



“Report on Managing BOE in Bangladesh: A Study on  
Citibank N.A”



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Subject: **Submission of Internship report.**

Dear Sir,

As a part of my academic requirement I am submitting my internship report. I did my internship at Citibank N.A in the trade operation department. The topic of my internship report is “Managing BOE in Bangladesh: A study on Citibank N.A. I have tried to give my best effort to make this report more resourceful and innovative.

I would like to express my sincere gratefulness to you for your kind direction and suggestions in preparing the report. It would be my pleasure if you find this report useful and informative. I shall be happy to provide any further explanation regarding this report or any other relevant matter.

Yours faithfully,

Nabila Islam

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BRAC Business School

## **Acknowledgement**

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## **Executive Summary**

Trade is one of the oldest forms of business. People are engaged in trade from thousands of years. Bank has included trade in its service by providing different facilities. They are offering different type of products to make trade more easy and less risky for their customer. Citibank N.A is one of the world largest bank and renowned for their trade service and cash operation management. Citi has started its journey in Bangladesh not a very long time but within a very short time it has captured the market of Bangladesh with its high quality service and transparency. They mainly do corporate banking in Bangladesh. Their one of the main service in Bangladesh is trade service; they also provide cash management service and also have other services for their corporate clients. We can divide the trade into import and export. Bill of Entry managing is the end point of import. After the payment is done the bank has to report the BOE within 120 days otherwise it will be counted as overdue and the customer will not be able to open any new LC. Bangladesh Bank has regulations of managing BOE. Citi manage the BOE according to the regulations and also according to the global standard. Processing BOE is a complex work as there are different types of BOEs in Bangladesh and no uniform regulations regarding the number of BOE for one bill. Automating the overall process can reduce the complexity and make the process easier.

# Chapter 1: Introduction

## **1.1 Introduction:**

Trade is one of the major economic activities in the world. From the thousand years trade has flourished all over the world. Trade is divided into two parts. They are, import and export but it has lots of products. Citi is one of the oldest and biggest private banks in the world. Trade is one of the major services provided by the bank. As a part of Bachelor of Business Administration degree internship report is a mandatory part and I have got a chance to do my internship in Citibank N.A. My internship was in trade department which gave me opportunity to learn about trade operation of one of the largest bank of the world which is the pioneer of trade. My topic is “Managing BOE in Bangladesh: A study on Citibank N.A” assigned by my respective advisor Mr. Jabir Al Mursalin Assistant Professor BRAC Business School. I have tried to explain BOE and how it managed.

## **1.2 Objective of the report:**

### **Primary objective**

As a curriculum requirement internship is compulsory for all students. Through this internship period I have got a chance to gather practical knowledge.

### **Secondary objectives**

- Understanding the trade operation
- Understand office environment
- Learn about banking industry

## **1.3 Scope of the report**

The report is on the BOE management in Bangladesh. The report has been done on the basis of my experience and observation. I have tried to describe the regulations of managing BOE and how Citi comply with it.



### **1.4 Methodology:**

**Primary Data:** As a source of primary data I have interviewed different officials. I have also used my work experience and my observation

**Secondary Data:** As a source of secondary data I have used BBK websites and their regulations. I have also read different report on Citibank N.A and on trade.

### **1.5 Limitations:**

- Citi is very strict about maintaining secrecy about their customer information and as usual their internal information. So lack of information was one of the limitation
- The busy schedule of the officials was another limitation of taking interview though they were very helpful
- Their website does not have much information due to the strict information security policy of Citi.

## **Chapter 2: Organizational overview**

## 2.1 Introduction to Citibank N.A

Citibank, N.A., a major international bank, is the consumer banking arm of financial services giant Citigroup. Citibank was founded in 1812. As of March 2010, Citigroup is the third largest bank holding company in the United States by total assets, after Bank of America and JP Morgan Chase. Citibank has retail banking operations in more than 100 countries and territories around the world. More than half of its 1,400 offices are in the United States, mostly in New York City, Chicago, Los Angeles, the San Francisco Bay Area, Washington DC and Miami. Most recently, Citibank has expanded its operations in the Boston, Philadelphia, Houston, and Dallas metropolitan areas. In addition to the standard banking transactions, Citibank offers insurance, credit cards and investment products. Their online services division is among the most successful in the field, claiming about 15 million users.

Citibank N.A. is a foreign private bank in Bangladesh. Leveraging on the strengths with respect to global network, expertise in financial services and technology based delivery capabilities, Citibank N.A. Bangladesh have been able to establish as one of the largest overseas correspondents for the nationalized banks in Bangladesh. The bank has also been a major player in trade finance and acted as financial adviser to key national infrastructure projects. In the process of establishing a strong presence in this country Citibank, N.A. now has 5 branches, 1 outlet and employs approximately 200 people. Citi's clients in Bangladesh comprise both public and private sector institutions. Citi has a well-developed Financial Institutions business supporting the cross-border transactions of nationalized and private sector banks in the country. Global Transaction Services (GTS) supports Bangladesh corporate, financial customers and public sector clients with its award winning cash management, trade services, agency & trust, and direct custody & clearing solutions. Citi is also the leading book runner of capital market solutions for their clients in Bangladesh. Citi's Corporate and Commercial Bank service local corporate and multinationals across several

industries, providing vital linkage and an integrated perspective throughout the Bangladesh supply chain and business operation.

## **2.2 Citi's Mission: Enabling Progress**

On January 7, 2011, Citi CEO VikramPandit communicated Citi's mission and principles globally as below:

“Citi works tirelessly to serve individuals, communities, institutions and nations. With 200 years of experience meeting the world's toughest challenges and seizing its greatest opportunities, we strive to create the best outcomes for our clients and customers with financial solutions that are simple, creative and responsible. An institution connecting over 1,000 cities, 160 countries and millions of people, we are your global bank; we are Citi.”

**The four key principles that guide them as they perform this mission are:**

### **1. Common Purpose**

One team, with one goal: serving their clients and stakeholders

### **2. Responsible Finance**

Conduct that is transparent, prudent and dependable

### **3. Ingenuity**

Enhancing their client's lives through innovation that harnesses the breadth and depth of their information, global network, and world-class products.

### **4. Leadership**

Talented people with the best training who thrive in a diverse meritocracy that demands excellence, initiative and courage.

## **2.3 History of Citibank, N. A**

The company was initially founded in 1812 as the 'City Bank of New York', under the ownership and management of Moses Taylor. He was considered a protégé of John Jacob Astor - one of the giants of the business world in the 19th

century. During his tenure, the institution functioned largely as a treasury and finance center for Taylor's own extensive business empire. Eventually Col. Samuel Osgood was elected as the first president.

The bank joined the U.S.'s new national banking system in 1863, and changed its name to 'The National City Bank of New York'. It came to be considered one of the largest banks in the United States in 1888, and succeeded to become the first major U.S. bank to establish a foreign department in 1897.

The bank was also one of the first U.S. national bank to open an overseas banking office. They opened their first overseas branch in Buenos Aires, Argentina, in 1914. Most of Citi's present international offices are older office spaces in London, Shanghai, Calcutta, and elsewhere-that were opened in 1901 and 1902 by the International Banking Corporation (IBC). IBC was chartered to conduct banking business outside the U.S., at that time an activity forbidden to U.S. national banks. In 1918, IBC became a wholly owned subsidiary and was subsequently merged into the bank. By 1919, the bank had become the first U.S. bank to have US\$1 billion in assets.

In 1921, Charles E. Mitchell was elected as president, and by 1929, he was offered the position of chairman, which he held until 1933. He helped the bank rapidly expand; and by 1930, he managed to open 100 branches in 23 countries outside the United States. Many historical economists considered the policies pursued under Mitchell's leadership as the prime causes of the stock market crash of 1929 – which ultimately led to the Great Depression. A Senate committee called the 'Pecora Commission' later investigated Mitchell in 1933 for his part in tens of millions dollars in losses, excessive pay, and tax avoidance. He was replaced by James Stillman Rockefeller in 1952, who was elected president and then chairman in 1959, serving until 1967. Following its merger with the First National Bank, the bank changed its name

to The First National City Bank of New York in 1955, and then shortened it to First National City Bank in 1962.

The company eventually entered the leasing and credit card sectors and its introduction of US\$ certificates of deposit in London marked the first new negotiable instrument in market since 1888. Later to become part of MasterCard, the bank introduced its First National City Charge Service credit card \$2 – popularly known as the "Everything Card" – in 1967. In 1976, under the leadership of CEO Walter B. Wriston, First National City Bank (and its holding company First National City Corporation) was renamed Citibank, National Association (and Citicorp, respectively). By that time, the bank had created its own "one-bank holding company" and had become a wholly owned subsidiary of that company, Citicorp (all shareholders of the bank had become shareholders of the new corporation, which became the bank's sole owner).

## 2.4 Products and services offered by Citibank N.A

The major products provided by Citibank N.A are given below:

### Corporate Banking

It has two segments. They are:

**GRB (Global Relationship Banking):** This service is handled by the RM. The RMs deals with the companies with whom Citi have global relationship.

**TTLC (Top Tier Local Corporate):** Citi also choose top three local company of the industry and approach them for service.

Citi provides three types product to their corporate clients

- a. Deposit product
- b. Loan product

c. Financial product

### **Financial Institutions**

One of the major service that falls under the financial institution correspondent banking services which means providing service on behalf of another equal or unequal financial institution. They also provide various electronic banking services.

Citibank also provide services like L/C advising, confirming, transferring, guarantying and negotiating and reimbursing. In order to do so the FI department of the bank provides the local banks direct facilities or credit lines that includes OSTBT (Ordinary Short-term Banking Transaction), Local bill discounting, CTC credit line etc. Credit line for treasury purpose includes PSR facilities.

### **Cash Management**

Cash management is another important service provided by Citi. Cash Management team works closely with the corporate division and with FI department (For NGOs, NBFIs, Insurance Companies and Diplomatic mission).

The products and services offered from this department include:

- Online fund transfer between Dhaka and Chittagong.
- Efficient collection mechanisms at different outstation points.
- Secured electronic payment mechanism at over 100 locations across the country.
- Innovative and competitive deposit products.
- Web-based electronic banking services.
- Prompt distribution of inward remittance at competitive rates.
- Mobile banking.

### **Treasury**

The product that treasury offers are,

#### **Foreign Exchange**

- Currency Swaps
- Forward
- Ready & Spot
- Deposits for Various Maturities
- Bills Discounting
- Inter-bank Term Deposits

### **Money Market**

- Overnight Deposits
- Term Deposits
- Discounted Securities

In order to provide these services without any obstacle Citi has other departments like financial control, credit admin, operation, technology & ICU (Internal control unit), HR etc.



### 2.5 Organizational structure of Citi bank N.A Bangladesh

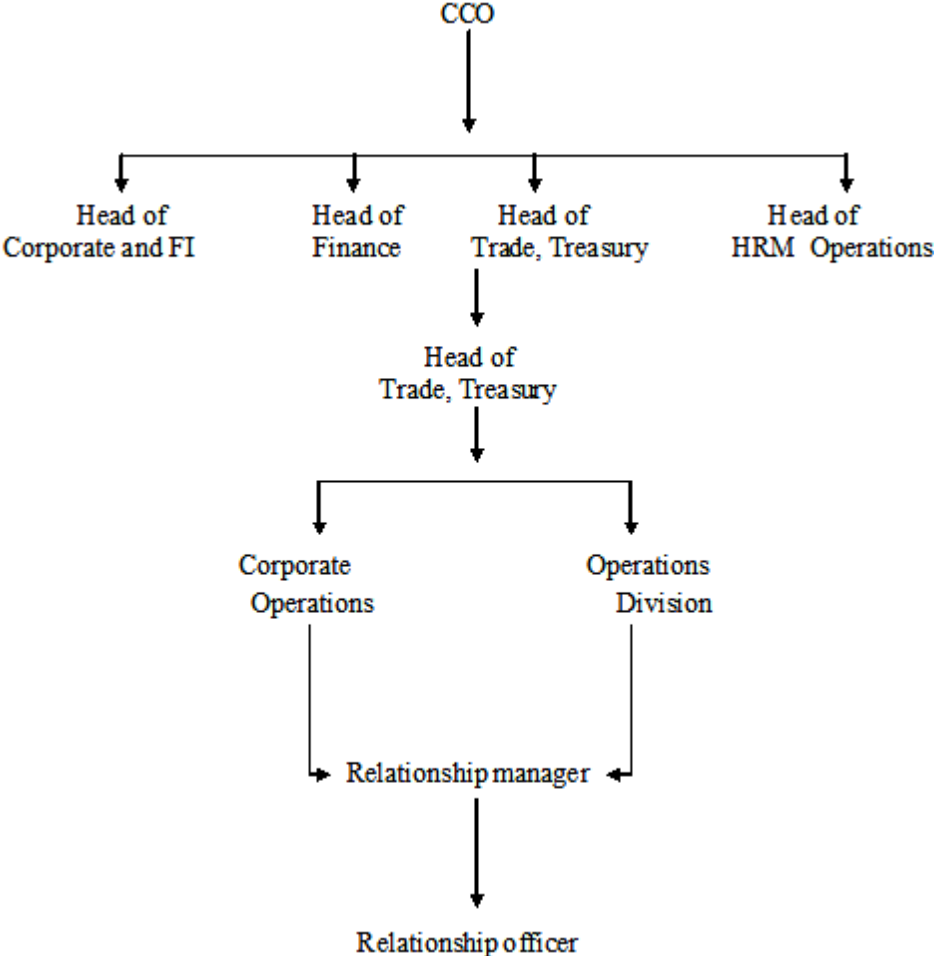


Figure 2.1: Organizational Structure of Citibank N.A

## 2.6 SWOT Analysis

### Strengths

- Strong global image of the bank. CitiBank N.A is world's one of the oldest and strongest bank which is a major strength for them
- Their reputation of high quality service is another strength for them
- They have senior local management with experience of local market which is helping them to cope with the local environment
- The internal environment of the Citi is also very good
- Transparency is another strength of the Citi
- The strong rules and regulation and the control over the bank operation is another strength of Citi

### Weaknesses

- The business of Citi in Bangladesh is too small, it does not have any retail banking
- Not enough promotion has been done in Bangladesh
- Too much control of the regional authority
- Entered in the Bangladeshi market lately.
- Less staff is another weakness. Because of less resource the work load on the present employees are high.

### Opportunities

- They can easily start retail banking in Bangladesh
- New innovative product which is already tested in other market can be brought in Bangladeshi market.
- The need for the alternate banking channel is increasing in Bangladesh Citi can use this opportunity.
- They can contribute in the overall banking

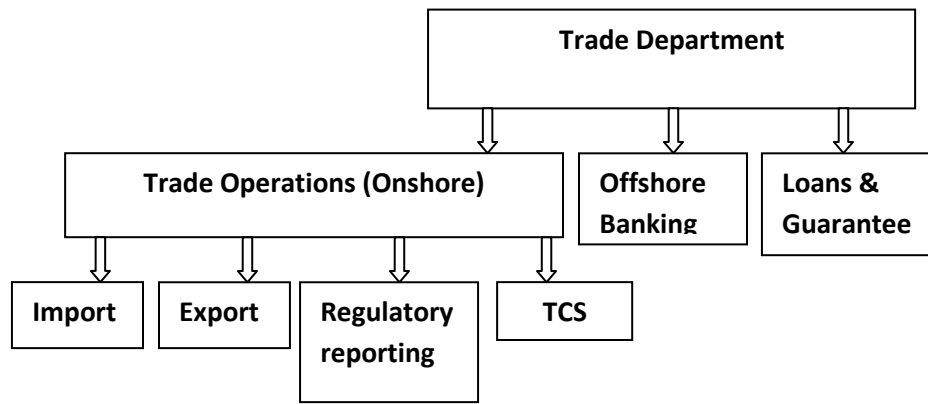
**Threats:**

- The competition in the private banking sector is increasing day by day.
- Slowdown in the global economy
- Government policy

## **Chapter 3: Internship experiences**

### 3.1 Trade Department:

Trade service is one of major service provided by Citibank N.A. They offer their client a huge and quality service. Citi is the pioneer in trade service in the world. They have experts who work hard to provide best service to their customers. The bank has different types of products in export and import to provide unique service to the customers. Citi has world class online banking to control its transactions. In order to provide world class trade they use higher technology and have their own system to make the process easier. Citi outsourced some of its service to TCS (Tata Consultancy Service) located in India. They provide technical support to perform transactions. TCS has 33 employees to serve the trade service. 26 of the employees are in Mumbai and 7 of them are in Chennai.



**Figure 3.1: Structure of the trade department**

The trade department has three major parts. They are,

1. **Trade operation:** Trade operation handle the overall processing of import and export. There are four major units in the trade operation. They are,
  - a. **Import Unit:** The import unit deals with the import related services of the bank. They have two parts one is LC issuance and another one is Bills and Payment team.
  - b. **Export Unit:** The export unit works with the export related transactions

and process it. For example, handling EXP, Bill of Exchange etc.

c. **Regulatory Reporting:** The trade department has to report each and every activity to the Bangladesh Bank. There are about 68 reports the regulatory reporting team has to do. For this purpose the bank has a separate unit for reporting.

d. **TCS:** TCS is the outsourced unit which serves the trade department. Their major services are:

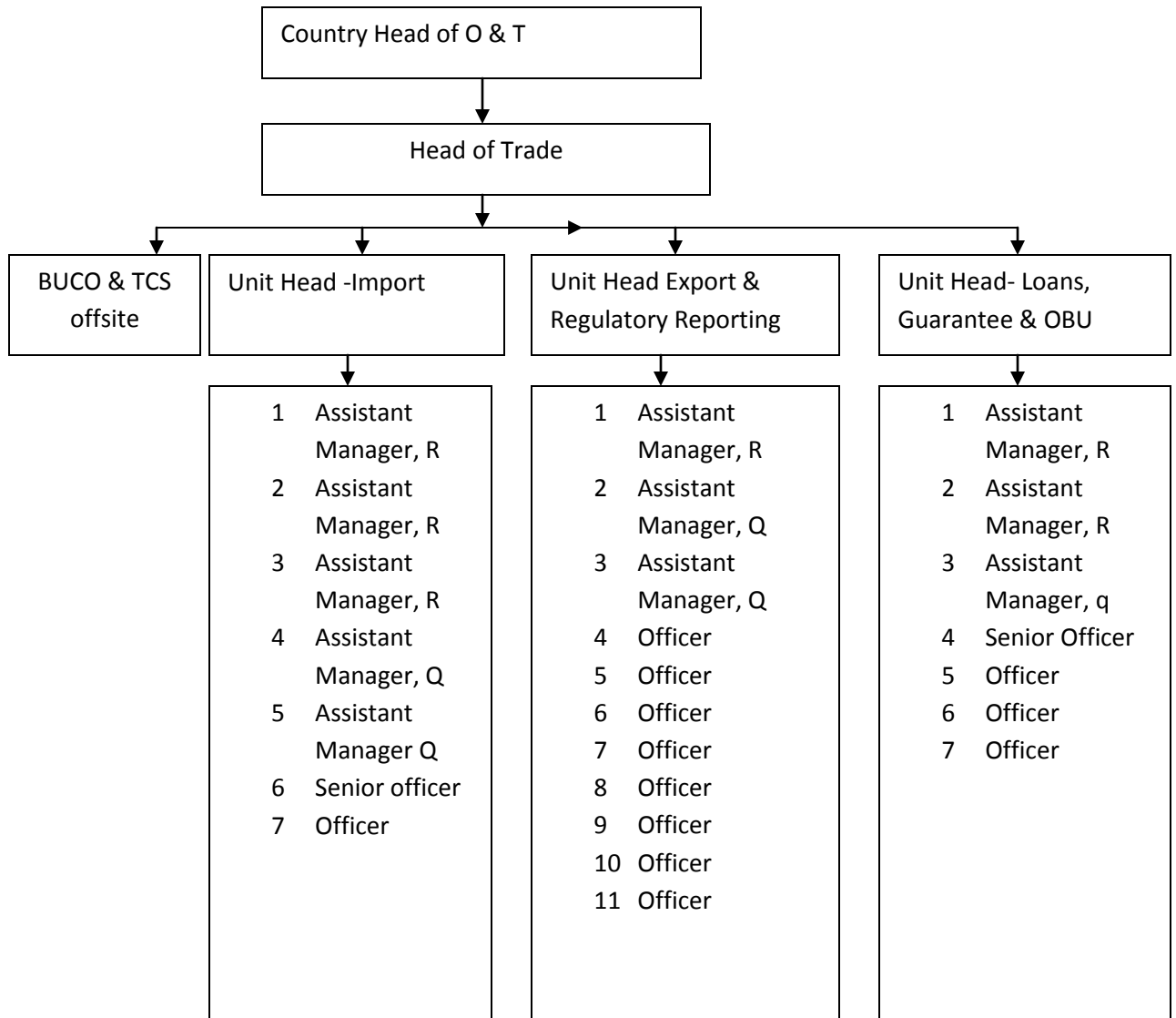
- Import bill acceptance
- Import bills collection
- Import bills LC scrutiny
- Import LC amendments
- Import LC issuance
- Import Payments
- Export bill payments
- Export bill collection
- Export bills negotiation
- Export LC advising
- Guarantee
- Loans-Imports – Booking
- Export LC lien
- Review of OCM and Productivity
- Change control documentation process
- Quarterly MCA assessment

**2. Off shore Banking (OBU):** They mainly do business or grant loan to the client outside the country. They do not have to follow the local regulations but they cannot get involved in any domestic business.

**3. Loans & Guarantee:** The loans granted by the trade department are managed here. Bank provide guarantee to their customers for different purpose, it is a promise made by the bank on behalf of its client to a third party that if the client fail to pay the bank will pay. This unit of the trade

service manages the different types of guarantee.

### 3.2 The Organogram of the Trade Service Department:



**Figure 3.2: The organogram of the trade department.**

### 3.3 Job description and responsibilities:

During my internship period I have worked for different units. My job description during the internship is given below:

1. Working with BUCO: At first I have worked with BUCO (Business Unit Control Officer) which was an interesting and important experience for me. During that time I had checked work statement of TCS. I had also checked different registers of the whole department. My main work was to check whether the maker and checker process and reconciliation has been done properly. I have also checked different documents and checked if they are kept properly or not.
2. Bills and Payment: I have also worked for the bills and payment team. During that time I used to sort different shipping documents and provide it for the further processing.
3. Update Register: During my internship period I have updated different registers. I have updated register for OBU, Export team, Loans and Guarantee team, Bills and Payment team.
4. Bill of Entry: In the bill of entry my major work is described below:
  - Receiving BOE
  - Update the BOEs
  - Giving Customer Follow Up
  - Matching BOE with relevant documents
  - Attach IMP with the BOE

In short my main work is to process the BOE for reporting.

### 3.4 Learning outcome:

1. **Office manner:** During my internship period I have learned about the office manner. As Citibank N. A is a global bank the culture of this bank is little different then the local bank. I have learned how to communicate with collogues. I have learned how to cope with the office environment.
2. **Communication:** I have learned how to communicate with the customers



and different people in the office. I have also learned how much information I can share with my customers and also with colleague.

3. **Learning about the Trade Operation:** As I have worked for different units of the trade operation department. I have got a chance to learn about the overall trade operation and also learned about different documents and their importance.
4. **Training:** In the Citi I have got chance to do different training. I have learned lots of things from these training. I have been given training on Anti money laundering, Code of conduct, Record Keeping, Information security etc. From these trainings I have learned about different regulations of the banking.
5. **Timeliness:** Timeliness is very important in banking. In my internship period I have learned how to maintain timeliness and how to complete the work within assigned time.
6. **Accuracy:** Accuracy is another important factor in the banking industry. Each and every work has to be accurate. Citi taught me through concentration and dedication I can make my work accurate.

### **3.5 Personal observation:**

The environment in the Citi is very friendly. Each and every one is very friendly and cooperative. They have good team spirit. Everyone is dedicated to their works. Citi also take care of their employees. They arranged different types of events to make the employees happy and satisfied. Though Citi has fewer employees which creates work load on the present employees still the employees are dedicated and love their organization because of the environment and the fair policy of the Citi.

## **Chapter 4: Project (Study on Managing BOE)**

#### **4.1 Introduction to the project:**

BOE is a very sensitive and important part of the trade operation. Almost all over in the world Bill of Entry processing is a very important part of the trade process. It represents that the goods has arrived in the country and in the same quantity for which it has been paid. It is the document from which we can identify if any kind of money laundering has happened or not. We also can identify if any kind of fraud has been done by the importer or by the exporter. From the bill of entry we can understand what type of goods at what quantity has arrived in the country and what the price of the goods is. There are also many other information we can get from the Bill of Entry and each of the information has its own importance. In Bangladesh bank has separate regulation regarding Bill of Entry processing and reporting. Each bank in Bangladesh has to follow the regulation otherwise they will be penalized by the Bangladesh Bank. Citibank N.A. Bangladesh also manages their Bill of Entry processing and reporting according to the Bangladesh Bank regulation and Citi policy.

#### **4.2 Literature Review:**

**Bill of Entry:** Bill of Entry is a custom certified document which describes the quantity, value and other information related to the goods arrived in the country. This is a declaration that how much product has been imported. It is prepared and checked by the customs. In case of export bill of export is used to describe the goods exported. In import we call it bill of entry.

There are 56 fields in BOE in Bangladesh. Though an ideal bill of entry has 56 fields not every bill of entry has all the 56 field and not the information have equal importance in managing BOE.

Some major fields of BOE are described below:

**Name of the exporter:** This is field number two. From this field we can assure

the name of the exporter. It means the person who is selling the product.

**Importer:** This is field number 8. From this field we can assure the name of the importer. Importer is the person who is buying the product.

**Country of Export:** This field tells us from which country the product has been exported.

**Country of Origin:** In this field the place where the goods have been originated is given. Sometimes the country of export and country of origin can be same and sometimes it can be different. For example, the product might export from India but it can be originated in China.

**Country of Destination:** It shows the country of the import. For example, if the product is exported to Bangladesh then Bangladesh will be written in this field

**Name of carrier:** it shows the name of the ship or the vessel that carried the goods.

**Total invoice value:** It shows the total value of the goods

**Place of loading:** It shows at which port goods has been loaded.

**Financial and banking Data:** the AD code and the bank name are written here.

**Packages and description of the goods:** This is one of the major points of the BOE. Here the description of the goods and how many packages have been arrived has been given. For example, if the goods are drug & medicine it will be written here and if it is six cartons then it will be also written in this field. Sometimes the construction of the goods is also given here. For example, 85% cotton. We can understand the quality of the goods.

**HS code:** Each goods have its own HS code which is given in this field. Bangladesh Bank has given a unique code to every goods which is known as HS code. The full form of HS code is Harmonized System Code.

**Gross Weight:** In this field we can find the gross weight of the goods arrived

**Net weight:** Here we can find the net weight of the goods arrived

**Quantity:** The quantity or pieces of the goods are given here.

**Invoice Number:** The invoice number against which the bill of entry has issued is given here.

**Calculation of the taxes:** The tax amount is written in this field

There are two different types of bill of entries we can find in Bangladesh. One is for the product of the EPZ and another is for the product outside the country. In case of EPZ the country of origin will be always Bangladesh and in the most of the cases the bill of entry is hand written. For the import by post and courier assessment certified by customs can be submitted.

There are two major parts in the Bill of Entry one is assessment notice and another one is main body of the BOE. From the assessment copy we can understand the duty has been given by the importer.

Rules and Regulation regarding managing bill of entry:

The following rules and regulation we follow regarding Bill of Entry.

- Para 31B of section 2 of chapter 7 GFET
- Para 31C of section 2 of Chapter 7 GFET
- Para 26 of section 2 of chapter 7 of GFET
- Para 29 of section 2 of chapter 7 of GFET
- Para 32 of chapter 7 of GFET
- Para 38 of section 3 of chapter 7 of GFET

### 4.3 Managing Bill of Entry:

#### **Bangladesh Bank regulation:**

1. According to Bangladesh Bank regulation after the payment is done the bank will prepare IMP form signed by customer.
2. Within the 120 days of the payment the bill of entry has to be reported to the Bangladesh Bank.
3. The Bank will give follow up to the customer to provide the bill of entry before 120 days
4. After the bill of entry received bank will match and check the bill of entry with relevant document like commercial invoice, packing list and transport document to assure if the goods for which remittance was made has been received properly.
5. If everything match with the document bank will report he bill of entry.
6. After that bill of entry along with the documents it has been matched will be kept in relevant LC file.
7. In case of any material discrepancy or non-submission of the bill of entry bank will report it to the Bangladesh bank after it become overdue.
8. In case of material discrepancy bank also have to follow up with the importers.
9. If the importer failed to submit Bill of Entry will be barred from opening new LC in any other bank
10. If the importer submit the bill of entry after the extended time of the Bangladesh Bank in that case to open a new LC the importer will need permission from the Bangladesh Bank
11. In case of import by post or courier the importer can submit a certificate issued by customs office in place of bill of entry. In that case the value can be 5 pound lesser.
12. If the goods are completely lost duplicate copy of the IMP form will be forwarded to BBK. In case of partial lost the bill of entry of the cleared

goods will be reported to BBK.

### **Managing Bill of Entry in Citi:**

Citi has its own LOP (local operating procedure) for managing Bill of Entry. The LOP is prepared according to BBK regulation and also Citi policy.

- **Update and Follow up:** Citi maintain a separate tracker to track the bills and payment. After the issuance of each bill and also after each payment the tracker is updated by the employee involved in processing Bill of Entry. Another employee cross check the tracker to see if the tracker is updated properly. Aging of the bill of entry is calculated on daily basis. After that follow up is given to the customers through email/letter. Alert mail on aged item is also sent to the customer. In case of discrepancy the customer follow up is also sent.
- **Receiving BOE:** Customers send the bill of entry to the bank. After receiving the bill of entry again the employee update the tracker.
- **Matching BOE:** After receiving and updating the Bill of Entry is matched with invoice, packing list and other relevant documents.
- **Advance payment:** In case of advance payment the employee will follow the same process.
- **Partial Payment:** When an import bill have more than one invoices and more than one BOEs the employee will keep track until full BOE received and give follow up for the rest of the BOEs. Normally for partial shipment the partial payment is done.
- **Material Discrepancy:** In case of material discrepancy the employee involved in BOE processing raise the issue to the higher authority and give follow up to the customer. The higher authority takes decision according to the rules and regulation.
- **Reporting:** Once the matching is done the bill of entry goes for reporting. The bill of entry reported online to Bangladesh Bank. The reporting has to be done within 120 days of the payment. In 2012 Bangladesh Bank has

asked 34 commercial banks to settle their 1600 pending BOEs. The reporting process is given below:

1. The BOE is reported at the BBK (Bangladesh Bank) online monitoring system.
2. There 3 steps in the daily reporting. They are:
  - a. BOE information reporting: At first the information about BOE is reported. For example, the registration number of the BOE
  - b. Commodities: In the second step the information about the commodities are reported. For example, description of the goods, HS code, quantity, price etc.
  - c. Tag with IMP: in the third step the BOE is tagged with the particular IMP. IMP is the payment report of the bank which was submitted to the Bangladesh earlier.
3. Overdue Report: Bank also has to submit a monthly overdue report to the Bangladesh Bank.

Once the reporting is done the BOE goes for scan and kept in the relevant LC file according to the regulation of Bangladesh Bank.

#### **Importance of Bill of Entry:**

1. Prevent money laundering: The chance of money laundering through trade is very high. Bill of Entry helps us to protect money laundering. As it provides us the information of goods arrived in our country the bank can easily identify that how much goods has arrived and how much has been paid for it and from this information the bank can understand if any kind of money laundering has happened or not. Over invoicing is a popular way of money laundering. Bill of Entry helps to prevent it.
2. Information source: Bill of Entry is an important source of information for bank. Bank can get information about the value, quantity also the tax and duty paid against the goods. Bank can get more information about their client and their activity.



3. Identify sanction: From the BOE the customer can identify if any party who is the part of any kind of sanction is involved in the transaction.
4. Identify Illegal Goods: From the BOE we can identify if any illegal goods has arrived or not.
5. Control over foreign transaction: Bank can have control over their foreign transaction through BOE. From this they can have control over the foreign currency remitted outside the country and the goods arrived against it.

**Risk of Bill of Entry:**

Managing bill of entry is a very risky and sensitive job. The major risk of managing and reporting BOE is given below:

1. Tracking BOE: Keep tracking the BOE is one of the major challenges in managing BOE. The number of BOE against one bill is not fixed. If the payment is partial there is no limit for the number of BOE. Keep track of these BOE is a major risk of managing BOE.
2. Complexity: There are lots of complexities involved in managing BOE. In case of partial BOE identify the right BOE against the right payment is a major otherwise wrong BOE will be reported. For example, the payment was USD.10000; in case of partial BOE we will receive the BOE partially like we can receive BOE of USD 5000 in one month and USD.5000 in another month. To identify that this is a partial BOE of USD. 10000 is a major challenge as there can be more BOE of USD 5000 of one customer. In this case of the risk of choosing wrong BOE is very high. Sometimes one BOE can be reported against two or three payment as the payment is done partially. Like the BOE amount is USD.100000; 70% payment has been done in January and 30% payment has been done in February. In this case the same BOE will be reported twice. To identify these types of BOE is another challenge and the risk of reporting wrong BOE is also high. Moreover there can be several invoices for one BOE, can be several BOE for several invoice and also can be several BOE for one invoice. To

identify these things are also a challenge. As there are lots of complexity the risk of error is also high.

3. **Managing Document:** A Bill of Entry can have more than one page and also the number of the BOE against one bill is not fixed. As a result the risk of losing documents is also very high.
4. **Customer Follow Up:** Customer follow-up is a major part for the BOE management. Collecting BOE from the customer is one of the main challenges. In this case the risks can be giving wrong customer follow up. For example, we have already received BOE but still giving follow up for that BOE or giving follow up at the eleventh hour.
5. **Matching BOE:** As the matching process is completely manual the chances of human error is also very high.
6. **Overdue:** The risk of overdue is another challenge in BOE. If one BOE of a customer become overdue (Aging more than 120 days) the customer will not be able to open any LC at any bank. In this case the bank will lose business and also the relation with the customer will be hampered.
7. **High aging BOE:** The high aging BOEs have the high risk of getting overdue.
8. **Human Error:** The chances of human error in BOE are also very. Sometimes the customs give wrong input in the BOE which creates material discrepancy and as a result the risk of overdue also gets high because without the correction the bank cannot process the BOE. Human error can be done by the employee of the bank.

#### **4.4 Recommendation:**

1. **Automation:** Bangladesh customs can make the process automated. For example, whenever they give input in their system and prepare a BOE; the BOE will be automatically transferred to the bank. The concern person of the bank will match the BOE with the relevant documents and report it to

the Bangladesh bank. In this case if they find any discrepancy they can inform it immediately to the customs and ask for correction or they can ask customer for the clarification. In this way the chances of human error will be reduced and also the risk of giving wrong follow up to the customer will be reduced.

2. Follow one unique rule: In case of issuing BOE one unique rule should be followed. For example, issuing BOE against the number of invoice. For example, the number invoice will determine that how many BOE we will receive.
3. Categorize BOE: We can categorize different types of BOE. For example, for the partial BOE the custom will give a different type of registration number so that it can be easily identified as partial BOE.

## **Chapter 5: Conclusion**

## **Conclusion:**

Citibank N.A has emerged as one of the major trade service provider in Bangladesh. Its high quality service, strong rules and regulations help the organization to retain a strong position in the market of Bangladesh. Though Bangladesh is an import oriented country it is now moving to export also for example, garment industry. This emerging market in Bangladesh has created great opportunity for the organization like Citibank N.A which major service is trade service.

Bill of Entry is one of the major parts of trade operation. It is prove of goods arrived in country. The regulation of Bill of Entry differs from country. Bangladesh Bank has its own regulation regarding Bill of Entry. Citibank N.A has its own regulation to manage the BOEs of its customer considering the local regulation as well as the global standard.

Though BOE is a very sensitive and complex area of trade operation the local regulation and procedure is not efficient enough to manage the BOEs. The authority should give more attention towards it. As a global bank Citibank N.A can play role in it.

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