Internship Report

On

**Foreign Exchange of Dutch Bangla Bank.**



**Internship Report on**

**Foreign Exchange of Dutch Bangla Bank**

**Submitted To:**

Shakila Aziz,

Assistant Professor

Department of School of Business & Economics

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**Submitted By:**

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BBA Program

Department of School of Business & Economics

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**Date of Submission:**

**Declaration**

**Student Declaration**

I, Milton Islam, thus pronounce that the introduced report of temporary position titled "Foreign Exchange Services of Dutch Bangla bank": A Perspective on Dutch Bangla bank by me after the fulfillment of three months' work at Dutch Bangla bank.

I additionally affirm that the report is set up for my scholastic necessity, not for some other reason. It probably won't be utilized with the enthusiasm of the contrary party of the enterprise.

…………………………….

Milton Islam

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BBA

Department of Business & Economics

United International University

**Proposal letter**

December 20, 2018

Shakila Aziz,

Assistant Professor

Department of School of Business & Economics

United International University

Subject: request for the acceptance of the internship report proposal.

Dear Madam.

I have the gratification to advance my temporary job give an account of DBBL as a necessity of entry level position program of undergrad in Department of money, joined worldwide college.

In as indicated by your guidance I am proposing to lead a report title, "foreign exchange activity of DBBL".

As I am doing my understudy in foreign exchange office, so I expected to discover the real situation of how a Bank mirror its major angles.

I will put my best exertion to apply all the hypothetical ideas of Foreign exchange office, all things considered, circumstance. The subtleties proposition has been joined alongside this letter. On the off chance that you need any illumination, I will be obliged to give you additional data.Sincerely yours,

Milton Islam

111 141 400

BBA

United international Universit

**Latter of transmission**

December 20, 2018

Shakila Aziz,

Assistant Professor

Department of School of Business & Economics

United International University

Subject: submission of internship report on “foreign exchange operation of Dutch Bangla Bank”

Dear Madam,

I am exceedingly pleased to present the entry level position report of three months temporary job program in Dutch Bangla Bank Banani Branch. The title of the report is "foreign exchange task of DBBL". This report has been set up to satisfy the prerequisite of the temporary job program.

It has been a fascinating and illuminating knowledge for me to work in DBBL Banani Branch.

I have attempted my dimension best to mirror my three-month work involvement in this report and endeavored to make this report effective one. Sincerely yours,

Milton Islam

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**Executive summary**

As an understudy of business association exploring the present business world is crucial to find in this baffling situation. It is imperative to encounter all fields of data, both speculative and reasonable. Ensuing to passing four years BBA program, I was passed on to have sensible learning in business life as a bit of my educational program. A section level position program is dealt with to give me an open entryway for overhauling my capacities. In this report I had attempted to focus my both speculative and rational learning concerning Accounting practices. My entry level position subject is Foreign Exchange Operation of DBBL". I have tried to streak out about outside exchange practices of this bank and how it is working in progression of the bank.

In the report outside exchange action of DBBL has been included giving the major thought of remote exchange one alongside the other. The point is to grasp the activities of remote exchange division by utilitarian diagram. The truth revealed from this outline is that all most all the dealing with a record affiliations are locked in with a comparative sort of remote exchange practice.

For example, convey import framework, L/C opening strategy, outside settlement philosophy, following the Bangladesh bank manages, etc are standard in the banks which are worked in the private division. The present day is their philosophies the more they can resolve their issues concerning managing outside exchange the affiliations.

I have endeavored to seek after the right methodology for setting up this report, which is basic to find reality.

**List of Abbreviations**

|  |  |
| --- | --- |
| ACU  | Asian Clearing Union  |
| AD  | Authorized Dealer  |
| ADB  | Asian Development Bank  |
| AML  | Anti-Money Laundering  |
| AMLD  | Anti-Money Laundering Department  |
| APG  | Asia Pacific Group  |
| ASYCODA  | Automated System for Customs Data  |
| AWB  | Air Waybill  |
| BAFEDA  | Bangladesh Foreign Exchange Dealers Association  |
| BASIS  | Bangladesh Association of Software & Information Services  |
| BIE  | Bill of Entry  |
| BB  | Bangladesh Bank  |
| BIDA  | Bangladesh Investment Development Authority  |
| BC  | Bills for Collection  |
| BEFTN  | Bangladesh Electronic Fund Transfer Network  |
| BEPZA  | Bangladesh Export Processing Zones Authority  |
| BERC  | Bangladesh Energy Regulatory Commission  |
| BFIU  | Bangladesh Financial Intelligence Unit  |
| BGMEA  | Bangladesh Garment Manufacturers & Exporters Association  |
| BIBM  | Bangladesh Institute of Bank Management  |
| BIN  | Business Identification Number  |
| BKMEA  | Bangladesh Knitwear Manufacturers & Exporters Association  |
| BOE  | Bill of Exchange  |
| BPO  | Bank Payment Obligation  |
| BPGMEA  | Bangladesh Plastic Goods Manufacturers & Exporters Association  |
| BTMA  | Bangladesh Textile Mills Association  |
| C&F  | Clearing and Forwarding  |
| CAMS  | Certified Anti money Laundering Specialists  |
| CCI&E  | Chief Controller of Import and Export  |
| CD  | Current Deposit  |
| CDCS  | Certified Documentary Credit Specialist  |
| CFR  | Cost and Freight  |
| CFT  | Combating the Financing of Terrorism  |
| CGFS  | Committee on the Global Financial System  |
| CIB  | Credit Information Bureau  |
| CIF  | Cost, Insurance and Freight  |
| CIP  | Carriage and Insurance Paid To  |
| CISG  | Contract for the International Sale of Goods  |
| CITF  | Certificate in International Trade and Finance  |
| COTIF  | Convention concerning International Carriage by Rail  |
| CPT  | Carriage Paid To  |
| CSDG  | Certificate for Specialists in Demand Guarantee  |
| CY  | Calendar Year  |
| DA  | Documents Against Acceptance  |
| DAP  | Delivered at Place  |

|  |  |
| --- | --- |
| DAT  | Delivered at Terminal  |
| DBI  | Department of Banking Inspection  |
| DC  | Documentary Credit  |
| DDP  | Delivered Duty Paid  |
| DOCDEX  | Documentary Instruments Dispute Resolution Expertise  |
| DOS  | Department of Offsite Supervision  |
| DP  | Documents Against Payment  |
| EDF  | Export Development Fund  |
| EPZ  | Export Processing Zones  |
| ERC  | Export Registration Certificate  |
| ERQ  | Exporters Retention Quota  |
| EXP Form  | Export Form  |
| EXW  | EX Works  |
| EZ  | Economic Zones  |
| FAS  | Free Alongside Ship  |
| FATF  | Financial Action Task Force  |
| FC  | Foreign Currency  |
| FCA  | Free Carrier  |
| FCB  | Foreign Commercial Bank  |
| FDBP  | Foreign Documentary Bill Purchase  |
| FE  | Foreign Exchange  |
| FEOD  | Foreign Exchange Operation Department  |
| FEPD  | Foreign Exchange Policy Department  |
| FERA  | Foreign Exchange Regulation Act  |
| FIT  | Finance of International Trade  |
| FOB  | Free on Board  |
| FY  | Financial Year  |
| GFET  | Guidelines for Foreign Exchange Transactions  |
| ICC  | International Chamber of Commerce  |
| ICC  | Institute Cargo Clauses  |
| ID  | International Division  |
| IDA  | International Development Association  |
| IFC  | International Finance Corporation  |
| IFA  | International Forfeiting Association  |
| IMP Form  | Import Form  |
| Incoterms  | International Commercial Terms  |
| IRC  | Import Registration Certificate  |
| ISBP  | International Standard Banking Practice  |
| ISP  | International Standby Practices  |
| ITC  | International Trade Center  |
| KYC  | Know Your Customer  |
| LAAB  | Loan against Accepted Bill  |
| LC  | Letter of Credit  |
| LCAF  | Letter of Credit Authorization Form  |

|  |  |
| --- | --- |
| MLPA  | Money Laundering Prevention Act  |
| LDBP  | Local Documentary Bill Purchase  |
| LIM  | Loan Against Imported Merchandise  |
| LTR  | Loan Against Trust Receipt  |
| MFI  | Microfinance Institution  |
| MOF  | Ministry of Finance  |
| MNC  | Multinational Corporations  |
| MT  | Message Type  |
| NBR  | National Board of Revenue  |
| NFCD  | Non-Resident Foreign Currency Deposit  |
| NVOCC  | Non-Vessel Operating Common Carrier  |
| OBU  | Offshore Banking Unit  |
| OD  | On Demand  |
| PAD  | Payment Against Documents  |
| PCB  | Private Commercial Bank  |
| PI  | Pro-forma Invoice  |
| PRC  | Proceed Realization Certificate  |
| PSI  | Pre Shipment Inspection  |
| RFCD  | Resident Foreign Currency Deposit  |
| RIT  | Rationalize Input Template  |
| RMG  | Ready Made Garments  |
| RRI  | Road Rail and Inland Waterway  |
| SCB  | State Controlled Bank  |
| SCF  | Supply Chain Finance  |
| SME  | Small and Medium Enterprise  |
| SOD  | Secured Overdraft  |
| SWIFT  | Society for Worldwide Interbank Financial Telecommunication  |
| TBML  | Trade Based Money Laundering  |
| TBO  | Treasury Back Office  |
| TIN  | Tax Identification Number  |
| TM  | Travel and Miscellaneous  |
| UCPDC  | Uniform Customs and Practice for Documentary Credit  |
| UN  | United Nations  |
| UNCITRAL  | United Nations Commission on International Trade Law  |
| UNSCR  | United Nations Security Council Resolution  |
| UPAS LC  | Usance Pay at Sight Letter of Credit  |
| URC  | Uniform Rules for Collection  |
| URDG  | Uniform Rules for Demand Guarantee  |
| URF  | Uniform Rules for Forfeiting  |
| URR  | Uniform Rules for Bank to Bank Reimbursement  |
| VAT  | Value Added Tax  |
| WTO  | World Trade Organization  |

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# Chapter 1

Abridge Introduction to the Study

## **1.1 Title of the Study**:

 As a fundamental bit of the Undergraduate Program, the master fuses Internship Program in the BBA instructive projects to help understudies to have an utilitarian diagram with the Bookish thought and should set up a Report. In addition, section level position program is carried on to give the understudies hands on acquaintance and with organize the speculative thoughts with the veritable condition. This report was set up as an essential of that passage level position program in the Department of Finance, United worldwide University, under this direction of impermanent employment program; I put at Dutch Bangla bank Banani Branch and should need to assigned to lead look at on "remote exchange undertaking of DBBL".

## **1.2 Background of Dutch Bangla Bank Ltd.:**

Dutch-Bangla Bank started assignment is Bangladesh's first joint undertaking bank. The bank was an effort by close-by financial specialists started by M Sahabuddin Ahmed (creator Chairman) and the Dutch association FMO.

From the earliest starting point, the point of convergence of the bank has been financing high-advancement manufacturing undertakings in Bangladesh. The reason being that the amassing part conveys Bangladeshi things around the globe. Appropriately financing and concentrating on this division empowers Bangladesh to achieve the perfect advancement. Dutch Bangla Bank distinctive focus is Corporate Social Responsibility (CSR). In spite of the way that CSR is at present a prosaism, Dutch Bangla Bank is the pioneer here and named the responsibility similarly as 'social commitment'. In light of its enthusiasm for this zone, Dutch Bangla Bank has ended up being one of the greatest suppliers and the greatest bank promoter in Bangladesh. The bank has won different worldwide distinctions because of its exceptional philosophy as a socially conscious bank.

Dutch Bangla Bank was the primary bank in Bangladesh to be totally robotized. The Electronic-Banking Division was set up in 2002 to grasp quick computerization and bring present day banking administrations into this field. Full automation was done in 2003 and along these lines familiar plastic money with the Bangladeshi masses. Dutch Bangla Bank moreover works the nation's greatest ATM naval force and in the process profoundly cut customer costs and charges by 80%. Furthermore, Dutch Bangla Bank picking the low productivity course for this territory has flabbergasted various savants. Dutch Bangla Bank had looked for after the mass automation in Banking as a CSR development and never anticipated gainfulness from this part. Likewise, it by and by gives unrivaled financial advancement contributions to all of its customers. In perspective on this mindset, most adjacent banks have joined Dutch Bangla Bank banking establishment rather than looking for after their own.

In reality, even with a past loaded up with solid mechanical endeavors and a lot greater blessings, buyer and money related authority assurance has never liquefied away. Dutch-Bangla Bank stock set the record at the most astonishing offer expense in the Dhaka Stock Exchange in 2008.

1.3 Rationale of the Study:

The report titled "Foreign exchange movement of Dutch Bangla Bank" is set up as a fundamental bit of the brief position program of the advanced education in Department of Finance, United International University. To be comfortable with different cash related model and speculation theoretical learning isn't adequate for an understudy of back office. There reliably exists enormous opening between speculative data and its even minded execution. This report is to interface up this gap. This report will be valuable to appreciate the relationship among offer expense of an association, its focal viewpoints and its industry.

## 1.4 Objectives of the investigation

### **1. Primary targets:**

The essential target of the investigation is to halfway necessity of the Awarding of the BBA degree from the School of Business and economies, United International University.

### **2. Secondary Objectives:**

* To learn down to business data and experience on Foreign Exchange Division of a Commercial Bank.
* To satisfy the partial essential of the passage level position program as a course of the BBA program.
* To watch the outside exchange movement of DBBL, their organizations and when all is said in done keeping cash errand.
* To know the limit of the remote exchange part of DBBL.
* To understand the import exchange acquirements.
* To consider the remote settlement.
* To separate the execution of import, passage and settlement of DBBL.
* To consider the over a significant time span cash related territory of DBBL.
* To consider the L/C Opening methodology.
* To consider the outside exchange movement of DBBL.
* To see the limits related with remote exchange movement of the DBBL.
* To give some proposition to beat the issues.
* To watch their general organizations errand.
* To give them when all is said in done proposal to endure.
* To increase valuable learning and experience on outside exchange division of a Commercial bank.
* To satisfy the particular need of brief position program as a course of BBA Program.

## **1.5 Methodology of the examination**:

The investigation contains a gigantic measure of information data. In planning this report, I needed to pursue a few strategies to gather data. This report is completed relying on both essential and optional information.

Information accumulation:

* **Primary information:** at the outset, I have assembled essential information from the brokers' announcement, through close to home meeting, perception, banks starter issues.
* **Secondary information:** to gather auxiliary information I have utilized yearly reports, individual judgment, voucher, article, diary, site of DBBL, Flex block, etc.

## **1.6 Scope of the examination**:

**Time:** the term of doing entry level position was November 4, 2018 to February 4, 2019, which is three months and I arranged the report dependent on the temporary job.

**Region:** As a bit of passage level position program, I was required to learn diverse sorts of setting aside extra cash errands, which were apportioned by the officers of different divisions. In this period, I am working with all of the divisions yet in an imperative piece of time, I spend by and large dealing with a record and remote exchange offices. Since excess stack was always made in this office, anyway I have also done particular sorts of online-related endeavors, which helped me to expand explicit division experience on electronic dealing with a record activities of DBBL. I am similarly done various assignments like-pay orchestrate issuing, general keeping cash works out, and outside exchange office. This has certainly improved my rational inclusion. Setting aside some cash is the ocean of activities. However, in my concise period, I have tried to work in the general dealing with a record diverse activities, outside exchange and credit is difficult to get it. Dutch Bangla bank is the forefront and advance intermediary who give online keeping cash; they give dealing with a record benefits through facilitated setting aside extra cash programming, which support a wide scope of setting aside some cash works out.

The degree of get a sensible idea with respect to Foreign Exchange business of business keeping cash assignment, how the L/C is opened and how the import and admission are done. Domain and issue are verified by this report consolidate criticalness of remote exchange, limit of outside exchange division of DBBL, record require in remote exchange, kind of letter of credit, import and admission movement, type and limit of outside exchange settlement, lastly execution of DBBL in remote exchange.

## **1.7 Limitation of the investigation**:

Each individual has some prerequisite. As an animal of the all-telling Allah, I have additionally two or three restrictions of this examination. I attempted my best to make it impeccable. Pushed of having the wholehearted exertion, there were leave several prerequisites, which went about as hindrances to lead the program.

The confinements are:

* A few information could not been collected for plan or security of the association.
* The branch must pick between constrained choices to fix up the change standard of outside cash against BBT, so the examination cannot cover the swapping scale fix up in import reason.
* It is especially hard to gather information from bank in context on key reason.
* The branch extravagantly trustworthy on set out office toward L/C opening help.
* The branch is so busier to do their works particularly remote trade division a segment of the time it may be time essential.

Only 12 weeks are not sufficient to visit all of the work regions in the branch. In this manner, a couple of work zones were remained unvisited. Time obliged coordinating this examination is limited.

# Chapter 2

## **2.1 Overview**:

DBBL is centered around structure a continuously sensible bank, a progressively careful association and driving business in an evidently reasonable way. Amid the time spent improving supportability, impacts of our whole deal and passing decisions are sufficient considered in our business decisions. We feel happy that our greatest mechanized financial stage in the country including ATMs and Fast Tracks, our convenient banking and pro financial exercises supporting no matter how you look at it cash related contemplations and our CSR programs including the greatest private region concede programs are exhibiting the qualification we are making for our clients and systems generally speaking.

DBBL continues keeping up its core value and look for after its vision of envisioning a Bangladesh where "science and guidance, prosperity and neatness, clean and tainting free condition or all the more every one of the an overall population subject to significant quality and ethics make for our whole lives worth living".

We have been passing on to our customers since starting in 1996 that we are "Your Trusted Partner". We are centered around giving sensible and clear financial learning to our customers in fortifying assurance of customers and diverse accomplices in the bank on an efficient reason.

We are guaranteeing our commitment to the monetary improvement of the nation by giving advances in the gainful and need areas especially in SMEs broadening money related consideration and comprehensive development.

As an earth capable bank, DBBL consents to ecological standard while financing modern tasks. Activities with likely antagonistic effect on condition are unequivocally debilitated by DBBL.

DBBL has developed an all inclusive standard Environmental and Social Management System (ESMS) that is maintained by FMO, Netherlands with particular assistance from F.I. Konsult from Czech Republic. As a part of the point of confinement progression program for executing, the bank has moved the product Environmental and Social (E&S) Categorization Tool (Environmental Risk Rating)" as per ERM tenets of Bangladesh Bank and worldwide recommended methods.

DBBL has been working adaptable financial administrations since 2011 to go to the unbanked dejected people of the country to bring them under cash related administrations compose, who are denied from traditional financial administrations, living generally in nation and remote locales.

A further growth of banking for mass people to reach even the remotest corner of the country, DBBL has been working pro financial administrations since 2015.

## **2.2 Vision statement**:

Dutch-Bangla Bank longs for better Bangladesh, where expressions and letters, sports and games, music and diversion, science and training, wellbeing and cleanliness, clean and contamination free condition or more every one of the a general public dependent on profound quality and morals make for our entire lives worth living. DBBL's pith and ethos lay on a universe of innovativeness and the wonder enchantment of an enchanted life that flourishes with soul of life and undertakings that contributes towards human improvement.

## **2.3 Mission statement**:

Dutch-Bangla Bank engineers undertaking and inventiveness in business and industry with a pledge to social reason. "Benefits alone" don't hold a focal concentration in the Bank's activity; since "man does not live by meat and potatoes alone".

## **2.4 Core objective**:

Dutch-Bangla Bank has faith in its firm responsibility to satisfy its client needs and fulfillment and to turn into their first decision in banking. Submitting general direction to its pool of regarded customer base, Dutch-Bangla Bank expects to prepare for another time in banking that maintains and embodies its vaunted marques "Your Trusted Partner".

## **2.5 Product and services of DBBL**:

* Mobile Banking
* Remittance services
* Personal Banking
* SME Banking
* Personal Banking
* E-Banking
* Deposit & advance

## 2.6 All branch of DBBL:

There are total 286 branches of Dutch-Bangla Bank Limited situated in 55 districts in Bangladesh.

## 2.7 Board of Directors:

|  |  |  |
| --- | --- | --- |
| SI. No. | Name of the Directors | Designation |
| 01. | Mr. Sayem Ahmed | Chairman |
| 02. | Mr. Abedur Rashid Khan | Director |
| 03. | Mr. Bernhard Frey | Nominee Director |
| 04. | Mr. Md. Fakhrul Islam | Director |
| 05. | Mr. Md. Nazim Uddin Bhuiyan, FCMA | Independent Director |
| 06. | Mr. Mohd. Khorshed Alam | Independent Director |
| 07. | Mr. Abul Kashem Md. Shirin | Managing Director & CEO, Director (Ex-officio) |

# Chapter 3

## 3.1 Foreign Exchange:

Remote Exchange Department is intercontinental division of the bank. It bargains by and large. It underpins generally trade through its varying methodologies for associations. It interfaces among shippers and exporters. On the off chance that the branch is confirmed dealer in remote trade advance, it can dispatch outside trade from contiguous country to outside country. This office fantastically bargains in remote cash. This is the reason this office is called remote trade office. The term remote trade has varying ramifications in various settings. Now and again it is recommended as the technique of advancement of one cash into another, sporadically as the strategy of exchanging cash starting with one nation then onto the accompanying. In Bangladesh is has a valid brightening as well. To the degree locale 2(d) of the F. E. R. Act 1947, as adjusted in Bangladesh, outside trade construes remote cash and joins instruments passed on in remote trade, all stores, credits and uniformity payable in outside money correspondingly as remote money instruments, for example, Draft, TC, Bill of Exchange, promissory note, and Letter of Credit payable in any remote cash. The matter of outside trade is getting coherently shocking and earnestly locked in. Notwithstanding, in the setting of phenomenal progression of Bangladesh's outer segment, remote trade business gives a test comparably as an astounding opportunity to invigorate improvement of bank's own business. This is the Institution that bolsters overall trade parcel as keeping money channel is the methodology for repayments. In addition, banks meet the other need of remote trade trades of the general open of the nation as they are confirmed to bargain in outside unending supply of consent from Central Bank under Foreign Exchange Regulation Act. All confirmations and imports are executed through the intercession of banks. They sway the course through which exporter to can get partition from merchant. Obviously they make the bit for the shipper done by the comprehensive network of Bangladesh. One close by the other, they give maintained and non supported credit office in execution of International Trade.

## 3.2 Foreign Exchange Market:

Foreign Trade volume of the world has continued with an unpredictable improvement in the progressing years and it is getting more prominent reliably couple with advancement of cross edge exchange and theory. On the overall scale, anyway Bangladesh's offer in the field of all inclusive exchange and foreign exchange is forsaken, the picture is none-the-less getting increasingly splendid well ordered. The country's charges are creating at an enabling pace. Bangladeshi workers abroad send close $ 14 billion consistently. The improvement in foreign exchange and settlements has had its consequences for the foreign exchange publicize. This creating business part is to make sure an impression of expanding of foreign exchange exchanges in the country. Dutch-Bangla Bank should move toward cutting a claim to fame for itself in this market through a proceeded with program of advancing and operational significance.

## 3.3 Exchange and Trade Controls:

An indispensable segment of foreign exchange business in Bangladesh is movement of exchange control overseen statutory by Bangladesh Bank under the Foreign Exchange Regulation Act, 1947. This Act connects with Bangladesh Bank to coordinate the assignment of foreign exchange business by banks and diverse components. Yet a part of the restrictive measures have either been lifted or encouraged, Bangladesh Bank's rules, principles bearings still manage the entire exhibit of foreign exchange exchanges. The officers of the bank ought to carefully examine the ‗Guidelines for Foreign Exchange Transactions-2018' issued by Bangladesh Bank and keep themselves next to each other of changes delivered utilizing time to time through Foreign Exchange Circulars and Notifications. Bangladesh Bank has Foreign Exchange Departments in its working environments at Dhaka, Chittagong, Khulna, Rajshahi, Rangpur, Barisal, Sylhet and Bogura. Dutch-Bangla Bank's offices arranged inside the domain of the appropriate working environments are normally required to oversee and report their foreign exchange exchanges to the different Bangladesh Bank Office. Despite the Guideline for Foreign Exchange Transactions, the specialists will similarly need to adjust to a variety of fundamentals, headings, acts, standards, game plans and announcements while playing out their ordinary work. Of them, indispensable ones are Import and Export Policies of Government of Bangladesh, Income Tax laws, Company Laws, Negotiable Instruments Act.1881, Sale of Goods Act, Law of Contracts, AML Act, UCP 600, URR 725, URC 522, Incoterms 2010, ISBP, etc. The International Division and Foreign Exchange Departments will outfit themselves with these reference books close by other critical perusing material and other first creations of worldwide Chamber of exchange.

## 3.4 Risk involve in foreign Exchange Business (Frauds and Forgeries):

Not all the potential clients advancing toward the bank will be as sensible and genuine as one may need them to be. Some may need to open letters of recognize for imports for the point of cheating the bank in plot with the beneficiary abroad. Some would require the bank to back passage organizes that they don't hope to execute. There would regardless be people attempting to trap the set aside extra cash with fabricated drafts, stolen voyagers' checks and phony money related endorsements and stack diverse strategies. Bank specialists should keep up strict wariness to get ready for these degenerate people. While mindful asks would be helpful to find the trustworthiness and money related soundness of neighborhood clients, the bank may enquire with comprehensive assumed affiliation like Dun and Bradstreet about unwavering quality of foreign clients. Credit reports may be procured from foreign writers about foreign exporters or shippers especially while overpowering obligations are incorporated. It must, in any case, be reviewed that most of these reports are held. One must develop a fitness to locate some shrouded significance for a pragmatic examination of the standing and worth of the associations.

## 3.5 Foreign Exchange Operations of Dutch Bangla Bank:

Foreign trade part manages outside money and its exchange. The first occupation of this division are recorded:

•Letter of Credit (for Export and Import)

•Dollar/Travelers Check (TC) Endorsement

•Foreign Remittance

•Foreign Currency Account

## 3.6 Letter of Credit (For Export & Import):

Letter of Credit is a confirmation, undertaking or obligation to the beneficiary/exporter for making portion issued by the issuing bank to serve the perpetual supply of a couple of conditions. As separation associated with worldwide exchange, purchasers and dealers don't have any acquaintance with one another. It is troublesome for both the purchasers and dealer to welcome each other's honesty and credit value. Aside from this, it is likewise hard to realize different guidelines winning in their particular nations in regards to fare and import. Along these lines, the purchaser needs to be guaranteed of products and venders need to be guaranteed of installments. National Banks, consequently guarantee these things to happen all the while by opening Letter of Credit ensuring installments to dealer and merchandise to purchaser. By opening a Letter of Credit in the interest of purchaser for merchant, business banks embrace to make installments to a vender subject to accommodation of archives attracted on entirely consistence with Letter of Credit terms giving title of products to the purchaser. It is a contingent assurance. The Letter of Credit therefore comprises a standout amongst the most imperative strategies for financing foreign exchange.Is to make a payment to or the order of a third party (“the Beneficiary”), or is to accept and pay bills of exchange (Draft’s) drawn by the Beneficiary,

* Authorizes another bank to effect such payment, or to accept and pay such bills of exchange (Draft(s)),
* Authorizes another bank to negotiate,

Against stipulated document(s), gave that the terms and states of the Credit and agreed to.

Then again Letter of acknowledge can be characterized as a "Credit Contract" whereby the purchaser's bank is submitted (in the interest of the purchasers) to put a concurred measure of cash at the vender's transfer under some concurred conditions. Since the concurred conditions incorporate in addition to other things, the introduction of some predefined reports, the letter of credit is called Documentary letter of credit.

### **3.6.1 Types of Letter of Credit:**

There are numerous kinds of Letter of Credits that are utilized in various nations of the world. In any case, International Chamber of Commerce (ICC) vides their UCPDC-500, which means just two sorts of Letter OF Credits

1. **Revocable Letter of Credit :**

A revocable credit might be revised or dropped by the issuing bank at any minute and without earlier notice to the recipient. In other words, this kind of letter of credit can be repudiated or dropped whenever without assent of, or notice to the recipient. If there should be an occurrence of vender (recipient), revocable credit includes hazard, as the credit might be changed or dropped while the products are in travel and before the records are displayed, or despite the fact that introduced before installments has been made. The merchant would then face the issue of acquiring installment then again revocable credit gives the purchaser most extreme adaptability, as it very well may be revised or dropped without earlier notice to the vender up to the snapshot of installment purchase the issuing bank at which the issuing bank has made the credit accessible. In the cutting edge banking, the utilization of revocable credit isn't broad.

1. **Irrevocable Letter of Credit:**

An irreversible credit is an account credit, which can't be denied, vacillated or changed/modified or dropped without the consent of all social affairs buyer (Applicant), merchant (Beneficiary), Issuing Bank, and Confirming Bank (if there ought to be an event of asserted Letter of Credit). Irreversible Credit gives the merchant progressively noticeable affirmation of portions, yet he/she remains dependent on an undertaking of a remote bank.

A commitment of the Issuing and Conforming Banks:

An irreversible credit builds up a reasonable undertaking of the Issuing Bank, given that the stipulated chronicles are shown to the Nominated Bank or to the Issuing Bank and that the terms and conditions of the credit.

### **3.6.2Types of the L/Cs provided by the Dutch Bangla Bank:**

* **Back to Back L/C :**

Consecutive L/C is describe as a credit, which is opened at the directions and the interest of the recipient of the first charge L/C on the quality credit. Consecutive is a term given to an auxiliary credit, which develops where the merchant's uses the credit, permitted to him by the Issuing Bank to its provider. From time to time Back-to-Back credit is called Counter Veiling Credits, for instance credit and counter credit.There are two sorts of Back-to-Back credit:

* Foreign Back-to-Back Credit.
* Local Back to Back Credit
* **Revolving L/C:**

A rotating credit is a credit, which accommodates the credit to be recharged consequently after use without the need to restore the credit unfailingly. It very well may be settled as for either:

* Time
* Sum (for example complete estimation of the credit)

**Transferable L/C :**

A transferable credit is a credit, which can be transferred in whole or part by the original beneficiary to at least one "Second beneficiaries". It is normally utilized when the first beneficiary does not supply the products himself, yet acts as an intermediary between the supplier and the ultimate purchaser.

### **3.6.3 Documentary requirement for the Dutch Bangla Bank LTD. .**

* Copy of Trade License with import permission
* Original Import Registration Certificate (IRC) and Passbook with Current Year Renewal
* Indentor Registration Certificate if necessary
* Copy of TIN Certificate with update return
* Copy of VAT Certificate
* Cutting-edge Credit Report of Beneficiary if the L/C amount over USD10,000.00
* CIB(Credit information bureau) Report which will be collected from Bangladesh Bank
* Party Application in their letter head pad
* Proforma Invoice duly accepted by L/C Applicant
* L/C application from supplied by Bank duly filled in and marked by Applicant
* Insurance Cover Note with Money Receipt and VAT certificate
* LCA Form supplied by Bank which is marked by Applicant
* Demon Form supplied by Bank which is duly filled in and Signed by Applicant
* L/C margin which is approved by Head Office
* Commission, Vat, Stamp, Misc. and Swift/Courier Charge as prescribed by H.O.

### **3.6.4 Opening L/C of Dutch Bangla Bank Ltd.**

The Dutch Bangla Bank may now continue the opening the credit in the interest of their own clients with them acknowledge government associations. Important sections to be given in the L/C opening register by assigning a L/C number and following vouchers are to be passed for culmination of opening exchanges at BC selling rate (spot).

### **3.6.5 issuing the Letter of credit of Dutch Bangla Bank ltd.**

In this stage, Dutch Bangla Bank fills the bank-determined structure for issuing Letter of Credit. Normally a Letter of Credit contains the accompanying data and terms and conditions:

* Charges;
* Country of starting point of merchandise;
* Currency and sum ;
* Date and spot of the expiry of the Documentary Credits ;
* Description of products and amount ;
* Documents required for exchange;
* Instruction for arranging bank;
* Last date of shipment;
* Letter of Credit Authorization (LCA) number, IRC (Import Registration Certificate) number and Harmonized System (HS) code;
* Mode of Carrying – Air/Ship/Truck;
* Name and address of recipient ;
* Name and address of the prompting bank;
* Name and address of the candidate;
* Name of the issuing Bank and Branch;
* Negotiating bank ideally openly debatable in any bank;
* Number of Letter of Credit and date of opening;
* Payment Term-Sight/Usance ;
* Period of Negotiation;
* Period of introduction;
* Port of Loading and port of Discharge;
* Reimbursing Bank and installment mode;
* Terms and conditions in regards to Transshipment and Partial Shipment

### **3.6.6 The Letter of Credit (L/C) Process:**

* The various advances involved in the operation of a letter of credit are described as follows. Please allude to Figure below for an elaborate illustration.
* The shipper and exporter have made a contract before a L/C has been issued.
* The shipper applies for a L/C from his banker known as the issuing bank. He may have to utilize his credit lines.
* The issuing bank opens the L/C that is channeled through its overseas Correspondent bank, known as the advising bank.
* The advising bank illuminates the exporter (beneficiary) of the arrival of the L/C
* Exporter transports the products to the shipper or other designated place as stipulated in the L/C.
* Meanwhile, the exporter also prepares his very own documents and collects transport documents or different documents from relevant parties. All these documents will be sent to his banker, which is acting as the negotiating bank.
* Negotiation of fare bills happens when the banker agrees to give him finance. In such case, he obtains payment endless supply of documents. If not, the documents will be sent to the issuing bank for payment or on an approval basis as in the following stage.
* Documents are sent to the issuing bank for repayment or payment
* Issuing bank praises it's undertaking to pay the negotiating bank on condition that the documents comply with the L/C terms and conditions.
* Issuing bank releases documents to the shipper when the latter makes payment to the previous or against the latter's trust receipt facility.
* The shipper takes delivery of endless supply of the transport (usually sending) documents.

## 3.7 Parties involved in letter of credit(L/C):

* The Applicant:

The candidate is the gathering who approaches a bank to issue the L/C. Largely, the candidate is a shipper who achieves a concurrence with the exporter before moving toward the bank to issue the L/C. The candidate is likewise regularly committed to repay the issuing bank for any installments made under the L/C.

* The Issuing Bank :

The bank issuing the L/C is known, as the issuing bank and it is normally the manage an account with which the shipper keeps up a record. The issuing bank attempts a flat out commitment to endless supply of archives attracted severe similarity with the terms and states of the L/C.

* The Advising Bank :

The reporter bank in the recipient's nation to which the issuing bank sends the L/C is regularly alluded to as the prompting bank. The prompting bank basically exhorts the L/C with no commitment on its part. Nonetheless, the exhorting bank will take sensible consideration to check the clear legitimacy of the credit that it prompts.

* The Beneficiary:

The recipient or exporter is the gathering qualified for draw installment under the L/C. The recipient should exhibit the expected records to benefit installment under the L/C.

* The Confirming Bank:

The affirming bank affirms that the issuing bank has issued a L/C. The affirming bank turns out to be specifically committed on the credit to the degree of its affirmation and by affirming, it gets the rights and commitments of a guarantor. The prompting bank for the most part does L/C affirmation or a third bank in the recipient's found.

* The Negotiating Bank:

The bank that consents to inspect the reports under the L/C and pay the recipient is known as the arranging bank. Regularly, the exhorting bank is selected as the arranging bank.

* Reimbursing Bank:

The bank designated by the issuing bank to give repayment to the arranging bank or the payee bank is alluded to as the repaying bank.

## 3.8 Dollar &Travelers Cheque Endorsement:

DBB Lis an Authorized Dealer of American Express T/C. At the comparable time, they can buy and sell T/C and dollar. Every morning they get a wire from Head Office, Which conveys the rate of the remote money exchange of the day. DBBL fix the rate by them. Toward the completion of every month, the branch uses to introduce every solid report (every single outside exchange records and parity of the remote cash) to the Bangladesh Bank and their Head Office.

## 3.9 Foreign Remittance:

Dutch Bangla Bank gives premium quality administration to repatriation and gathering of settlement with the assistance of its top of the line journalists and prepared staff. By exhibiting on-line managing an account administration and transforming into a SWIFT Alliance Access Member, which engage its branches to send and get installment guidance specifically, that gives premium administrations. Settlement administrations given by Dutch Bangla Bank are:

Internal Remittance: Draft, TT

Outward Remittance: FDD, TT, TC and Cash (FC)

## 3.10Foreign Currency Account:

It is possible to operate a foreign currency (Dollar) account in Bonani Branch. The account holder gets a chequebook against the account and has to state the amount in respective currency.

## 3.11 Functions of Foreign Exchange Department:

Outside Exchange Department performs numerous capacities to encourage the remote trade exchanges. These are:

* Facilitating Import Trade
* Facilitating Export Trade
* Providing Funded and Non-supported Credit Facility.
* Provide Non Commercial Remittance
* Maintaining Foreign Currency Accounts
* Selling of Foreign Currency Bond
* Preparation and Submission of Statements

The previously mentioned capacities are finished by three areas to be specific:

•Import

•Export

•Foreign Remittance

# Chapter 4

## 4.1 Import:

Import is the stream of items and ventures obtained by monetary specialist remaining in the nation from financial operator remaining abroad. We can influence less difficult Import as a way to get of items and adventures from the remote nations into Bangladesh. In by and large customers, firms and Government of Bangladesh import remote stock to meet their different requirements. In global condition, buyers and dealers are an extensive bit of the cases darken to one another. So dealer dependably searches for assurance for the installment for his stock conveyed. Here is the job of bank. Bank gives convey ensure that it will pay for the stock in the interest of the buyer. This assurance is called Letter of Credit. In this way the agreement among vendor and exporter is given a legitimate shape by the investor by its 'Letter of Credit'. Right when a buyer goes to import a couple of items from a remote buyer, he request his bank makes installments to the exporter of stock. What's more, the bank recuperates the sum from the shipper.

### **4.1.1 Import Mechanisms:**

To import, an individual ought to be fit for being a shipper. As indicated by import and passage control act, 1950, the officer of the central controller of import and charge gives the enlistment (IRC) to the shipper. In the wake of acquiring this, this individual needs to verify a letter of credit approval (LCA) from Bangladesh Bank and after that an individual turns into a certified shipper. He is the person who requests or trains the opening bank to open a L/C. he is likewise called opener or candidate of the credit.

Import and Export (control) Act 1950 direct the Import and Export exchange of the nation. There are different conventions, which on Importer needs to satisfy before import items. These customs are portrayed cry —

### **4.1.2 Import Registration Certificate (IRC)**

T The principal thing one have to carry on a business of import is called Import Registration Certificate. Yet, enlistment isn't required for import products, which don't included settlement of outside trade like prescription; perusing materials and so forth can be imported without enrollment by the clients inside financial point of confinement. Records to be required for Import Registration Certificate are as per the following —

* Income Registration Certificate
* Nationality Certificate
* Certificate from Chambers of Commerce and Industry Registered Trade Association
* Bank Solvency Certificate
* Copy of Trade License
* Requisite expenses

On getting application, the individual CCI&E officer will examine the records and lead physical confirmation and issue request note to the planned merchants to outfit the accompanying papers through their named Bank —

* Original duplicate of treasury stored as IRC expenses
* Assets Certificate
* Affidavit from first class Magistrate
* Rent receipt
* Two international ID measure photo
* Partnership deed if there should be an occurrence of organization firms
* Certificate of Registration, Memorandum and Articles of Association if there should be an occurrence of Limited Company.

In the wake of investigating and checking, the selected Bank will advance the equivalent to the particular CCI&E office with sending plan for copy through Banks delegate. CCI&E then issue Import Registration Certificate to the Applicant.

### **4.1.3 Functions of Import section**

* **IMP form :**

The form IMP contains the followings—

* Name and address of the Authorized dealers.
* Amount of remittance to be permitted (i.e. L/C amount)
* LCA form no. Date and value in Taka.
* Description of goods.
* Invoice value in foreign currency, (i.e. L/C amount)
* Country of origin.
* Port of shipment.
* Name of steamer / Airline (i.e. By road/ship/air)
* Port of importation.
* Indenter's name and address.
* Indenter's registration number with CCI & E and Bangladesh Bank.
* Full name and address of the applicant.
* Registration number of the applicant with CCI & E.
* Type of LCAF.
* **Import Procedures:**
* Procedures, which are followed at the time of Import, are as follows:
* The buyer and the seller conclude a sale contract provided for payment by documentary credit.
* The buyer instructs his bank (the Issuing bank) to issue a credit in favor of the Seller/Exporter/Beneficiary.
* The Issuing Bank then send messages to another Bank (Advising Bank/ Confirming Bank), usually situated in the country of seller, advice or confirms the Credit Issue.
* The Advising / confirming Bank then informs the seller through his Bank that the Credit has been issued.
* As soon as the seller receives the credit, if the credit satisfies him the he can reply that, he can meet its terms and conditions, he is in position to load the goods and dispatch them.
* The seller then sends the documents evidencing the shipment to the Bank where the Credit is available (Nominated Bank). This can be the Issuing Banker Confirming Bank; Bank named in the Credit as the paying, accepting and Negotiating Bank.
* The Bank then checks the documents against the credit. If the documents meet the requirements of the credit, the Bank then pay, accept or negotiate according to the terms of credit. In the case of credit available by negotiation, Issuing Bank will negotiate with recourse.
* The Bank, if other than the issuing bank, sends the documents to the issuing Bank.
* The issuing Bank checks the document and if they found that the document has met the credit requirements, they realize to the buyer upon payment of the amount due or other terms agreed between him and the issuing Bank.
* The buyer sends transport documents to the carrier who will then proceed to deliver goods.

An importer is required to have the followings to import through the bank

* A bank account in the bank.
* Import Registration certificate.
* Taxpaying identification number.
* Performa invoice indent
* Membership certificate
* LCA (Letter of credit application) form duly attested.
* One set of IMP form.
* Insurance cover note with money receipts.
* Others.

## 4.2 Export

The stock and endeavors sold by Bangladesh to outside family units, agents and Government are called exchange. The admission exchange of our nation is controlled by the imports and charges (control) Act, 1950. There are different conventions, which an exporter needs to satisfy when shipment of items. The charges from Bangladesh are liable to convey exchange control practiced by the Ministry Of Commerce through Chief Controller of imports and tolls (CCI and E). No exporter is permitted to exchange any ware allowable for toll from Bangladesh except if he is enrolled with CCI and E and holds substantial Export Registration Certificate (ERC). The ERC is required to be revived every year. The ERC number is to be consolidated on EXP shapes and diverse reports associated with passage.

### **4.2.1 Types of Export:**

Export must be done as under:

* Export against L/C or firm contract.
* Export against advance payment.
* Export under consignment basis.

### **4.2.2 Export Operation of DUTCH BANGLA BANK**

Bangladesh conveys a vast amount of items and ventures to outside families. Readymade material articles of clothing (both sewed and woven), jute, jute-made items, set shrimps, tea are the fundamental stock that Bangladeshi exporters charges to remote countries. Articles of clothing part is the prime division of our kingdom. Bangladesh conveys most of its readymade articles of clothing items to U.S.A and European Community (EC) nations. Bangladesh conveys about 40% of its readymade pieces of clothing items to U.S.A. A huge segment of the exporters who convey through Dutch Bangla Bank are readymade articles of clothing exporters. They open charge L/Cs to exchange their stock, which they open against the import L/Cs opened by their remote shippers.

### **4.2.3 Legal Requirement of Dutch Bangla Bank ltd. Into the Export**

* In spite of the fact that installment parts of admissions are Bangladesh Bank's worry, the passage arrangement Order declared by the Ministry of Commerce controls physical perspectives. Bangladesh Bank has set out expand method and set down exhaustive guidelines and guidelines concerning Export and Export installments. All tolls, to which the essential of announcement applies, must be proclaimed on the passage Form. The branch ought to before guaranteeing any admission structure, consider and pay heed to the accompanying:
* The arranged exporter will have legitimate Export Registration Certificate.
* Payment for stock exchanged from Bangladesh ought to be gotten through the branch in openly convertible remote cash or in Taka from a non-occupant Taka record of a bank office or journalist abroad.
* Commission, business and other exchange energizes are permissible just to a limit of 05% of the estimation of stock. The charges past 5% might be acceptable subject to prior endorsement of the Bangladesh Bank.
* So as to maintain a strategic distance from any loss of outside trade to the nation, the branch should see that
* Arrangements have been made for acknowledgment of fare continues inside endorsed time of 4 (four) months.
* Arrangement has been made for receipt of title to products like Bill of Landing, Airway Bill and so forth by the branch on shipment of merchandise.
* The Export Form is stamped either by the exporter or one holding legitimate lawful force of lawyer from exporter and the terms of the power of lawyer are with the end goal that both the exporter and the lawyer might be considered capable mutually and severally for acknowledgment of toll continues.
* In regard of charge of stock by means of land course or through ocean, the Bill of Landing, Railway Receipts and distinctive reports of title to payload ought to be attracted just to the demand of Dutch Bangla Bank Limited.
* In regard of toll of stock through air, the Airway Bills and any extraordinary reports of title to payload ought to be attracted to the demand of Dutch Bangla Bank Ltd. in the nation of imperative assigned by the branch.

### **4.2.4 Issuance, Certification and Disposal of Export Forms**

The Export Forms are in quadruplicate. The branch to their exporter customers will supply these Forms. In all cases the structures will be finished and set apart by the exporter on this approved lawyer. After receipt of the Exp Forms from the exporters for accreditation reason, the branch will see and ensure that every course of action of the structures is commitment filled in.

As needs be, they will record full points of interest for the structures in the Export Register (MBGx-11) and dole out a number for every plan of the Exp shapes in the 5 boxes between AD's code number and year. The branch will likewise need to finish the structures themselves by observing all the required data and code number and ensure the structures in the way endorsed in that under seal land mark of the approved authority.

After the branch affirms he outlines these ought to be submitted to the traditions specialists in the wake of filling in the section identifying with them and joining in that their seal and mark will reestablish the copy, triplicate and the quadruplicate duplicates to the exporter/his operator. The client's position will advance the first cop to the Bangladesh Bank. The exporter must present all the rest of the duplicates of the Exp structure and the transportation reports to the branch in order to empower the branch to show the affirmed copy duplicate of the Exp structures to the remote trade approach office, Bangladesh Bank inside 14 days from the date shipment of the stock.

The branch on receipt of toll continues from abroad will ensure on the switch of the triplicate duplicate of the structure held with them and forward it to the Bangladesh Bank with the typical month to month return. The branch for record will hold the quadruplicate duplicate.

### **4.2.5 Negotiation Discounting of Export Bills (local):**

The branch may arrange/markdown of passage bills gotten by them from neighborhood supplies-cum-exporters against inland BTB/Cs or inland L/Cs having tenor at sight or usance. Perpetual supply of the archives the branch will inspect the records with the L/Cs. If the archives show up all over not to be in consistence with the terms and states of the credit, the recipient might be encouraged to redress the disparities and additionally the branch may send the reports on gathering premise with the authorization of the exporter. Buy/accumulation registers appointing a number to each bill. The branch will mail exchange charges under a sending plan encasing all records as indicated by narrative credit joining proper Payment directions for installment/acknowledgment of issuing bank. Interminable supply of the acknowledgment and development from the concerned issuing/drawing bank, the bill might be acquired/limiting would be set up as indicated by banks position under the mark of an approved authority and ought to be set to the chief for transfer guidance/authorize. The branch by then, make installment to the gathering by passing the voucher as per figuring showed up in the limiting proposition at usance obtaining rate as indicated by separate residency of the usance bills.

The branch will remind the drawee bank to make installment of the bill on development and follow up to be proceeded till acknowledgment of the bill. Past due interest @ 16% p.a. is to be recouped from the drawee bank or from the exporter if the bill is acknowledged after development date.

### **4.2.6 Alternative procedure for financing Export Bill (local)**

The branch may allow advance against affirmation of close-by Export Bills to their admission clients by permit of development (Secured) as opposed to restricting the proportional with underwriting of Head Office. The branch will recover interest @ 16% p.a on the credit entirety excellent for certified period.

### **4.2.7 Advising Export L/C of Dutch Bangla Bank ltd,**

Worldwide trade of items from Bangladesh is made through the media of L/C issued by the remote Bank in accordance with shippers for exporters in Bangladesh. Such charges L/Cs are en-controlled through the Banks who have writer relationship with the past. The outside columnist (for instance issuing Bank) of Dutch Bangla Bank Limited (for instance urging bank) may incite the L/Cs in the going with way:

* By shot message pursued via Airmail or
* By full content message or
* By Airmail

The branch will take sensible consideration to check the evident legitimacy of the L/Cs, which, it exhorts. In the event that the clear realness can't be set up it must advise it to the issuing bank immediately. On the off chance that the branch chooses not to guidance the L/Cs, it should so advise the issuing bank.

### **4.2.8 Transfer L/Cs**

The branch in accordance with the first beneficiary (first beneficiary) may execute exchange of L/Cs to the following beneficiary (second beneficiary). For doing all things considered, the essential beneficiary must keep up an accounting association with the branch and the branch will check his/her blemish on the interest letter. A Letter of Credit can be exchanged just if it is explicitly communicated, as "transferable" by the issuing bank and exchange isn't constrained to some other bank. The L/C can be exchanged just on the terms and conditions decided in the Original L/C aside from L/C total, unit esteem, expiry date, presentation time of records and shipment legitimacy, any of which might all be diminished or reduced. In addition, the name of first beneficiary can be submitted for that of the candidate, yet in case the name of the candidate is uncommonly required by the first L/C to appear in any files other than the receipt, such essential must be satisfied.

A transferable credit can be exchanged once just for instance second beneficiary can't exchange the L/C to any resulting Third beneficiary. In any case a credit can be exchanged to more than one minute beneficiary and when exchanges are made to a restricted degree it ought to be affirmed that the first L/C permits part shipment and the aggregate of such exchange must not outperform the first L/C esteem.

## 4.3 Foreign Remittance

Foreign remittance is the transfer of foreign cash starting with one country then onto the next country. Actually, foreign remittance is buy and sale of freely convertible foreign monetary standards as permissible under exchange control regulations of the nation. Foreign remittance is vital for the nation as valuable foreign exchange is involved in the transfer instrument.

### **4.3.1 Types of Remittance:**

There are two types of foreign remittance

* Foreign Inward Remittance
* Foreign Outward Remittance

### **4.3.2 Foreign Inward Remittance**

Remittance originates from foreign nations to our nation is called internal remittance. To the bankers or Ads internal remittance implies buy of foreign money by approved dealers. Usually, internal remittances are gotten by draft, mail transfer, TT, buy of foreign bills& traveler's check, trade bills; basically, these are the formal channels of accepting internal remittance. A local bank also gets indenting commission of local firm also goes under domain of internal remittance.

### **4.3.3 Collection procedure:**

* To make passage in Foreign Bills Collection Register
* To get ready sending Schedule in Quadruplicate
* To get ready vouchers on acknowledgment of continues Payment Procedure
* To check up the custom announcement
* To counsel buy understanding
* To get the mark of TC and to check the equivalent with the past mark of the recipient on the TC
* To make section register for TC and Drafts bought
* To plan vouchers and FET plan
* Lastly send for gathering

### **4.3.4 Cancellation of Inward Remittance:**

 Any internal settlement which has just been accounted for to the Bangladesh Bank, being in this way dropped, either in full or part, due to non-accessibility of recipient.

Approved Dealer must report the wiping out of internal settlement as an outward settlement of structure "T/M" required archive are

* The date of return in which the internal settlement was accounted for
* The name and address of the recipient
* The measure of the buy as affected
* Reasons for retraction

### **4.3.5 Foreign Outward Remittance**

Settlement from our country to outside countries is called outward remote settlement. Offers of remote money by the affirmed merchant or formal channels may be tended to as outward settlement. The endorsed merchants should most outrageous alarm to ensure that remote fiscal models dispatched or discharged by them are used just for the explanations behind which they are discharged. Outward settlement may be made by appropriate procedure to the country to which settlement is affirmed. Most outward settlement is certified by the endorsed merchant in the interest of Bangladesh Bank.Outward settlement for recipients outside Bangladesh might be made in any of the accompanying habits

* Formal channel:

Reserve exchange starting with one nation then onto the next nation through authority channels, for example banking channel, post office, and other private administration channels, for example, Western cash request, Neno cash request and so on.

* Informal Channel:

Reserve exchange starting with one nation then onto the next nation through hand by hand or over phone in an informal channel like as "Hundy". Settlement gathered by casual "Hundy" rings working in Middle East nations and UK are additionally used to back unlawful exchange and exchanges.

# Chapter 5

## 5.1 Suggestions:

* To directly credit the foreign remittances through online banking.
* To simple acquirement and methodology in regard of all exchange.
* To fortify satisfactory logistic backings.
* To develop clients administration with amicability.
* Brief client's administration is required, like one stop services.
* To inspire the HR for mobilizing store, decrease of past due and so on.
* To analyze and build-up awareness of contenders methodologies.
* To improve employees compensation contrasting with others.

## 5.2 Recommendations:

* By and substantial, the remote banks need certifications from other outside manages an account with which this bank has correspondence. This shows the poor money related condition of our financial division and besides our country. Banks should try to improve this condition.
* The bank should engineer all the all the more planning projects for their authorities. Quality getting ready will assist the authorities with enhancing them with later learning of outside trade works out.
* As the customers are not for introducer structure that as of now present, if conceivable the standard of familiarizing with open a record ought to be changed. Since various individuals face assorted issues to sort out an introducer in the period of opening records.
* If there ought to emerge an event of L/Cs, now and again customers request giving their portions anyway their reports are found discrepant. From time to time bank needs to offer portion to these customers for different reasons. In any case, it decreases the validity of the bank. I figure the bank ought to be severe as conceivable about giving portion against discrepant reports without hurting the customers.
* The Bank should take some special activities so the delegates will feel energy to open their L/C in the outside trade office, Bonani Branch of DBBL Bank constrained. Thus, the chief can effectively expand the activities of remote trade division of this branch.
* Labor ought to be addition in outside trade region.
* The Software in General Banking similarly as outside trade ought to be refreshed.
* State-of-the-workmanship banking programming ought to be used to give better help of the customers.
* The valuation of the property ought to be determined by the surveyors.
* Online Banking ought to be suited fast administrations.
* For selling their things this branch need strong elevating to sell their things.
* Regular Performance Appraisal and ensuring progression/remunerate dependent upon that will restrict the representatives trading tendency.
* Space need is another difficult issue for improvement DBBL Bank Limited, Bonani branch is obstructed than other private banks. The board should consider this for outside advancing.

## 5.3 Conclusion:

The financial organization of the DBBL Bank Limited is getting modernized day – by – day. The customers are picking DBBL Bank Limited as best administrations among other business banks. Well ordered DBBL Bank Limited forms their financial structures. They attempt to give the best help of their customer. DBBL Bank ltd. increase its customer organization and the image has put incredible effect on client minds its customers are growing quickly .There was when individuals of Bangladesh didn't trust in the private banks anyway the confirmed and brilliant organization of DBBL Bank Ltd. made difference. Regardless of the way that I am standing up to a couple of issues and constraints anyway I capitalizing on my work. Likewise, worked in DBBL Bank Limited is expanding hypothetical information similarly as functional learning. This is beyond the realm of imagination in the classroom consider. To set up my brief position report, I need to gather more information and hint at progress association in work in General banking Foreign Exchange division and Investment office. I think it is a champion among the best private banks. By and by DBBL Bank ltd. is being treated as one of the potential banks in other private banks in Bangladesh. DBBL Bank Ltd. is very stress over the customer care. Trade is doing all around easily. At last, I can say DBBL Bank Limited works well ordere

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