or advance made under sub-clause (d).
61. The Bank may establish and maintain a fund to be called "Agricultural Credit Stabilisation Fund" to which shall be credited :-
- (a) an initial sum of Taka 25 lakhs to be subscribed by the Government; and
 - (b) appropriation of such amount from the surplus profits of the Bank as may be determined by the Bank in consultation with the Government;
 - (c) the amount in the said Fund shall be applied by the Bank only to the making of loans and advances to apex co-operative bank repayable on the expiry of a fixed period of not less than fifteen months and not exceeding five years from the date of making such loan or advance and on such terms and conditions as may be specified in this behalf by the Bank:
 Provided that no such loans or advances shall be made—
 - (i) except for the purpose of enabling the apex co-operative bank to pay any dues in respect of bills of exchange and promissory notes, purchased or rediscounted by the Bank under sub-clause (f) of clause (2) of Article 16 or loans and advances made to it by the Bank under clause (6) of Article 16 and unless, in the opinion of the Bank the apex co-operative bank is unable to pay such dues in time due to drought, famine or natural calamities; and
 - (ii) unless such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the Government.
62. (1) The Bank may establish and maintain a Fund to be called the Industrial Credit Fund to which shall be credited—
- (a) an initial sum of Taka one crore to be subscribed by the Government, and
 - (b) appropriations of such amount from the surplus profits of the Bank as may be determined by the Bank in consultation with the Government.

- (2) The Industrial Credit Fund shall be applied by the Bank to the following objects, namely:-
- (a) the making of medium-term and long-term loans and advances to co-operative banks and such institutions as the Bank may deem fit repayable on the expiry of a fixed period, not exceeding five years from the date of the making thereof, against such security as the Bank may, from time to time, prescribe in this behalf;
 - (b) the making of medium-term and long-term loans and advances to industrial credit agencies created or established by or under any law for the time being in force on such terms and conditions as the Bank may, from time to time, prescribe in this behalf;
 - (c) where the Bank is satisfied that any institution to which a loan or advance as referred to in clause (4) of Article 16 has been made is unable to repay the same in time, the converting of such loan and advance into a medium-term loan or advance, as the case may be, in accordance with the provisions of sub-clause (a); and
 - (d) the financing of a system of guarantees in accordance with rules to be made by the Bank to cover a portion of any bona fide loss that a scheduled bank is proved to the satisfaction of the Bank to have incurred in any transaction of medium-term and long-term loan to a party seeking to establish an industrial project of small or medium size.
63. (1) The Bank may establish and maintain a Fund to be called the Export Credit Fund to which shall be credited—
- (a) an initial sum of Taka one crore to be subscribed by the Government, and
 - (b) appropriations of such amount from the surplus profits of the Bank as may be determined by the Bank in consultation with the Government.
- (2) The Export Credit Fund shall be applied by the Bank to the following objects, namely:-
- (a) the making of medium-term and long-term loans and advances to scheduled banks and other credit institutions created or established by or under any law for the time being in force, as refinance against their medium-term and long-term loans and advances given for financing exports from Bangladesh, on such terms and conditions as to security and otherwise as the Bank may, from time to time, lay down in this behalf;
 - (b) the making of loans and advances, directly or through scheduled banks or other credit institutions created or established by or under any law for the time being in force, to private or Government sponsored institutions in foreign countries, for the purpose of enabling them to import goods from Bangladesh, on such term and conditions as the Bank may, from time to time, lay down in this behalf.
64. After making provision for bad and doubtful debts, depreciation in assets, contributions to staff superannuation fund and for all other matter for which provision is to be made by or under the Order or which are usually provided for by bankers, the balance of the profits shall be paid to the Government.
65. (1) Not less than two Auditors shall be appointed and their remuneration fixed by the Government.

- (2) The Auditors shall hold office for such term not exceeding one year as the Government may fix while appointing them, and shall be eligible for re-appointment.
66. Without prejudice to anything contained in Article 65 the Government may at any time appoint the Comptroller and Auditor-General or such Auditors as it deems fit to examine and report upon the accounts of the Bank.
67. (1) Every Auditor shall be supplied with a copy of the annual balance sheet and it shall be his duty to examine the same together with the accounts and vouchers relating thereto; and every auditor shall have a list delivered to him of all books kept by the Bank, and shall at all reasonable time have access to books, accounts and other documents of the Bank, and may, at the expense of the Bank, if appointed under Article 65 or at the expense of the Government if appointed under Article 66, employ Accountants or other persons to assist him in investigating such accounts and may, in relation to such accounts, examine any Director or Officer of the Bank.
- (2) The Auditors shall make a report to the Government upon the annual balance sheet and accounts, and in every such report they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of affairs of the Bank, and, in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.
- [68.]1
69. The Research Department and the Statistics Department of the Bank shall have the power, subject to right and provisions guaranteed under other laws, to request from any natural or juridical person, as well as the Government, any data or information necessary for the proper execution of its duties.
70. [The Bank may subject to approval of the Government appoint any locally owned scheduled bank as its agent in a place where there is a branch of the said scheduled bank.]2
71. (1) For the purposes of section 124 of the Evidence Act, 1872, the provisions of Part IV of the Code of Civil Procedure, 1908, and the provisions of rule 27 of Order V, and rule 52 of Order XXI of the said Code, the Bank and any Officer of the Bank acting in his capacity as such shall be deemed to be a public officer.
- (2) The provisions of Section 123 of the Evidence Act shall apply to the unpublished records relating to the affairs of the Bank and the Governor shall be deemed to be the officer or head of the department concerned.
- (3) Every Officer of the Bank shall be deemed to be a public servant within the meaning of section 21 of the Penal Code (Act XLV of 1860).

¹Omitted by the Bangladesh Bank (Amendment) Act, 2003

²Substituted by the Bangladesh Bank (Amendment) Act, 2003

72. Notwithstanding anything contained in any law for the time being in force Provident Fund or pension granted by the Bank to its employees shall not be liable to seizure, attachment or sequestration by process of any Court in Bangladesh at the instance of a creditor, for any demand against the pensioner or in satisfaction of a decree or order of any such Court.
73. The Bank shall not be liable to the payment of any Stamp Duty under the Stamp Act, 1899.

74. The Bank shall not be liable to the payment of Customs Duty on gold, silver, coins, currency notes, security papers, and any other goods that may be specified by the Government.
75. Notwithstanding anything contained in the Income-tax Act, 1922, or the Business Profits Tax Act, 1947, or any other law for the time being in force relating to income-tax, super-tax or business profits-tax, the Bank shall not be liable to pay any income-tax, super-tax or business profits-tax on any of its income, profits or gains.
76. The Bank shall not be placed in liquidation save by order of the Government and in such manner and on such terms and conditions as it may direct.
77. (1) If in the opinion of the Government, the Bank fails to carry out any of the obligations imposed on it by or under this Order the Government may by notification in the Official Gazette declare the Board to be superseded, and thereafter the general superintendence and direction of the affairs of the Bank shall be entrusted to such agency as the Government may determine and such agency may exercise the power and do all acts and things which may be exercised or done by the Board under this Order.
- (2) When action is taken under clause (1) the Government shall cause a full report of the circumstances leading to such action and of the action taken to be laid before the Legislature at the earliest possible opportunity and in any case within three weeks of the re-assembly thereof after the issue of the notification superseding the Board.
78. (1) Except in the performance of his duties under this Order every employee of the Bank shall preserve and aid in preserving secrecy with regard to all matters relating to the affairs of the Bank not published by it, and with regard to all matters relating to the financial or monetary affairs of any institution, person, body of persons, any Government or authority whether in Bangladesh or outside that may come to his knowledge in the performance of his duties.
- (2) Every such employee who communicates any such matter, except when required by law to do so in the discharge of his duty as such shall be guilty of an offence and shall on conviction by a court of competent jurisdiction be punished with imprisonment of either description for a term which may extend to six months or with fine which may extend to [Taka five lakh]¹ or with both.
- ¹Substituted by the Bangladesh Bank (Amendment) Act, 2003
- (3) No court shall take cognizance of any offence punishable under this Article except upon complaint in writing by a person authorised in this behalf by the Governor.
79. (1) The Governor may, by general or special order, delegate to a Deputy Governor, subject to such conditions and limitations, if any, as may be specified in the Order, such of the powers and functions exercisable by him under this Order or under any other law for the time being in force as he may deem necessary for the efficient administration of the functions of the Bank.
- (2) The fact that a Deputy Governor exercises any power or does any act or thing in pursuance of this Order shall be conclusive proof of his authority to do so.
80. (1) The Bank may, notwithstanding anything contained in any law for the time being in force or any contract, depute any member of its staff for such period as it may deem fit to the Government or any institution and thereupon the person so deputed shall, during the period of his deputation, render such service to the Government or institution as it may require.

- (2) Nothing contained in this Article shall empower the Bank to depute any member of its staff to the Government or any institution on any salary, emoluments or other terms and conditions which is or are less favourable to him than that or those to which he is entitled immediately before such deputation.
81. Whenever the Bank anticipates economic disturbances that are likely to threaten domestic monetary stability in Bangladesh or whenever abnormal movements in the money supply or in the price level are endangering such stability, it shall be the duty of the Bank—
- (a) to adopt such policies, and to cause such remedial measures to be taken, as are appropriate in the circumstances and authorised by the Order; and
 - (b) to submit to the Government a detailed report which shall include as a minimum, an analysis of—
 - (i) the cause of the anticipated economic disturbances or, of the actual abnormal movements of the money supply or the price level;
 - (ii) the probable effects of such disturbances or movements on the level of production, employment, and real income in Bangladesh; and
 - (iii) the measures which the Bank has already taken, and the further monetary, fiscal, or administrative measures which it proposes to take or recommends for adoption by the Government.
82. (1) [The Board] may make regulations consistent with this Order to provide for all matters for which provision is necessary or convenient for the purpose of giving effect to the provisions of this Order:
 Provided that in the event of non-existence of the Board, the Governor may with the approval of the Government make regulations for the purpose of giving effect to the provisions of this Order and generally for carrying out the purposes of this Order.

¹Substituted by the Bangladesh Bank (Amendment) Act, 2003

- (2) In particular and without prejudice to the generality of the foregoing provision, such regulations may provide for all or any of the following matters, namely:-
- (a) the manner in which meetings of the Board shall be transacted and the procedure to be followed at meetings thereof;
 - (b) the conduct of the business of the Executive Committee;
 - (c) the delegation of powers and functions of the Board, the Governor, Deputy Governor, Directors, or Officers of the Bank;
 - (d) the formation of committees of the Board, their supervision by the Board and the conduct of business in such committees;
 - (e) Recruitment of employees of the Bank including the terms and conditions of their service, constitution of superannuation, beneficial and other funds, with or without Bank's contribution, for the employees of the Bank, their welfare, providing amenities, medical facilities, grant of loans and advances, their betterment and uplift;
 - (f) the manner and form in which contracts binding on the Bank may be executed;
 - (g) the provision of an official seal of the Bank and the manner and effects of its use;
 - (h) the manner and forms in which the balance sheet of the Bank shall be drawn up, and in which the accounts shall be maintained;
 - (i) the remuneration of Directors;

- (j) the relations of the scheduled banks with the Bank and the returns to be submitted by the scheduled banks to the Bank;
 - (k) the regulations of clearing houses for the scheduled banks;
 - (l) the circumstances in which, and the conditions and limitations subject to which, the value of any lost, stolen, mutilated or imperfect Bank Note may be refunded as of grace;
 - (m) the denomination, form, issue, negotiability, encashment and repatriation of the instruments mentioned in clause (8) of Article 16;
 - (n) generally, for making any provision necessary or convenient for the efficient conduct of the business, discharge of functions and for purposes of management of the Bank.
- [(2A) Notwithstanding anything contained in this Article, no regulation under sub-clause (h), (i), and (m) of clause (2) shall be made without the prior approval of the Government.

Provided that regulations falling under sub-clause (e) on salary and compensation packages of employees would be subject to the approval of the government, based on due consideration of skill and competence needed for central banking.]¹

¹Added by the Bangladesh Bank (Amendment) Act, 2003

- (3) Copies of all regulations made under this Article shall be available to the public on payment.
83. In all laws mentioned in this Order and in all other existing laws including the Banking Companies Ordinance, 1962, the Negotiable Instruments Act, 1881, the Trust Act, 1882, the Companies Act, 1913, the Foreign Exchange Regulation Act, 1947, the Banker's Books Evidence Act, 1891, and all rules, regulations, bye-laws, notifications, Orders and instruments, references to State Bank of Pakistan shall unless the context otherwise requires, be construed as reference to "Bangladesh Bank".
84. (1) The State Bank Act, 1956 (Act XXXIII of 1956) and the Bangladesh Bank (Temporary) Order, 1971 (A.P.O. No.2 of 1971) are hereby repealed.
- (2) Any rules or regulations made, order passed, notification issued, thing done, action taken or proceedings commenced under any of the provisions of the State Bank Act, 1956 (Act XXXIII of 1956), the Bangladesh Bank (Temporary) Order, 1971 (A.P.O. No.2 of 1971) or deemed to have been so made, passed, issued, done, taken or commenced, shall continue in force and be deemed to have been made, or as the case may be, passed, issued, done, taken or commenced under the corresponding provision of this Order.

DACCA,
The 31st October, 1972.

ABU SAYEED CHOWDHURY
President,
People's Republic of Bangladesh.

NASIMUDDIN AHMAD
Joint Secretary.