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A WORKING REPORT ON THE L\C OPENING SYSTEM OF DUTCH BANGLA BANK LTD.

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By

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ID – 0730103

An Internship Report Presented in Partial Fulfillment
Of the Requirements for the Degree Bachelor of Business Administration (BBA)

INDEPENDENT UNIVERSITY, BANGLADESH

8th December, 2011

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has been approved
December, 2011

Mr. Saquib Shariar
Lecturer, Finance and Accounting
School of Business
Independent University, Bangladesh

Letter of Transmittal

Saquib Shariar
Lecturer, Finance and Accounting
School of Business
Independent University, Bangladesh

Subject: Submission of the internship working report.

Dear Sir,

With great pleasure I submit this internship report on "A WORKING REPORT ON THE L\C OPENING SYSTEM OF DBBL" as per the Advisor's instruction. I expect this report to be informative as well as comprehensive.

Working in Dutch Bangla Bank Ltd was an inspiring experience for me. I feel the immense knowledge and experience will facilitate me a lot in my future career life. With my limited knowledge, I have tried my level best to prepare the report worthwhile.

Your acceptance and appreciation would surely inspire me. For any further explanations about the report, I will be gladly available to clarify the ins and outs.

Sincerely Yours,

Mahafuza Alam
ID: 0730103

Acknowledgement

I would like to express my gratitude to all the people that were involved both directly and indirectly in the preparation of this report. I apologize to the people whose names that I have not mentioned, and their contribution is highly appreciated by me.

At first, I would like to thank my academic supervisor Saquib Shariar – Lecturer, Independent University, Bangladesh – for guiding me and for giving me the opportunity to initiate this report. More specifically, I would like to thank him for imparting his time and wisdom.

I want to thank all the officials of Dutch Bangla Bank Limited that were involved. I would especially like to thank Kazi Towhidul Alam (SEVP), Md. Abdul Awal (SEVP) and Ahamed Zahangir Alam (AVP) of Local Office for giving me time and sharing their thoughts and insights regarding their Knowledge and their bank as a whole. I would like to thank them for giving me the required information to commence this report and for providing the permission to do the required work.

Finally I want to express my special thanks to the Human Resource Department of DBBL for providing the opportunity to make my internship program in this organization. At last ,I owe a particular thanks and express my heartiest gratefulness and indebtedness to my parents and those who have contributed me to carry on academic career.

Executive Summary

Today’s business world is dynamic and competitive therefore organizations looking for Talent, extrovert graduates who belong to high degree of adaptability quality. Today’s business graduates will be the core part of business organization. Therefore, business graduates need to have both theoretical & practical knowledge to manage the business activity properly. In order to be familiar with organizational culture and to gain some practical knowledge about an organization our University provides a twelve weeks internship program as a part of the BBA program.

Dutch-Bangla Bank is the first bank in Bangladesh to be fully automated and introduce Electronic Banking. The automation was completed in 2003, but further additions and features are continuously being added and upgraded.

Dutch-Bangla Bank Limited started its banking services with a view to minimize the customer’s needs by offering different products and services which are easy and affordable for all level of customers. To that extent, DBBL always emphasizes its customer services, product development, resource management, branch networking and the contribution to the economic development of the country.

The bank also provides social services towards the society.
DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

DBBL, since its inception was active in various social activities, which increased manifold over the period of time and its growth. It is one of the fast growing leading online banks in private sector.

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Chapter-1

1.0 Origin of the Report

Now it is the era of Business & Technology. To keep pace with the Education system has become more and more practical and as a result practical knowledge has got priority. To provide professional knowledge and experience to the business students on actual picture of the business industry it requires practical orientation and exposures through internship within a specific period. The program contains indispensable practical orientation in different organizations as a part of the course curriculum. Under this curriculum students are sent to gather practical knowledge about organizational environment and activities.

1.1 Objective of the Report

The main objective of this report is to have an assessment on L\C opening system of Dutch-Bangla Bank Ltd. I tried my best to know how the Bank is providing facilities to its clients & to suggest remedial measure for the development of banking activities if required.

1.2 Methodology

To prepare this paper and collection of information's both primary and secondary sources are used. To realize the original picture & procedures of different banking services I had to observe the operations and stayed in touch with the Officials of DBBL. Moreover, I had to converse and interviewed the concern Officers. Sometimes I had to discuss with the customers about their service, demand and satisfaction. However, the following sources are used to prepare this paper.

1.3 Source of Information

The report was fully investigative in nature. Data have been collected from two sources:

1.3.1 Primary Sources:

- Discussion with the concern Officials of DBBL
- Discussion with the customers
- Expert Opinion

1.3.2 Secondary Sources:

- Website of Dutch Bangla Bank Limited
- Annual Report of DBBL
- Different papers of Dutch-Bangla Bank Ltd.
- Unpublished data.
- Different text books.

1.4 Scope of the Study

This report has been prepared through extensive discussion with bank employees and with the clients. While preparing this report, I had a great opportunity to have in depth knowledge of all the banking activities practiced by the Dutch-Bangla Bank Ltd.

1.5 Limitations of the Study

The present study was not out of limitations. But as an intern it was a great opportunity for me to know the banking activities of Bangladesh specially Dutch-Bangla Bank Ltd. Some restraints are disclosed bellow:

♣ The main constraint of the study is insufficiency of information, which was required for the study. There are various information the bank employee can't provide due to security and other corporate obligations.

♣ Due to time limitations many of the aspects could not be discussed in the present report.

♣ Every organization has their own secrecy that is not revealed to others. While collecting data through interviewing the employees, they did not disclose much information for the sake of the confidentiality of the organization.

♣ Since the bank personals were very busy, they could provide me very little time.

♣ Another significant problem faced during the preparation of this report was the contradictory explanation of a single subject by different employee.

Chapter - Two

2.1 Historical Back Ground of DBBL:
Dutch-Bangla Bank Limited is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. DBBL- a Bangladesh European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. The head office of the Bank is located at Senakalyan Bhaban (4^{th}, 5^{th} and 6th floor), 195, Motijheel C/A, Dhaka, Bangladesh.

The Bank commenced its banking business with one branch on 4 July 1996. DBBL a public company limited by shares, incorporated in Bangladesh in the year 1995 under companies Act 1994. With 30% equity holding, the Netherlands Development Finance company (FMO) of the Netherlands is the international co-sponsor of the Bank. Out of the rest 70%, 60% equity has been provided by prominent local entrepreneurs and industrialists & the rest 10% shares is the public issue. During the initial operating year (1996-1997) the bank received skill augmentation technical assistance from ABN Amro Bank of the Netherlands.

DBBL's focus is to provide one counter service to clients covering: Commercial Banking (Deposit Accounts), Consumer Banking (Retail Baking) - Traveler Cheques- Foreign & Inland Remittances, Financial Services, Corporate Banking, Asset & liability management, Liquidity & capital Resources Management, Information technology, Human Resources.

DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

DBBL, since its inception was active in various social activities, which increased manifold over the period of time and its growth. It is one of the fast growing leading online banks in private sector make sound loans and investments**.**

- ♣ To build up a low cost fund base.
- ♣ To meet capital adequacy requirement at all time.
- ♣ To install a scientific MIS to monitor bank's activities.
- ♣ To ensure 100% recovery of all advances.
- ♣ To adopt appropriate management technology.
- ♣ To ensure a satisfied work force.
- ♣ To focus a free-based income.

The emergence of Dutch-Bangla Bank Ltd. in the private sector is an important event in the banking area of Bangladesh. The Netherlands Development Finance Company (FMO) of the Netherlands is the international sponsor of the Bank. The FMO is the Dutch development bank of the Netherlands specialized in the financing of private enterprises in Asia, Africa, Latin America and Eastern Europe.

2.2 <u>Mission:</u>

Dutch Bangla Bank engineers enterprise and creativity in business and industry with a commitment to social responsibility.**" PROFIT ALONE"** does not hold a central focus in the bank's operation; because **"man does not live by brain and butter alone** ".

2.3 <u>Vision:</u>

"To become a leading banking institution and play a pivotal role in the development of the country"

DUTCH BANGLA BANK dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel magic of a charm life that abounds with sprit of life and adventures that contributes towards human development.

2.4 Core Objective of DBBL:

Dutch-Bangla Bank intends to pave the way for a new era in banking that uphold and epitomize its vaunted marques **"Your Trusted Partner".**

2.5 Business Objectives of DBBl:

- ♣ To make sound loans and investments**.**
- ♣ To build up a low cost fund base.
- ♣ To meet capital adequacy requirement at all time.
- ♣ To install a scientific MIS to monitor bank's activities.
- ♣ To ensure 100% recovery of all advances.
- ♣ To adopt appropriate management technology.
- ♣ To ensure a satisfied work force.
- ♣ To focus a free-based income.

Chapter-Three

3.0 Letter of credit (L/C) Documentary Credit*:*

The most important of the payment methods used universally is a Letter of Credit which is also called Documentary Credit, which serves as a bridge between buyers and sellers around the world in the exchange of goods and commodities.

In other words it can be said that a letter of credit is an instrument issued by a bank on behalf of the importer to make payment of agreed sums in foreign currency as stipulated to the exporter when the conditions specified in the document are met.

3.1 Forms of Letter of Credit

There are many types of Letter of Credits that are used in different countries of the world. But International Chamber of Commerce (ICC) vides their UCPDC- 500, which denotes only two types of LETTER OF Credits & DBBL also followed ICC : There as below:

i) Revocable letter of credit
ii) Irrevocable letter of credit

i) Revocable letter of credit: If any letter of credit can be amendment or charge of any clause or canceled without the consent of the exporter and importer is known as revocable letter of credit. It can be amended or canceled by the issuing bank at any time without prior notice to the beneficiary. It does not constitute a legally binding undertaking by the bank to make payment.

ii) Irrevocable letter of credit: If any letter of credit cannot be changed or amendment without the consent of the importer and exporter is known as irrevocable letter of credit. It constitutes a firm undertaking by the issuing bank to make payment. It therefore, gives the beneficiary a high degree of assurance that he will be paid to his goods or services provide he complies with terms of the credit.

3.2 Types of Letter of credit

Letter of credit is classified into various types according to the method of settlement employed. All credits must clearly indicate in major categories.

i) Sight payment credit
ii) Deferred payment credit
iii) Acceptance credit
iv) Negotiation credit
v) Red close credit
vi) Revolving credit
vii) Standby credit
viii) Transferable credit

3.3 Contents of Letter of credit

Dutch Bangla Bank normally issued letter of credit (L\C) on forms which clearly indicate the banks name and extent of the banks obligation under the credit. The contents of the information:

i) Name of the buyer
ii) Name of the seller
iii) Moment of the credit
iv) Trade terms
v) Tenor of the draft
vi) Expiration date
vii) Documents required
viii) General description of the merchandise

3.4 Parties to a Letter of Credit

A letter of credit is issued by a bank at the request of an importer in favor of an exporter from whom he contracted to purchases some commodity or commodities. The importer, the exporter & the issuing bank are parties to the letter of credit. There are however, one or more then one banks that are involved in various capacities & at various stages to play an important role in the total operation of the credit.

i) Opening Bank
ii) Advising bank
iii) The Buyer and the Beneficiary
iv) The Paying bank:
v) Negotiating bank
vi) Confirming bank

3.5 Procedures of Opening the L\C

- When the importer receives the proforma invoice from the exporter, then the importer applies for the issue of a documentary credit and requests his bank to make a promise of payment to the supplier. Obviously, the bank will only agree to this request if it can rely on reimbursement by the applicant. As a rule accepted as the sole security for the credit particularly if they are not the short of commodity that can be traded on an organized market, such as arrangement would involve the bank in excessive risk outside its specialist field.

- The applicant must therefore, have adequate funds in the bank account or a credit line sufficient to cover the required amount.

- Once the bank has issued the credits its obligation to pay is conditional on the presentation of the stipulated documents within the prescribed time limit. The applicant cannot prevent a bank from honoring the documents on the grounds that the beneficiary has not delivered goods on redder reissues as contracted.

• The selected persons on instructions those who have Tax Identification Number (TIN), valid trade license and gotten valid Import Registration Certificate (IRC) form the Chief Controller of Import and Export (CCI & E) can import and they are known as importers.

• Now, the importer will come to his bank with a request to open an L\C along with the following documents/ Papers:-

i. L\C application and agreement Form (Bank's prescribed application form) with adhesive of Tk. 150 (Flexible) [from June 3rd 1998]
ii. Indent / Preforma Invoice / Contract – 3 copies.
iii. Insurance cover note with premium paid receipt.
iv. IMP Form one set duly signed by the importer.
v. Any other documents if necessary.

• Authorized Dealer (AD) will scrutinize the documents and open the L\C in favor of the exporter by converting the Bangladesh Taka into foreign currency at the existing B.C selling rate of exchange. Care must be taken so that the limit of Bangladesh Taka is not exceeded in any way.

• The foreign currency value of the L\C must correspond the equivalent amount of Bangladesh Taka if LCA registered with Bangladesh Bank.

• The Authorized official of the Authorized Dealer will check the L\C very carefully and signed the same jointly and forward the 1st & 2nd copy to their foreign correspondent situated at the nearest place of the exporter. This bank is known as Advising Bank. On receipt of the L\C, the Advising Bank verify the duplicate copy at the end.

• By getting the L\C , the exporter prepares the goods and ship the same as per instruction of the L\C and obtain a Bill of Lading from the shipping Authority.

• The exporter will prepare Bill of Exchange, Invoice and other documents as specified in the L\C and submit the same along with the original copy of L\C to his bank within the time mentioned in the L\C. The bank with whom the exporter submits the documents is known as Negotiating Bank as this negotiates the documents i.e. make payment to the exporters.

• The Negotiating Bank will scrutinize the documents with terms and conditions of the L\C very carefully. If everything is in order, the bank will make payment of the amount of L\C to exporter in their local currency by debiting to their own account.

• Subsequently the negotiating bank will claim the L\C with whom the Head Office of L\C opening bank maintained foreign currency amount. This is known as Reimbursing bank. Reimbursing Bank will make payment to the Negotiating Bank by debit to L\C Opening Bank's Head Office A\C.

• Simultaneously the negotiating bank will forward all the documents Submitted by the exporter to the L\C opening bank as per instruction of the L\C. The date of forwarding letter of negotiating bank should be date of negotiation of documents.

• On receipt of the shipping documents from the Negotiating Bank , the L\C opening bank will carefully scrutinize the documents with terms and conditions of the relative L\C.

• If there is no discrepancy, the documents will be lodged. Lodgment of documents means the entry of the particulars of the documents in the Register and preparation of vouchers by converting the foreign currency amount into Bangladesh Taka as the exchange rate prevailing on that date.

• This amount is due to the importer. The importer will be asked to take delivery document by making payment of the bill amount excluding the margin deposited at the time of opening L\C. Payment of bill amount and to take delivery of documents by the importers is known as Retirement of Importer Bills.

• After taking delivery of documents from the L\C opening bank, the importer will clear the goods which has already been arrived or due to arrive from the customer's authority on submission of these documents along with the customer purpose copy of L\C From.

3.6 Amendment of L\C

In case of revocable L\C, amendment can be brought without prior notice of the beneficiary or issuing bank. But in case of irrevocable L\C , prior notice of the beneficiary is essential. Issuing bank will accept amendment of the L\C after consent of both the importer and exporter. L\C amendment are to be communicated by Telex, SWIFT or Mail. The following clauses of L\C are generally amended:

i. Increase/ Decrease value of L\C and Increase / Decrease of quantity of goods.
ii. Extension of shipment/negotiation period.
iii. Terms of delivery i.e, FOB,CFR ,CIF etc
iv. Mode of shipment
v. Inspection clause
vi. Name and address of suppliers
vii. Name of the reimbursing bank
viii. Name of the shipping line etc.

3.7 Meaning of Back to Back L\C

As per existing provisions recognized export experiment units are permitted to make import of raw materials and packaging materials under Back to Back L\C arrangement where import payments are made out of the realized proceeds of export of the manufacturer's product.

3.8 Procedures of Back to Back L\C

- Exporter should make application for Back to Back L\C
- Export L\C or Master L\C under is under lien
- Opening of Back to Back L\C
- Setting terms and conditions for back to Back L\C

3.9 Payment under Back to back L\C

Deferred payment is made in case of Back to Back L\C as 60,90, 120, 180 days of maturity period . Payments will be given after realizing export proceeds from the L\C issuing bank from the abroad.

3.10 Security

- Lien and physical precession of the export L\c in favor of the bank
- Imported items will be stored in a bonded warehouse under point and effective control of bank and customs authority after clearing through the approved C & F agent.

3.11 Margin

Difference between the value of export L\C in hand and the proposed Back to back L\C which is minimum 305 of value of the export L\C will be treated as margin against proposed L\C. Sometimes addition to this 10% margin is obtained.

3.12 Documentary Letter of credit (Import / Export documentation)

Documentary letter of credit is such kinds of commercial letter which a bank issue on behalf of foreign seller (exporter) according to the direction of the (importer) purchasers. The documents shown under are known as export documents from the importer's side. There are:-

i)	Bill of Exchange
ii)	Bill of Lading
iii)	Airway bill / Railway receipt
iv)	Commercial Invoice
v)	Insurance Policy
vi)	Certificate of Origin
vii)	Packing List
viii)	Bill of Entry

3.13 Payment Against Documents (PAD)

Banks deal in documents and not in goods. If the shipping documents against the L\C is in order then the Dutch Bangla Bank must have to make payment to the foreign bank within 3 days or 72 hours according as Uniform Customer and Patrice for Documentary Credit (UCPDC) 500of revision of ICC.

If the shipping documents have any discrepancy, then DBBL inform to the negotiating bank within 7 days. Otherwise, the shipping documents have not discrepancy. If the importer have not adequate founds in the bank account, then the bank make payment to the foreign bank against the shipping documents.

3.14 Lodgment and retirement of import Bills (Under Cash L\C)

3.14.1 Lodgment of Import Bill

The document letter of credit (L\C) constitutes of the important methods of financing trade. Because of the phenomenal growth in world trade and commodity wise diversification of trade its importance has significantly increased.

On receipt of the documents from the negotiating bank, DBBL will make entry the particulars of the documents into Inward Foreign Bill Register and prepare the voucher by converting the foreign currency into Bangladesh Taka. This stage is known as lodgment of import bills.

The full sets of documents which are submitted by the exporter to his bank as per terms and conditions to the L\C are known as shipping documents.

The L\C opening Bank may receive these shipping documents from his foreign correspondent (Bank) in two ways:

i) Documents on collections basis.
ii) Negotiated Documents.

3.15 Procedures of lodgment:

After scrutinization ,if it is fund in order the officer concerned will brand a rubber stamp " Checked and found correct" which will be followed by his initial.

Amount in foreign currency to be converted into Bangladesh Taka with the exchange rate (B.C selling) prevailing on the date of lodgment. Particulars of documents to be entered in the "Inward foreign Bills Register"

3.16 Preparation of Voucher: The following vouchers are to be prepared:

a) Lodgment voucher:
Dr. PAD/ Draft amount + negotiation Commission (if any)
Cr. H.O, I.D / (Reimbursing Bank)A\C

b) Liability voucher to be reversed which was originated at the time of opening L\C
Dr. Bankers Liability on L\C (cash)
Cr. Customer Liability on L\C (cash)

3.17 Retirement of Documents:

On receipt of the copy of lodgment voucher from the bank, the importer will deposit the required amount & taka delivery of the shipping documents. This stage is known as Retirement of Import Bills.

Before retirement of import bills, Dutch Bangla Bank will calculate the charge which are to be realized from the importer.

Retirement Vouchers to be prepared:
Dr. Opener A\C
Dr. Sunday Deposit A\C (Margin on L\C)
Cr. PAD/ Draft Amount
Any other charges vouchers if necessary

3.18 Security of documents:

Dutch Bangla Bank being received the documents from the negotiated bank will scrutinize the documents with the respective L\C terms & condition.

i)	Forwarding Schedule of Negotiating Bank
ii)	Bill of Exchange
iii)	Bill of Lading
i)	Commercial Invoice
iv)	Other Documents

Chapter-Four

4.0 The Nature of the Jobs and My Specific Responsibilities

I joined as intern at Dutch Bangle Bank, Local Office on 15th September. I was assigned to GB (General Banking). I spent 4 weeks here. It was very arduous, but very fruitful. I was under Ahamed Zahangir Alam (AVP), who was very intellectually intriguing. While I working in General Banking, I used the Flex-club Retail banking software. With the use of this software I learned how to Open Account, Balance Inquiry & Account Transaction History. The work was really hard at GB. I also had to hear a lot of complaints from the customers. At first I was demoralized. But later on I learned how to deal with it.

The 2 weeks I was posted in the foreign trade department. I did not have to deal with the customers that much but there were I learnt how to. Processing a new LC (Letter of Credit) , Filling up the Forms, Putting seals & Learned about The Foreign Regulation Act 1947 ,Doing the similar things for BTB (Back-to-Back) LCs and Local LCs

Then I was in the Clearing Department & pay order & Fund Transfer section for the 4 weeks. Although much work was not assigned to me in clearing department, I did assist this department in whatever way possible. In clearing section I received chequs, learns about different endorsement, crossing. Giving entry to Nikash software, which is widely used in all the bank clearing house and send the cheque to Bangladesh Bank for collection. In pay order & fund transfer section I partially issued pay order by myself.

4.1 Observation

It was very interesting working at Dutch Bangla Bank, Local Office . The people there are really nice and talented. The things that I have noticed and observed are:

- Work is never left pending for the next day unless it is absolutely necessary
- The work process could be made faster with better computers and operating systems.
- A good job performance is rarely praised, hence lacking motivation of the employees
- There is always a rush of customers so there is no standard on what the employees do throughout the day. The work activities of an employee is set, but what to do when varies along the day
- The work activities are always set and divided for each of the employees. This is the way it should be, but when I saw it firsthand it was remarkable. Each and every employee has a certain set of responsibilities. He/she carries out those responsibilities throughout the day. It is also easy to assign duties that way. Even though this is the case, I often saw other staff members helping each other out.

Chapter-Five

5.0 Recommendations & Suggestions for DBBL:

In order to get competitive advantage & to deliver quality service, top management should try to modify the services. For the improvement of the service the following measures should be taken:

i) **Increase Limit on L/C Value**: Every LC has limits on its total value, imposed on them according to the Bangladesh Banks regulations, and based on the risk factors. However the Banks stills has the authority to make some changes to the limit within a certain specified range. Hence, if Dutch Bangla Bank is more flexible than it can open more L/C's with higher values thus increasing their profitability, however in this case they would be taking more risk.

ii) **Rate of interest on LTR**: Payments for L/C's could also made through pre arranged credit facilities that the customer may have with the Bank. Usually, the rates of interest on these credits are excessively high which actually discourages the customers. Reducing interest on such credit facilities would actually induce the clients to do more global trade thus increasing the banks profit as well as the well being of the country's Economy.

iii) **LC margin BB:** Before opening an L/C a customer is required to pay the bank a certain percentage of the total L/C value in advance, called the margin. If Dutch Bangla Banks reduces the rate of margin then perhaps they can attract more customers. At the moment, Companies with good relationship with the banks only benefits with lower margin level over others.

iv) **Reduce Charges:** In order to do any kind of foreign trade whether be it Remittance, Export or even Import charges are applicable everywhere. Charges includes, SWIFT charges (Charge for sending the L/C electronically), Document Handling Charges, Stamps Charges as well as VAT. If such charges could be reduced people Dutch Bangla Bank will definitely attract more customers.

Chapter-Six

6.0 Conclusion

Modern Commercial Banking is exacting business. The reward are modest, the penalties for bad looking are enormous. And commercial banks are great monetary institutions , important to the general welfare of the economy more than any other financial institution. It has a vastly sobering and exacting responsibility.

DBBL conducts all type of modern commercial banking activities. It largely depends on its foreign exchange business to ensure profitability. To look after the business and also to ensure promote service to the export import and remittance, officers having exposure and expertise in foreign exchange business have been posted both Head Office and Authorized Dealer Branches.

Without bank co- operation, it is not possible to run any business or production activity in this age. Export and import need finance in various stages of their activities. All facilities of export, import & remittance are proved by DBBL. For this purpose banks consider the borrower’s business standing, integrity, liability with the bank term and conditions of the L\C .There are lots of risks involved in foreign business.

So, DBBL have to clearly justify the customers from a neutral point and gather the current information about the market. Overall, DBBL is emerging as a major contributor to the financial system of Bangladesh through the financing. Besides bringing in greater efficiency in the financial system through the various types of financing and advanced services using information and advanced technology, DBBL is also helping to foster economic development.

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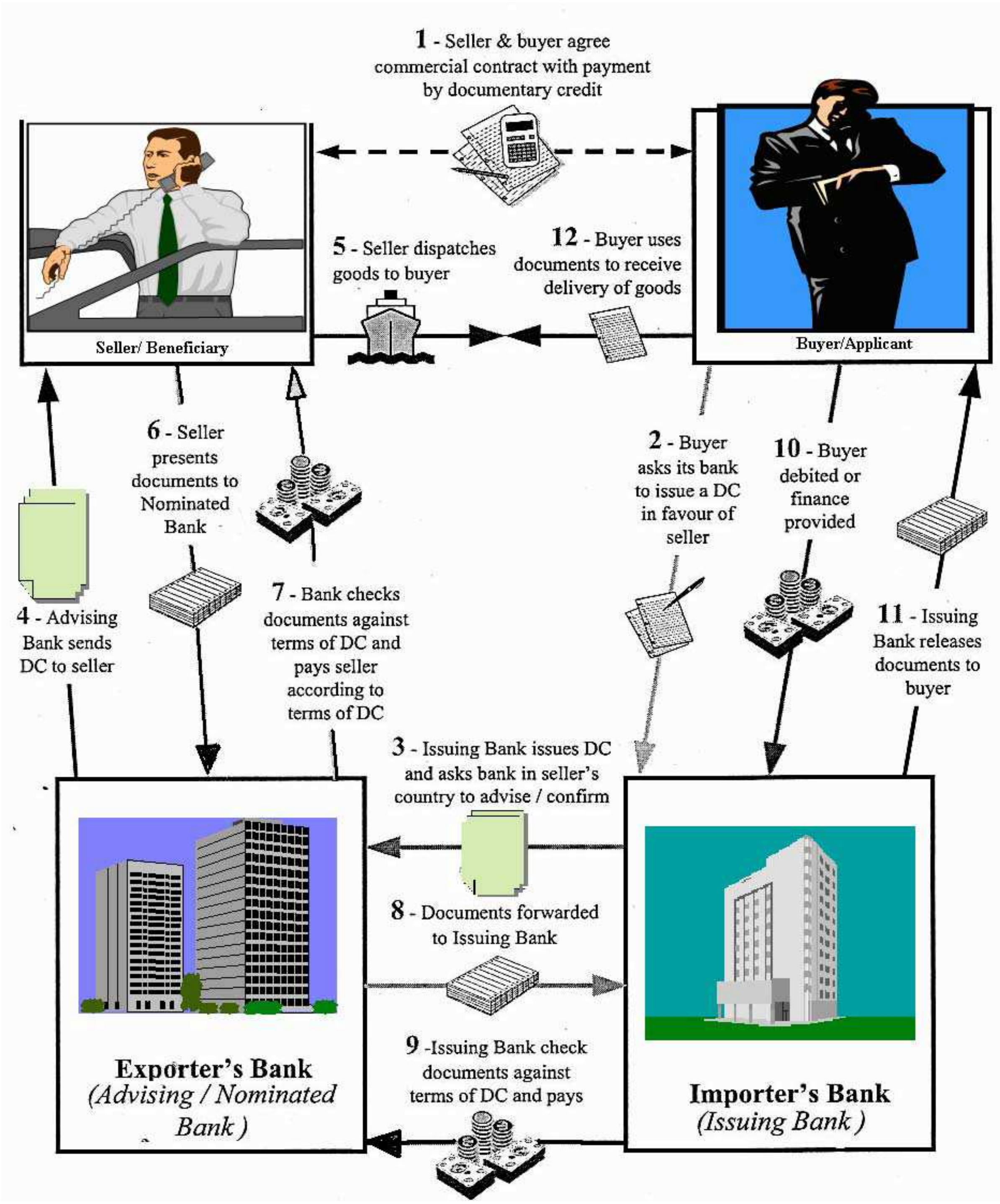
Appendix

Appendix-A: List of Charges

SL	**Type of Services**	**Nature of Charges**	**Amount of Charges & Commission**
1.	(i) L/C opening commissions under cash (sight)		Maximum @ 0.40% for each quarter
	(ii) L/C opening commissions under cash (usance)		Maximum @ 0.50% for each quarter
	(iii) L/C Opening Commission for Back to Back L/C on account of export oriented garments or specialized textiles		Maximum @ 0.40% for each quarter
2.	**L/C opening commission where 100% cash margin is received.**		Maximum @ 0.25% for each quarter
3.	**Transmission/Despatch.**		
	i) L/C	Charges	At Actual
	ii) L/C Amendment	Charges	At Actual
	iii) LC Confirmation	Charges	At Actual
	iv) LC Cancellation	Charges	At Actual
	v) FCC	Charges	At Actual
4.	**Amendment of L/C**		
	LC Amendment	Commission	Maximum Tk.750/-
5.	**Arrangement of confirmation by third Bank (Confirmation charges at actual to be borne by either opener or beneficiary as the case may be)**	Commision	Maximum @ 0.20%
6.	**Collection of credit report of the beneficiary of the L/C by Telex/ SWIFT/ Mail**	Telex/ SWIFT/ Mail	At actual plus service charges but Minimum Tk. 500/-
7.	**Supply of stationery set for L/C opening**	Charges	Actual stamp charges plus Tk. 100/-

8.	**Certification of Import Documents for Customer Assessment Purpose**	Charges	Tk. 500 (flat)
9.	**Issuance of Shipping Guarantee**	Charges	Nil
10.	**Others:** i) For discrepant import L/C documents (charges to be realized from beneficiary/bill forwarding bank)	Charges	i) USD50/- for foreign bill ii) USD20/- or equivalent Taka for Local Bill.
	ii) Charges for communicating acceptance of usance L/C(including Back to Back)	Charges	i) Tk.500/- flat for foreign ii) Tk.200/- flat –for Local
	iii) Issuance of Back to Back LC Certificate	Charges	Maximum Tk. 500/-
	iv) C & F certificate	Charges	Maximum Tk. 500/-

Appendix-B: L/ C opening System



Appendix-C: Few required Documents of L/C

Certificate of origin — GSP Certificate

1. Goods consigned from (exporter's business name, address, country)

EPB REG NO. : ST - 154
ZABER & ZUBAIR FABRICS LTD.
ADAMJEE COURT MAIN BUILDING (4th floor),
115-120 MOTIJHEEL C/A DHAKA-1000.

Reference No EPB/263700 A 1474283

GENERALIZED SYSTEM OF PREFERENCES
CERTIFICATE OF ORIGIN
(Combined declaration and certificate)
FORM A

Issued in BANGLADESH (country)

See notes overleaf

2. Goods consigned to (consignee's name, address, country)

VANGUARD-TEXTILES LIMITED, THE
BRAMBLES DOUGLAS LANE,
WETTENHALL, CHESHIRE CW7 4BH, UK.

3. Means of transport and route (as far as known)

CHITTAGONG BY SEA.
B/L NO: 710340212 DT: 28-07-2011
VASSEL NAME : TENORA V-102S
CONTAINER NO: TCLU5504194

4. For official use

ISSUED RETROSPECTIVELY

5. Item number	6. Marks and numbers of packages	7. Number and kind of packages; description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
	SHIPPING MARK AS PER INVOICE	1,811 CTNS CAT - 20 HOME TEXTILE PRODUCTS FITTED SHEETS & PILLOWCASES PLAIN DYED 100 PERCENT COTTON SATEEN T 200 EGYPTIAN COTTON AS PER ORDER # VG 1102, VG 1101 L/C NO : MAN50/9 DT: 11-07-2011 EXP NO: 1673-02011-11 DT: 21-07-2011 MEMBERSHIP NO.- 0002-0222-0117 BIN : 5131000918 SHIPPING BILL NO.- C 14137 DATE- 21-07-2011	"W" 63.02	43,790 PCS (FORTY THREE THOUSAND SEVEN HUNDRED NINETY PCS ONLY.)	ZZFL/EXP/11/1794 DT: 19-07-2011

11. Certification

It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.

Mohammad Kamrul Islam Chowdhury
Deputy Director
Export Promotion Bureau
Dhaka

0 6 AUG 2011

Place and date, signature and stamp of certifying authority

12. Declaration by the exporter

The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in BANGLADESH (country)

and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to UK (importing country)

DHAKA- 06-08-2011

For Zaber & Zubair Fabrics Ltd
(Shakil Ahmed)
GM - Export

Place and date, signature of authorised signatory

Dutch-Bangla Bank Limited

______________________ Branch

APPLICATION AND AGREEMENT FOR OPENING IRREVOCABLE WITHOUT RECOURSE TO DRAWERS LETTER OF CREDIT

Applicant (Name & Address) :	Letter of Credit No. Date : Amount (In words & Figures) : ☐ CFR ☐ FOB ☐

Credit to be advised by : ☐ Teletransmission (which shall be the operative Credit instrument)

☐ Airmail ☐ Courier ☐ Airmail / Courier with brief advice by teletransmission

Credit available with by : ☐ Sight payment ☐ Acceptance ☐ Negotiation ☐ Deferred payment at .... against the document detailed herein and ☐ Beneficiary's draft at .... drawn on us	Beneficiary (Name & Address) :

Goods (brief description) :

as per Indent/Contract/Proforma Invoice No .... date .... of Messers ....

Shipment/Despatch form .... to .... by ....

not later than .... Date of Expiry .... Place of Expiry ....

Documents to be presented within .... days of transport documents date but within the validity of credit ....

Partial Shipment/Delivery :	Transshipment	Add. Confirmation of Credit to be beneficiary
☐ allowed ☐ not allowed	☐ allowed ☐ not allowed	☐ not requested ☐ requested

Documents Required :

☐ Beneficiary's signed commercial Invoice in six copies certifying merchandise to be of .... origin for full invoice value of shipment(s) as per above Indent/proforma invoice No.

☐ Full set of clean "Shipped on Board" Ocean Bills of Loading drawn or endorsed to the order of Dutch-Bangla Bank Ltd. ....Branch showing Freight prepaid/Freight to pay marked notify Applicant and Dutch-Bangla Bank Ltd. .... Branch.

☐ Airway Bill Showing flight number endorsed by the carrier with dispatch date markes freight .... and evidencing goods consigned to Dutch-Bangla Bank Ltd. .... Branch. Notify Applicant and issuing Bank.

☐ Postal Receipt marked Freight .... Showing Dutch-Bangla Bank Ltd. as consignee and notify applicant.

☐

☐ Insurance covered under ☐ Open Policy ☐ Policy ☐ Cover Note No.

Issued by

Details of Shipment under this L/C must be advised by the beneficiaries immediately after shipment direct to applicant, issuing bank and M.S. .... referring to above open policy/policy/cover note No. .... date .... and L/C NO. A copy of this advice to accompany each set of document.

☐ Packing List .... copies ☐

☐ Other documents.

Additional Instructions :

☐ This L/C No. must appear on all documents

☐ The following must appear on the invoice and the Transport Document :

I.R.C. No. .... LCA No. .... Shipping mark ....

Bangladesh Bank Registration No. .... H.S.Code No. ....

☐ All bank charges outside Bangladesh on account of ☐ Applicant ☐ Beneficiary

☐

☐

☐

DAISHO CO., LTD.
3rd Floor Auto Center Building,
No. 11-16, 2-Chome, Kawarayamachi,
Chuo-Ku, Osaka 542-0066, Japan.

P.O.BOX OSAKA MINAMI 92
TEL.06 (6768) 1345
FAX.06 (6768) 1349

PACKING LIST

No. 27234 Oct. 25, 2011 Page 1

Messrs: ZARBA TEXTILE MILLS LTD.
ADAMJEE COURT (4TH FLOOR), 115-120,
MOTIJHEEL C/A, DHAKA, FAC: MOWNA,
SREEPUR, GAZIPUR, BANGLADESH.

Shipped Per: AIR FREIGHT
On or about: Oct. 25, 2011
L/C No. : 167311010807

From : Osaka, Japan
To : Dhaka Airport, Bangladesh

Marks & Nos.	Description	Q'ty	Net Weight (kg)	Gross Weight (kg)	Measurement (M3)
	CONVEYOR/TRANSMISSION BELTS FOR TEXTILE INDUSTRY:				
INVOICE NO. 27234 ZARBA TEXTILE DSK DHAKA NO. 1 MADE IN JAPAN					
C/NO. 1		1 skid	45.00	60.00	
	NITTA make Conveyor / Transmission Belt (Endless) Type: MB-1000GSR Size: 68,950mm (L) x 25mm (W) x 2.6mm (T) For Schlafhorst Auto Core (Rotor Drive)	10 pcs.			
Total: 1 skid		10 pcs.	45.00	60.00	

L/C NO. 167311010807 DATED SEPTEMBER 11, 2011.
L/C AUTHORIZATION FORM NO. DBBL/ID-58399, IRC NO. BA-101617,
H.S. CODE NO. 4010.19.00 AND 4010.39.90

DAISHO CO., LTD.

M. HYOTANISHI
MANAGING DIRECTOR

BILL OF EXCHANGE

NO. 27234

FOR JPY1,035,000.-
L/C

Osaka, Oct. 25, 2011
(PLACE) (DATE)

At *** sight of this SECOND of Exchange (First being unpaid) Pay to **The Bank of Tokyo-Mitsubishi UFJ, Ltd.** or order the sum of

Japanese Yen One Million Thirty Five Thousand Only

Value received and charge the same to account of ZARBA TEXTILE MILLS LTD. ADAMJEE COURT (4TH FLOOR), 115-120, MOTIJHEEL C/A, DHAKA. FAC: MOWNA, SREEPUR, GAZIPUR, BANGLADESH.

Drawn under DUTCH-BANGLA BANK LTD. LOCAL OFFICE, DHAKA.

L/C No. 167311010807 dated Sep. 11, 2011

To DUTCH-BANGLA BANK LTD. LOCAL OFFICE, DHAKA.

DAISHO CO., LTD.

M. HYOTANISHI
MANAGING DIRECTOR

62002 ½ 06.12

DAISHO CO., LTD.,
3rd Floor Auto Center Building No.11-15, 2-Chome
Kawarayamachi, Chuo-Ku,
Osaka 542-0066, Japan

Tel: 06-6768-1345
Fax: 06-6768-1349
Email: dskue6@gold.ocn.ne.jp

PROFORMA INVOICE

No.M-538/9-11UTX-R-1
Date: September 8, 2011

To: M/s Zarba Textile Mills Ltd.
Adamji Court Main Building (4th Floor), 115-120, Motijheel C/a, Dhaka, Bangladesh.
Factory: Sreepur, Gazipur, Bangladesh.

In compliance with your esteemed inquiry, we are pleased to quote as follows:
1 Price basis: CFR Dhaka by Air Freight.
2 Time of shipment: 45 days after receipt of your order & L/C.
3 Terms of payment: By an irrevocable L/C at sight.
4 Validity of this estimation is 1 month from the date hereof.

Item	Part No.	Description	Quantity	Unit Price	Amount
				CFR Dhaka In Japanese Yen	
		Conveyor / Transmission Belts for Textile Industries H.S. Code: 4010.19.00, 4010.39.90			
1		NITTA make Conveyor / Transmission Belt (Endless) Type: MB-1000GSR Size: 66,950mm(L) x 25mm(W) x 2.6mm(T) For Schlafhorst Auto Coro (Rotor Drive)	10 pcs	Per pc. ¥103,500	¥1,035,000
			Total: CFR Dhaka		¥1,035,000

Remarks:-
1) Total Gross Weight: Approx. 70 kg.

Zarba Textile Mills Ltd.
Managing Director

Daisho Co., Ltd.
M.Hyotanishi
Managing Director

LC_167311010807 LC

--------------------------------NON-OPERATIVE COPY--------------------------------
{1:F01DBBLBDDHA1011111111111}
{2:I700HSBCJPJTXXXXN}
{4:
:27:1/1
:40A:IRREVOCABLE
:20:167311010807
:31C:110911
:40E:UCP LATEST VERSION
:31D:111023AT JAPAN
:50:ZAHRA TEXTILE MILLS LTD.
ADAMJEE COURT(4TH FLOOR),115-120,
MOTIJHEEL C/A,DHAKA, FAC:MOWNA,
SREEPUR,GAZIPUR,BANGLADESH
:59:DAISHO CO., LTD.
3RD FLOOR AUTO CENTRE,BUILDING NO.
11-16,2-CHOME,KAWARAYAMCHI,CHUO-KU,
OSAKA 542-0066,JAPAN.
:32B:JPY1035000,
:39B:NOT EXCEEDING
:41D:ANY BANK IN JAPAN
BY NEGOTIATION
:42C:
:42A:DBBLBDDH101
:43P:NOT ALLOWED
:43T:ALLOWED
:44E:ANY GERMAN AIRPORT
:44F:DHAKA AIRPORT, BANGLADESH
:44C:111008
:45A:+ CONVEYOR/TRANSMISSION BELTS FOR TEXTILE INDUSTRY:DESCRIPTION,
SPECIFICATION, QUANTITY, QUALITY, UNIT, UNIT PRICE AND ALL OTHER
DETAILS OF THE GOODS ARE AS PER PROFROMA INVOICE
NO.M-538/9-11USTX-R-1 DATED 08-09-2011 OF THE BENEFICIARY
-
.+DELIVERY TERM: CPT DHAKA AIRPORT, BANGLADESH.
:46A: ORIGINAL(S)
+ SIGNED COMMERCIAL INVOICE IN OCTUPLICATE CERTIFYING MERCHANDISE
TO BE OF 'JAPAN' ORIGINL/C AUTHORIZATION FORM NO.
DBBL/ID-58399,IRC NO. BA-101617. , H.S. CODE NO.4010.19.00 AND
4010.39.90 MUST APPEAR ON THE INVOICE AND PACKING LIST.
+ ORIGINAL(S)+AIR WAY BILL SHOWING FLIGHT NUMBER ENDORSED BY THE
CARRIER OR THEIR AGENT WITH DESPATCH DATE MARKED 'FREIGHT
PREPAID' AND EVIDENCING CONSIGNED TO OURSELVES (L/C ISSUING BANK)
NOTIFYING THE APPLICANT AND US.
+ ORIGINAL(S)
+ CERTIFICATE REGARDING COUNTRY OF ORIGIN TO BE ISSUED BY THE
CONCERNED GOVERNMENT AGENCY/APPROVED AUTHORITY/
AUTHORITY/ORGANIZATION OF THE EXPORTING COUNTRY CERTIFYING THAT
THE MERCHANDISE ARE OF 'JAPAN' ORIGIN MUST
ACCOMPANY THE SHIPPING DOCUMENTS.
+ ORIGINAL(S)+PACKING SHOULD BE STRONG AIR WORTHY STANDARD
EXPORT PACKING. A CERTIFICATE TO THIS EFFECT FROM THE BENEFICIARY
MUST ACCOMPANY THE SHIPPING DOCUMNTS.
+ ORIGINAL(S)+ CERTIFICATE ISSUED BY THE BENEFICIARY ALONGWITH
PHOTOCOPY OF COURIER RECEIPT TO THE EFFECT THAT ONE SET OF
NON-NEGOTIABLE DOCUMENTS HAS BEEN SENT TO THE APPLICANT DIRECTLY
BY COURIER WITHIN 05(FIVE) DAYS AFTER SHIPMENT OF GOODS.
+ ORIGINAL(S)+ DETAILED PACKING LIST REQUIRED IN 06(SIX) COPIES
+ ORIGINAL(S)

+SHIPMENT AND TRANSHIPMENT SHOULD BE EFFECTED BY
COMPANIES HONORING BANGLADESH LAWS AND
REGULATIONS REGARDING AIRLINE, FLAG, AIRAPORTS,
SHIPMENT AND TRANSHIPMENTS AND A CERTIFICATE TO
THIS EFFECT FROM THE AIRLINE OR THEIR
AGENT MUST ACCOMPANY THE SHIPPING DOCUMNTS
:47A:+ BENEFICIARY MUST CERTIFY ON INVOICE THAT QUANTITY,QUALITY,
RATE, PACKING,MARKING AND ALL OTHER DETAILS OF GOODS ARE IN
ACCORDANCE WITH THE ABOVE PROFORMA INVOICE.
+ THROUGH SHORT FORM, BLANK BACK AND CHARTER PARTY CLAUSE
COMBINED TRANSPORT STALE AIR WAY BILL ARE NOT ACCEPTABLE.
+INSURANCE COVERED LOCALLY. PARTICULARS OF SHIPMENT TO BE ADVISED
DIRECT TO SONAR BANGLA INSURANCE CO. LIMITED,NARAYANGONJ
BRANCH,SATTAR TOWER,50, S.M. MALEH ROAD,BANGLADESH
TO US (L/C ISSUING BANK) AND TO THE APPLICANT QUOTING COVER NOTE
NO.SBI/NGJ/MC-169/09/2011 DATED 08-09-2011 GIVINGFULL DETAILS OF
SHIPMENT. A COPY OF THIS ADVICE MUST ACCOMPANY THE SHIPPING
DOCUMENTS.
+ L/C NUMBER AND DATE MUST BE QUOTED ON ALL SHIPPING DOCUMENTS.
+ FACTORY ADDRESS OF OPENER: MOWNA, SREEPUR,GAZIPUR, BANGLADESH
MUST BE MENTIOEND IN THE NOTIFY PARTY COLUMN OF AIR WAY BILL
+ IN AIR WAY BILL MUST BE QUOTED FLIGHT NUMBER AND DATE.
+ THIRD PARY DOCUMENTS INCLUDING AWB ARE NOT ACCEPTABLE.
+COUNTRY OF ORIGIN OF GOODS MUST CLEARLY APPEAR PRINTED ON EACH
BOX. BENEFICIARY CERTIFICATE TO THIS EFFECT MUST ACCOMPANY THE
ORIGINAL SHIPPING DOCUMENTS.
+ DRAFTS MUST BE DRAWN FOR EXACT QUANTITY OF GOODS SHIPPED (BUT
NOT EXCEED IN L/C VALUE)
+DRAFT MUST BE MARKED DRAWN UNDER DUTCH-BANGLA BANK LTD, LOCAL
OFFICE, DHAKA, CREDIT
NO.167311010807 DATED 11-09-2011
+OUR PAYMENT SETTLEMENT CHARGES FOR JPY 5000/ WILL BE DEDUCTED
FROM THE DRAWING AMOUNT AT THE TIME PAYMENT IS EFFECTED.
+DOCUMENTS MUST NOT BE MADE EARLIER THAN THE DATE OF OPEINING OF
THE CREDIT.
:71B:ALL BANK CHARGE OUTSIDE BANGLADESH
A INCLUDING REIMBURSEMENT CHARGES
ARE ON BENEFICIARY'S ACCOUNT.
:48:15 DAYS FROM THE DATE OF SHIPMENT
:49:WITHOUT
:78:+ DOCUMENTS CONTAINING ANY DISCREPANCY MUST NOT BE NEGOTIATED
EVEN AGAINST GUARANTEE OR UNDER RESERVE WITHOUT OUR PRIOR
APPROVAL BUT MAY BE SENT ON APPROVAL BASIS.
+UPON RECEIPT OF STIPULATED DOCUMENTS IN STRICT COMPLIANCE WITH
THEIR TERMS OF THIS CREDIT WE SHALL EFFECT PAYMENT AS PER
NEGOTIATING BANK'S INSTRUCTION IN THE BILL FORWADING SCHEDULE
DETAILS TO ENABLE US TO REMIT THE PROCEEDS.
+ DOCUMENTS TO BE FORWARDED BY INTERNATIONALLY REPUTED COURIER
SERVICE TO DUTCH-BANGLA BANK LTD, LOCAL OFFICE,1-DILKUSHA
C/A,DHAKA.WITHIN 48 HOURS OF NEGOTIATION.
+ PLEASE CONFIRM ENDORSED THE AMOUNT OF THE DRAWING ON THE
REVERSE OF THE CREDIT.
:72:+ PLEASE ADVISE THE LC TO THE
BENEFICIARY IMMEDIATELY UNDER
ADVICE TO US.
-}