

**Internship Report**  
**on**  
**“Trade Operations**  
**of**  
**Dhaka Bank Limited-CPC”**

Submitted to:

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Date of Submission: 2017

## Letter of Transmittal

Date: 2017

Dr. Suman Paul Chowdhury

Assistant Professor, and  
Coordinator, MBA Program  
BRAC Business School

### **Subject: Submission of Internship Report**

Dear Sir,

With due respect, I would like to inform you that I have done my internship report on Trade Operations of Dhaka Bank Limited-CPC as per your instruction.

I have worked with the LC team of CPC Trade Operations for three months (from Nov 1<sup>st</sup> 2016 to Jan 31<sup>st</sup> 2017). During these three months I have learned a lot of things from the team, not only the academic requirements but also to work hard.

Considering the limited time and knowledge I have gathered through work experience, I have tried to prepare an informative report explaining very basic understanding of Trade & Finance of Dhaka Bank Limited. I will be grateful if you kindly approve this effort and give me your valuable judgment upon this report.

Sincerely Yours,

Md. Neaz Hossain

Student ID: 08104038

BRAC Business School

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## **Acknowledgement**

The number of people to whom I am grateful is way too many to count. But first, I am grateful to my Creator Allah for helping me throughout my life. Then my parents, without their love and support I wouldn't be here. I also would like to thank all of my teachers for their effort in educating me. Lastly special thanks to Dhaka Bank Limited for taking care of me.

## **Executive Summary**

The banking sector of Bangladesh plays a significant role in boosting the economy of the country and Dhaka Bank Limited is recognized as one of the reputed Private Commercial Banks of the country. Dhaka Bank Limited started its journey as a Public Limited Company on April 6, 1995 but now it operates as a Private Commercial Bank which has its presence at 94 locations across the country. Dhaka Bank Limited registered itself in the Dhaka Stock Exchange and Chittagong Stock Exchange in the year 2000. The bank has products and services ranging from Consumer Banking, Corporate Banking, SME Banking, and Islamic Banking to Foreign Trade Financing. Considering the importance of foreign trade financing, Dhaka Bank Limited has centralized its trade operations in the year 2009 by establishing CPC Trade Operations that carries out the foreign trade financing activities of the Authorized Dealer branches (AD). Moreover, CPC Trade Operations is well equipped with trained officers who are expert in proper utilization of the instruments and other resources and delivers risk free, convenient and smooth service to their export and import business clients and helps in building long lasting ties with them. CPC Trade Operation helps the export and import business to flourish and boosts the economy by earning foreign exchanges and remittances from the overseas nations.

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# CHAPTER 1

## **Introduction:**

The Financial System of Bangladesh consists of the Bangladesh Bank, Scheduled and Non-Scheduled Banks, Non-Bank Financial Institutions, Specialized Financial Institutions, Insurance companies, Credit Rating Agencies, Stock Exchange, etc. In the year 1971, the banking system of Bangladesh consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. In addition to it, there were fourteen smaller commercial banks and all of the banking services were concentrated in urban areas. Soon after the independence, in 1972, the Government of Bangladesh designated the Dhaka branch of the State Bank of Pakistan as the central bank and renamed it Bangladesh Bank with retrospective effect from 16 December 1971. The central bank was responsible for regulating currency, controlling credit and monetary policy, administering exchange control and the foreign exchange reserves. The Government of Bangladesh initially nationalized the entire domestic banking system and proceeded to reorganize and rename various banks. Meanwhile, the foreign owned banks were permitted to continue doing business in Bangladesh. The primary function of the credit system throughout the 1970s was to finance trade and the public sector. The number of rural bank branches doubled between 1977 and 1985 to more than 3330. After the private industrial growth Bangladesh Bank and the World Bank began to focus their lending on the emerging private manufacturing sector.

After the independence the banking industry in Bangladesh started its journey with six nationalized commercial banks, two state owned specialized banks and three foreign banks. The banking industry of Bangladesh achieved significant expansion with the entrance of private banks in the year 1980. Currently, the banks in Bangladesh primarily are of two types – Scheduled Banks and Non-Scheduled Banks. The banks which get license to operate under Bank Company Act, 1991 (Amended in 2013) are termed as Scheduled Banks. On the other hand, the banks which are established for special and definite objectives and operate under the acts that are enacted for fulfilling those objectives are termed as Non-Scheduled Banks.

As of 2017, there are 62 Scheduled Banks in Bangladesh which operate under full control and supervision of Bangladesh Bank in compliance with Bangladesh Bank Order, 1972 and Bank Company Act, 1991. The Scheduled Banks comprises of:

- State Owned Commercial Banks: There are six State Owned Commercial Banks that are fully owned by the Government of Bangladesh, they are:

- ✓ Agrani Bank Limited



- ✓ Basic Bank Limited
  - ✓ Janata Bank Limited
  - ✓ Rupali Bank Limited
  - ✓ Sonali Bank Limited
  - ✓ Bangladesh Development Bank Limited
- Specialized Banks: There are *seven* specialized banks majorly owned by the Government of Bangladesh which were established for specific objectives like agricultural or industrial development. They are:
- ✓ Bangladesh Krishi Bank
  - ✓ Bangladesh Samabaya Bank Ltd
  - ✓ Rajshahi Krishi Unnayan Bank (RAKUB)
  - ✓ Ansar-VDP Unnayan Bank
  - ✓ Karmashangosthan Bank
  - ✓ Probashi Kollyan Bank
  - ✓ Palli Sanchay Bank
- Private Commercial Banks: Private Commercial Banks which are majorly owned by the private entities and these banks can be categorized into two groups:
- Conventional Commercial Banks: This sort of banks follows the conventional way of commercial banking. There are 32 banks that falls into these category, they are:
    - ✓ AB Bank Limited
    - ✓ Bangladesh Commerce Bank Limited
    - ✓ Bank Asia Limited
    - ✓ BRAC Bank Limited
    - ✓ City Bank Limited
    - ✓ Dhaka Bank Limited
    - ✓ Dutch-Bangla Bank Limited
    - ✓ Eastern Bank Limited
    - ✓ IFIC Bank Limited
    - ✓ Jamuna Bank Limited
    - ✓ Meghna Bank Limited
    - ✓ Mercantile Bank Limited
    - ✓ Midland Bank Limited
    - ✓ Modhumoti Bank Limited
    - ✓ Mutual Trust Bank Limited
    - ✓ National Bank Limited

- ✓ National Credit & Commerce Bank Limited
- ✓ NRB Bank Limited
- ✓ NRB Commercial Bank Limited
- ✓ NRB Global Bank Limited
- ✓ One Bank Limited
- ✓ Premier Bank Limited
- ✓ Prime Bank Limited
- ✓ Pubali Bank Limited
- ✓ South Bangla Agriculture & Commerce Bank Limited
- ✓ Southeast Bank Limited
- ✓ Standard Bank Limited
- ✓ The Farmers Bank Limited
- ✓ Trust Bank Limited
- ✓ United Commercial Bank Limited
- ✓ Uttara Bank Limited
- ✓ Shimanto Bank Ltd

➤ Islamic Shariah based Commercial Banks: This sort of banks operates its banking according to Islamic Shariah based principles i.e. Profit-Loss Sharing (PLS) mode. There are 8 banks that falls into this category, they are:

- ✓ Al-Arafah Islami Bank Limited
- ✓ EXIM Bank Limited
- ✓ First Security Islami Bank Limited
- ✓ ICB Islamic Bank Limited
- ✓ Islami Bank Bangladesh Limited
- ✓ Shahjalal Islami Bank Limited
- ✓ Social Islami Bank Limited
- ✓ Union Bank Limited

▪ Foreign Commercial Banks: There are 9 banks active in Bangladesh, they are:

- ✓ Bank Al-Falah Limited
- ✓ Citibank N.A
- ✓ Commercial Bank of Ceylon PLC
- ✓ Habib Bank Limited
- ✓ National Bank of Pakistan
- ✓ Standard Chartered Bank
- ✓ State Bank of India
- ✓ Hong Kong and Shanghai Banking Corporation Limited

✓ Woori Bank

- Non-Scheduled Banks: Non-Scheduled Banks are licensed only for specific functions and objectives, and do not offer the same range of services as scheduled banks. Only two banks falls under this category, they are 1) Grameen Bank 2) Jubilee Bank
  
- Non Bank Financial Institutions: There are 34 institutions in Bangladesh, they are:
  - ✓ Agrani SME Financing Company Limited
  - ✓ Bangladesh Finance and Investment Company Limited
  - ✓ Bangladesh Industrial Finance Company Limited
  - ✓ Bangladesh Infrastructure Finance Fund Limited
  - ✓ Bay Leasing and Investment Limited
  - ✓ CAPM Venture Capital and Finance Limited
  - ✓ Delta Brac Housing Finance Corporation Limited
  - ✓ Far-east Finance & Investment Limited
  - ✓ FAS Finance & Investment Limited
  - ✓ First Finance Limited
  - ✓ GSP Finance Company (Bangladesh) Limited
  - ✓ Hajj Finance Company Limited
  - ✓ IDLC Finance Limited
  - ✓ Industrial and Infrastructure Development Finance Company Limited
  - ✓ Industrial Promotion and Development Company of Bangladesh Limited
  - ✓ Infrastructure Development Company Limited
  - ✓ International Leasing and Financial Services Limited
  - ✓ Islamic Finance and Investment Limited
  - ✓ LankaBangla Finance Limited
  - ✓ Meridian Finance and Investment Limited
  - ✓ MIDAS Financing Limited
  - ✓ National Finance Limited
  - ✓ National Housing Finance and Investments Limited
  - ✓ People's Leasing and Financial Services Limited
  - ✓ Phoenix Finance and Investments Limited
  - ✓ Premier Leasing & Finance Limited
  - ✓ Prime Finance & Investment Limited
  - ✓ Reliance Finance Limited
  - ✓ Saudi-Bangladesh Industrial & Agricultural Investment Company Limited
  - ✓ SEAF Bangladesh Venture Limited

- ✓ The UAE-Bangladesh Investment Company Limited
- ✓ Union Capital Limited
- ✓ United Finance Limited
- ✓ Uttara Finance and Investments Limited

### **1.1 Origin of the Report:**

Internship Program of BRAC University is a Post-Graduation requirement for the BBA students. This study is a partial requirement of the Internship program of BBA curriculum at the BRAC University. The main purpose of internship is to get the student exposed to the job world. Being an intern the main challenge was to translate the theoretical concepts into real life experience.

The internship program and the study have following purposes:

- To get and organize detail knowledge on the job responsibility. —
- To experience the real business world. —
- To compare the real scenario with the lessons learned in BRAC University —
- To fulfill the requirement of BBA Program.

This report is the result of three months long internship program conducted at Dhaka Bank Limited and is prepared as a requirement for the completion of the BBA program of BRAC University. This report is based on “Trade Operations of Dhaka Bank Limited”.

### **1.2 Objective of the Report:**

The objective of the report can be viewed in two forms:

- General Objective
- Specific Objective

General Objective: This internship report is prepared primarily to fulfill the Bachelor of Business Administration (B.B.A) degree requirement under the Faculty of BRAC Business School, BRAC University.

Specific Objective: More specifically, this study entails the following aspects:

- To give an overview of Dhaka Bank Limited

- To focus on the services given by Dhaka Bank Limited to its clients on Trade (both domestic and international)

### **1.3 Scope of the Report:**

The main intention was to understand the trade business carried out by Dhaka Bank Limited.

### **1.4 Methodology:**

Methodology is a very vital part prior to preparing a report as it guides the whole process starting from collection of data, processing of data and organization of data into information which can be analyzed and interpreted for achieving the primary objective of the report. For preparing my internship report I have used both primary and secondary resource. The primary resources included – hand-on experience on the workplace which I have gathered by working with the Documentary Credit team of CPC (Central Processing Center of Dhaka Bank Limited). The secondary resources was books and information found on internet.

# CHAPTER 2

## Overview of Dhaka Bank Limited

### 2.1 History:

Dhaka Bank was incorporated as a Public Limited Company on April 6, 1995 under Companies Act, 1994. The company commenced banking operations on July 5, 1995. *Dhaka Bank Limited* is a public limited commercial bank in Bangladesh. Its headquarters are situated in Dhaka. Currently the bank has 94 including 2 Islamic Banking Branches and 3 SME Service Centers around the country and it is growing continuously towards the service excellence through its products and services. The bank was founded by prominent Bangladeshi politician Mirza Abbas in 1995.

### 2.2 Vision, Mission and Values:

The Vision of Dhaka Bank Limited is that we draw our inspiration from the distant stars. We assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments.

Our people, products and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision- Excellence in Banking.

To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking.

- Customer Focus
- Integrity
- Quality
  
- Teamwork
- Respect for the Individual
- Responsible Citizenship

### **2.3 Sponsors & Shareholders:**

Dhaka Bank today is manifestly a splendid outcome of constant care, creative concern, concerted efforts and progressive performance of its skilled architects, i.e., its sponsor shareholders who worked with crusading zeal for building up a sound financial institution which would hasten the pace of economic development of the country. It is indeed a privilege to have such forward-looking group of guides. We owe a debt of gratitude to all of our Sponsor Directors for envisioning a great corporate voyage, now so admired and loved by the community:

- Mirza Abbas Uddin Ahmed (Founder and Former Advisor)
- Abdul Hai Sarker
- A.T.M. Hayatuzzaman Khan
- Afroza Abbas
- Altaf Hossain Sarker
- Khandaker Mohammad Shahjahan
- Aminul Islam
- Md. Amirullah
- Reshadur Rahman
- Abdullah Al Ahsan
- Khondoker Monir Uddin
- M.N.H. Bulu
- Rakhi Das Gupta
- Tahidul Hossain Chowdhury
- Jashim Uddin
- Kamala Khatun

- Abdul Wahed
- Mohammed Hanif
- Khondoker Jamil Uddin
- Alhaj Mohammad Ali Sarker
- Suez Islam



## **2.4 Board of Directors:**

- Mr. Reshadur Rahman (CHAIRMAN)
- Mrs. Rokshana Zaman (Vice Chairperson)
- Mr. Abdul Hai Sarker (Director)
- Mr. Altaf Hossain Sarker (Director)
- Mr. Mohammed Hanif (Director)
- Mr. Md. Amirullah (Director)
- Mr. Abdullah Al Ahsan (Director)
- Mr. Khondoker Monir Uddin (Director)
- Mr. Tahidul Hossain Chowdhury (Director)
- Mr. Jashim Uddin (Director)
- Mr. Khondoker Jamil Uddin (Director)
- Mr. Mirza Yasser Abbas (Director)
- Mr. Amanullah Sarker (Director)
- Mr. M.N.H Bulu (Director)
- Mr. Syed Abu Naser Bukhtear Ahmed (Independent Director)
- Mr. M. A. Yussouf Khan (Independent Director)
- Mr. Syed Mahbubur Rahman (Managing Director & CEO)

## **2.5 Management Committee:**

- Mr. Syed Mahbubur Rahman (Managing Director & CEO)
- Mr. Emranul Huq (Additional Managing Director)
- Mr. Khan Shahadat Hossain (Deputy Managing Director-Risk Management)
- Mr. Md. Shakir Amin Chowdhury (Deputy Managing Director-Operations)
- Mr. Mohammad Abu Jafar (Deputy Managing Director-International Business)
- Mr. Arham Masudul Huq (SEVP & Company Secretary)
- Mr. A M M Moyen Uddin (SEVP & Head of Information Technologies Division)
- Mr. Md. Shafquat Hossain (SEVP & Head of Retail Banking)
- Mr. Md. Abdul Matin (EVP & Head of Credit Risk Management)
- Mr. Darashiko Khasru (EVP & CFO, Finance & Accounts Division)
- Mr. Abdullah Hil Kafi (EVP & Head of ICCD)
- Mr. Manik Lal Biswas (EVP & Head of Risk Management)
- Mr. Syed Faisal Omar (EVP & Head of Global Trade Services)
- Mr. K.M. Faisal Faruqui (VP & Head of Treasury Division)
- Mr. M Rezaur Rahman (SVP & Head, Human Resources Division)

# CHAPTER 3

## Trade Operations

### 3.1 Trade Finance:

**Trade** involves giving one thing in exchange for another. The basic elements of Trade are buying and selling in some form of a market. **Finance** is the science that describes the management of money, banking, credit, investments and assets. **Trade Finance** is the science that describes the management of money, banking, credit, investments and assets for international as well as domestic trade transactions. Companies involved with trade finance include importers and exporters, financiers, insurers and other service providers. Trade Business can be of two types: 1) Merchandise Trade (Tangible Items) 2) Trade in Commercial Services (More Intangible Items)

### 3.2 International Trade:

**International trade** is the exchange of goods and services between countries that gives rise to a world economy which results in increased efficiency and allows countries to participate in a global economy that enhances the opportunity of foreign direct investment (FDI) and opens up the opportunity for specialization and ensures more efficient use of resources that has potential to maximize a country's capacity to produce and acquire goods.

Factors affecting International trade:

- Globalization
- Outsourcing
- Tariff
- Import
- Cost
- Customs
- Freight
- Documents
- Insurance
- Exchange Rate

- Origin
- Law
- Pricing

#### Advantages and Disadvantages of International Trade:

##### Advantages:

1. Monetary gains to the respective country indulging in trade.
2. More variety of goods available for consumers.
3. Better quality of goods.
4. Competition both at the international level as well as local level.
5. Closer ties between nations.
6. More exchange of technical know-how.
7. Local producers will try to improve the quality of their products.
8. Increase in employment locally.

##### Disadvantages:

1. Local production may suffer.
2. Local industries may be overshadowed by their international competitors.
3. Rich countries may influence political matters in other countries and gain control over weaker nations.
4. Ideological differences may emerge between nations with regard to the procedures in trade practices.

#### Major players in International Trade:

- Buyer/Importer
- Seller/Exporter
- Banks
- Freight Forwarders
- Carriers
- Warehouse men
- Insurers
- International Financial Institutions
- Government Agencies

### **3.3 Balance of Payments (BOP):**

Balance of Payments is a record of all transactions made between one particular country and all other countries during a specified period of time. BOP compares the difference of the amount of exports and imports in the local currency, including all financial exports and imports. The two principal parts of the BOP accounts are the current account and the capital account. A negative balance of payments means that more money is flowing out of the country than coming in, and vice versa. The BOP includes the trade balance, foreign investments and investments by foreigners. Balance of payments may be used as an indicator of economic and political stability.

### **3.4 Balance of Trade (BOT):**

Balance of Trade is the difference between a country's imports and its exports. Balance of trade is the largest component of a country's balance of payments. Debit items include imports, foreign aid, domestic spending abroad and domestic investments abroad. Credit items include exports, foreign spending in the domestic economy and foreign investments in the domestic economy. A country has trade deficit if it imports more than it exports; the opposite scenario is a trade surplus. Balance of trade is also referred to as "trade balance" or "international trade balance".

### **3.5 Tariff:**

A tariff may be either tax on imports or exports (trade tariff), or a list or schedule of prices for such things as rail services, bus routes, and electrical usage (electrical tariff, etc.). Governments generally impose tariffs to raise revenue and protect domestic industries from foreign competition caused by factors like government subsidies, or lower priced goods and services.

### **3.6 Nontariff Barriers:**

Nontariff barrier is a form of restrictive trade where barriers to trade are set up and take a form other than a tariff. Nontariff barriers include quotas, levies, embargoes, sanctions and other restrictions, and are frequently used by large and developed economies. Nontariff barriers are another way for an economy to control the amount of trade that it conducts with another economy, either for selfish or altruistic purposes. Any barrier to trade will create an economic loss, as it does not allow markets to function properly.

### **3.7 Embargo:**

An embargo will restrict all trade with a country, or aim to reduce the exchange of specific goods. For example, a straight embargo prevents the exchange of any military goods with a country. Because many nations rely on global trade, an embargo is a powerful tool for influencing a nation.

### **3.8 General Agreement on Tariffs and Trade (GATT):**

The General Agreement on Tariffs and Trade (GATT) is a treaty created following the conclusion of World War II (commenced in 1948). GATT was implemented to further regulate world trade to aid in the economic recovery following the war. GATT's main objective was to reduce the barriers of international trade through the reduction of tariffs, quotas and subsidies.

### **3.9 World Trade Organization (WTO):**

The World Trade Organization is an organization that intends to supervise and liberalize international trade. The organization officially commenced on January 1, 1995 under the Marrakesh Agreement replacing GATT. The WTO has over 160 members representing 98 per cent of world trade. WTO deals with regulations of trade between participating countries; it provides a framework for negotiating and formalizing trade agreements, and dispute settlement process.

### **3.10 The Sales Agreement:**

The most basic agreement in international trade is "sales agreement" between the seller and the buyer. This is often referred to as an "export contract" or a "foreign sales agreement". All other agreements and procedures commonly used in international trade results from the performance of this contract or agreement. Two most essential terms of the sales agreement are the seller's undertaking to provide the goods to the buyer and the buyer's undertaking to pay the price in return. Since agreement is signed only by the seller and the buyer, banks are not involved in the sales agreement.

### 3.11 Incoterms - An Introduction:

By the 1920s, commercial traders had developed a set of trade terms to describe their rights and liabilities with regard to the sale and transport of goods. These trade terms consisted of short abbreviations for lengthy contract provisions. Unfortunately, there was no uniform interpretation of them in all countries, and therefore complexities and misunderstandings often arose in cross-border transactions. To improve this aspect of international trade, the *International Chamber of Commerce* (ICC) in Paris, France developed “*International Commercial Terms*”, known as “*Incoterms*”, a set of uniform rules for the interpretation of international commercial terms defining the costs, risks, and obligations of both buyers and sellers when shipping goods domestically as well as across borders. Since the creation of the Incoterms rules by ICC in 1936, this globally accepted contractual standard has been periodically revised to account for constantly changing modes of transport and document delivery. The latest version, *Incoterms*® 2010, became effective on 1<sup>st</sup> January, 2011.

Users of Incoterms:

- Direct Users: Buyers & Sellers
- Indirect Users: Banks, Insurers, Carriers/Forwarding Agents
  - ✓ Use by Banks: Most letters of credit will state an Incoterm which will enable banks to check, to an extent, that: 1) The documents called for in the LC are consistent with the term used 2) The documents presented are consistent with the term used
  - ✓ Use by Insurers: 1) If there is loss or damage to a cargo, insurers will be at pains to establish exactly where it has occurred and therefore whether the buyers or sellers were responsible 2) Incoterms determine whether it is the buyer or seller that is at risk
  - ✓ Use by Carriers/Forwarding agents: 1) To determine which party ( buyers/seller ) will be responsible for payment of freight charges 2) To determine which party (buyer/seller) will be responsible for the various activities in transportation

### 3.12 Documentary Credit/Letter of Credit:

- Letter of Credit is a written undertaking by a bank ( issuing bank ) given to the seller ( beneficiary ) at the request, and in accordance with the buyer's ( applicant ) instructions to effect payment – that is by making a payment, or by accepting or negotiating bills of exchange ( drafts ) – up to a stated amount, against stipulated documents and within a prescribed time limit.

- The LC is a separate contract from the sales contract on which it is based and, therefore, the bank is not concerned whether each party fulfills the terms of sales contract. It is a way of reducing the payment risks associated with the movement of goods.
- The bank's obligation to pay is solely conditional upon the seller's compliance with the terms and conditions of the LC. In LC transactions, banks deal in documents only, not goods.

All letters of credit must be issued:

- In favor of a specific beneficiary
- For a specific amount of money
- In a form clearly stating how payments to the beneficiary is to be made and under what conditions
- With a specific expiration date

In determining which type of letter of credit is suitable for a particular commercial transaction, one should consider:

- The nature of the merchandise
- The relationship between the buyer and the seller
- The financial standing and reputation of the buyer, the seller, and the issuing ( opening ) bank
- How many times the underlying transaction is taking place
- The financial needs of the seller and the buyer
- The availability and cost of financing in different countries

Key characteristics of a letter of credit:

- A written obligation on the part of the issuing bank to pay a specified amount subject to meeting of the conditions of the letter of credit stipulated by the buyer.
- The issuing bank assumes the irrevocable obligation towards the seller on the basis of request by the buyer.
- One of the most important and best elaborated payment instruments used in international and domestic trade.
- Certainty for the buyers that payment of a specific amount will not be made until the seller meets the conditions set by the buyer.



- Certainty for the seller that he or she will be paid for the goods after the conditions of the letter of credit are met.

#### Illustrative Letter of Credit Transaction

1. Seller asks buyer for letter of credit.
2. Buyer asks its bank to issue L/C in accordance with seller's terms.
3. After approving buyer's credit line, buyers' bank notifies seller's bank that it has issued L/C.
4. Seller's bank either adds confirmation (guarantees payment to seller) or simply advises seller that L/C has been issued.
5. Seller makes shipment, presents documents to its bank in accordance with L/C's terms.
6. Seller's bank examines and approves documents, then sends them to buyer's bank by air mail or courier.
7. Buyer's bank examines and approves documents. Once approved, it debits buyers' account and wire money to seller's bank.
8. On receipt of funds, seller's bank credits seller's account.

#### Parties to Letter of Credit Transaction:

- ❖ **Applicant:** The buyer or the party who requests the letter of credit to be issued.
- ❖ **Beneficiary:** The seller or the party to whom the letter of credit is addressed.
- ❖ **Issuing Bank:** The bank which opens a letter of credit on behalf of the applicant or on its own behalf.
- ❖ **Advising Bank:** The bank, usually in the exporter's country, that advises the letter of credit to the exporter at the request of the issuing bank.
- ❖ **Paying Bank:** The bank named in the letter of credit where drafts are to be paid. It is not necessarily the issuing bank, but often a branch of the issuing bank or its correspondent.

## Payment Settlement in Letter of Credit:

There are **four** methods by which settlement in letters of credit transactions happen. But DBL has **two** methods. They are described below:

- ✓ **By Sight Payment:** “Sight Payment” means that payment should be made when the presentation is seen or sighted. It also means that payment should be made on demand. Because the terms of payment are immediate, the documentary credit would indicate bank from which the beneficiary can expect to obtain such payment, i.e., a nominated bank. However, such nominated bank does not necessarily have to accept its nomination by the issuing bank. The sight payment documentary credit may or may not require drafts to be presented. Because drafts may attract stamp duties, it may be issued without requiring drafts to be presented.
- ✓ **By Deferred Payment:** The terms and conditions of a documentary credit issued on deferred payment terms are that -
  - Payment is not immediate
  - Payment is at a time in the future, determinable in accordance with the documentary credit
  - A draft is not required to be presented

The future determinable date of payment, as defined in the documentary credit, will usually fall within a specific period after the date of the transport document, a specific period after the date of presentation or other predefined event. Deferred payment credits are also subject to the requirements of nomination.

- ✓ **By Acceptance:** The terms and conditions of a documentary credit issued on acceptance terms are that –
  - Payment is not immediate
  - Drafts are required to be presented
  - Payment is on the maturity date of the draft

Acceptance documentary credits provide a means by which the beneficiary may be able to obtain finance by discounting the bank accepted draft.

- ✓ **By Negotiation:** The terms and conditions of a documentary credit issued on negotiation terms are that –
  - Payment may or may not be immediate
  - Drafts may or may not be required for presentation

- Payment, if the documentary credit is not negotiated earlier, in or receipt of documents by the issuing bank ( sight ) or the maturity date of the draft ( usance )

Negotiation documentary credits provide a means by which the beneficiary may be able to obtain finance by having the bank negotiate earlier than the date of payment.

## BASIC TYPES OF LETTER OF CREDIT:

There are **three (03)** basic features of letters of credit, each of which has two options. These are described below. Each letter of credit has a combination of each of the three features.

**Sight or Term/ Usance:** Letters of credit can permit the beneficiary to be paid immediately upon presentation of specified documents (sight letter of credit), or at a future date as established in the sales contract (term/usance letter of credit). The reason for issuing a usance credit is the buyer's (the applicant's) wish or need to defer payment and hence the only purpose of the usance credit is to defer the date of payment without changing the payment undertaking of the issuing bank under the letter of credit. In principle there are no rules on how to determine the period for usance payment or its length. The period for usance payment is usually 30, 60,120,180 days in commercial merchandise trading. However, the use of longer periods is quite common with the handling and financing of projects.

**Revocable or Irrevocable:** Revocable means that at any point of time the LC opened by the issuing bank can be cancelled or amended without the notice of the beneficiary. According to UCP 600, neither the issuing bank nor the advising bank can participate in cancelation or amendment without the prior notice of the buyer and seller respectively.

**Unconfirmed or Confirmed:** An unconfirmed letter of credit carries the obligation of the issuing bank to honor all drawings, provided that the terms and conditions of the letter of credit have been complied with. A confirmed letter of credit also carries the obligation of another bank which is normally located in the beneficiary's country, thereby giving the beneficiary the comfort of dealing with a known bank.

## SPECIAL TYPES OF LETTER OF CREDIT:

**Back-to-Back Letter of Credit:** “Back-to-Back” is a term used in transactions involving two irrevocable letters of credit. Such transactions originate when a seller receives a letter of credit covering goods which must be obtained from a third party who in turn requires a letter of credit. The “second” issuing bank looks to the first issuing bank for reimbursement after paying under the second letter of credit.

## BENEFITS & DISADVANTAGES OF LETTER OF CREDIT

### Benefits to the Exporter/Seller:

- Letters of credit open doors to international trade by providing a secure mechanism for payment upon fulfillment of contractual obligations.
- A bank is substituted for the buyer as the source of payment for goods or services exported.
- The issuing bank undertakes to make payment, provided all the terms and conditions stipulated in the letter of credit are complied with.
- Financing opportunities, such as pre-shipment finance secured by a letter of credit and/or discounting of accepted drafts drawn under letters of credit, are available in many countries.
- Bank expertise is made available to help complete trade transactions successfully.
- Payment for the goods shipped can be remitted to your own bank or a bank of your choice.

### Benefits to the Importer/Buyer:

- Payment will only be made to the seller when the terms and conditions of the letter of credit are complied with.
- The importer can control the shipping dates for the goods being purchased.
- Cash resources are not tied up.

### Disadvantages to the Exporter/Seller:

- The seller’s documents must comply strictly with the terms and conditions of the Letter of Credit to entitle the seller for payment.
- The seller is exposed to the commercial risk that the bank providing its undertaking is willing and able to perform.

- The seller assumes any political and foreign exchange risk affecting the issuing bank's obligation.

Disadvantages to the Importer/Buyer:

- In Letters of Credit, banks deal only with documents, not with goods. The merchandise might not be as it is represented in the documents.

### 3.13 TYPES OF TRADE DOCUMENTS

The success of a letter of credit transaction depends heavily on documentation, and a single transaction can require many different kinds of documents. Because letter of credit transactions can be so complicated and can involve so many parties (not to mention areas of the bank), banks must ensure that their letters are accompanied by the proper documents, that those documents are accurate, and that all areas of the bank handle them properly. Documentation is of **five** primary types: **Financial, Insurance, Commercial, Transport** and **Regulatory**.

**Financial:** Financial documents are the means by which the seller charges the buyer for the merchandise and demands payments from the buyer, the buyer's bank, or some other bank. Examples: Bill of Exchange/Drafts (Calculation of Maturity), Cheque.

**Insurance:** Insurance documents cover the merchandise being shipped against damage or loss. The terms of the merchandise contract may dictate that either the seller or the buyer obtain insurance. Examples: Insurance Policy, Insurance Certificate, Insurance Cover Note.

**Commercial:** The commercial documents are the seller's description of the goods shipped and the means by which the buyer gains assurances that the goods shipped are the same as those ordered. Examples: Invoice, Packing & Weight List, Beneficiary's Certificate, Certificate of Origin.

**Transport:** Transport documents are issued by a transportation company when moving the merchandise from the seller to the buyer. Examples: Bill of Lading, Airway Bill, Road, Rail, Waterway Transport Documents, Courier or Post Receipts.

**Regulatory:** Regulatory documents include certain official documents that may be required by governments in order to regulate and control the passage of the goods through their borders. Examples: EXP Form, IMP Form, Bill of Entry, Bill of Export.

## DESCRIPTION OF SOME FREQUENTLY USED DOCUMENTS

**Draft:** A draft is a bill of exchange and a legally enforceable instrument which may be regarded as the formal evidence of debt under a letter of credit. Drafts drawn at sight are payable by the drawee on presentation. Term (usance) drafts, after acceptance by the drawee, are payable on their indicated due date.

**Commercial Invoice:** The commercial invoice is an itemized account issued by the beneficiary and addressed to the applicant, and must be supplied in the number of copies specified in the letter of credit.

**Bill of Lading:** A bill of lading is a receipt issued by a carrier for goods to be transported to a named destination, which details the terms and conditions of transit. In the case of goods shipped by sea, it is the document of title which controls the physical custody of the goods.

**Air Waybill:** An air waybill is a receipt issued by an air carrier indicating receipt of goods to be transported by air and showing goods consigned to a named party. Being a non-negotiable receipt it is not a document of title.

**Insurance Policy or Certificate:** Under the terms of a CIF contract, the beneficiary is obliged to arrange insurance and furnish the buyer with the appropriate insurance policy or certificate. The extent of coverage and risks should be agreed upon between the buyer and seller in their initial negotiations and be set out in the sales contract.

**Certificate of Origin:** A certificate of origin certifies as to the country of origin of the goods described and should comply with any stipulations in the letter of credit as to originating country and by whom the certificate is to be issued. The certificate should be consistent with and identified with the other shipping documents by shipping marks and numbers, and must be signed.

**Inspection Certificate:** When a letter of credit calls for an inspection certificate it will usually specify by whom the certificate is to be issued; otherwise, the same general comments as in the case of the certificate of origin apply. As a preventative measure against fraud or as a means of protecting the buyer against the possibility of receiving substandard or unwanted goods, inspection certificates issued by a reputable third party may be deemed prudent.

**Packing List:** A packing list is usually requested by the buyer to assist in identifying the contents of each package or container. It must show the shipping marks and number of each package. It is not usually required to be signed.

**Consular Invoice:** A Consular Invoice is a document containing a detailed statement of goods shipped certified by the consul of the destination country at the point of shipment. Consular

invoices may be required by various countries to facilitate customs processing of the shipment at its destination. Consular invoices include the seller/shipper/owner's declaration of the value of the shipment, and must contain a full description of the goods exported, as well as all discounts or rebates being offered.

**Pro Forma Invoice:** A pro forma invoice is an invoice sent to the buyer in advance of the shipment of goods. Typically, it describes the product, and lists the quantity and value of the shipment. A pro forma invoice is often generated in connection with an export quotation letter. It is sent to the buyer prior to shipment describing the product, its value, and the time of shipment of goods to be shipped. A pro forma invoice can be used to establish the terms of payment and enable to open a letter of credit.

**GSP Form A:** Under the GSP (Generalized system of Preferences) program or the preferential tariff treatment, a free or reduced duty is granted by developed countries to certain manufactured goods from the least developed countries, in order to bolster their exports and economic growth. Most imports eligible under the GSP program are free of duty. There are over 20 industrialized countries – donor countries (country of destination) - which maintain GSP programs and over 100 least developed countries – beneficiary countries (country of origin) – which are eligible under the GSP program. Form A, which is often called the GSP Form A, is a certificate of origin. It is used under the GSP program for exportations to the donor countries from the beneficiary countries. The beneficiary countries are responsible for supplying the Form A. It is normally available at the government foreign trade office or the Chamber of Commerce of the beneficiary country. In Bangladesh, Export Promotion Bureau (EPB) usually issue GSP Form A in favor of the local eligible exporters.

## BILL OF LADING

A bill of lading is a receipt issued by a carrier for goods to be transported to a named destination, which details the terms and conditions of transit. In the case of goods shipped by sea, it is the document of title which controls the physical custody of the goods.

### Bill of Lading

- Evidence of Receipt of Cargo
- Evidence of a Contract of Carriage
- Document of Title to Cargo

The BL must contain the following information:

- Name of the shipping company
- Flag of nationality

- Shipper's name
- Order and notify party
- Description of goods
- Gross/net/tare weight
- Freight rate/measurement and eighteenth of goods/total freight

There are two different types of bill of lading:

- A STRAIGHT BILL OF LADING is one that names a specific consignee to whom goods are to be delivered. It is a non-negotiable document.
- An ORDER BILL OF LADING is one that is written "to order" or to order of a named party making the instrument negotiable by endorsement. Letters of credit usually call for an order bill of lading blank endorsed; meaning the holder of the bill of lading has title to the goods.

### **3.14 TYPES OF TRADE FINANCING PRODUCTS:**

Trade Financing Products:

- ✓ Assurance: (1) Commercial LC (2) Standby LC (3) Bank Guarantee
- ✓ Payment: (1) Bills for Collection (2) Remittance
- ✓ Finance: (1) Negotiation/ Purchase of Export Bills (2) Packing Credit (3) Import Loans

### **3.15 TYPES OF RISKS IN INTERNATIONAL TRADE:**

Risks in international trade can be divided under several types, such as,

#### **Economic Risks**

- Risk of concession in economic control
- Risk of insolvency of the buyer
- Risk of non-acceptance
- Risk of protracted default i.e. the failure of the buyer to pay off the due amount after six months of the due date
- Risk of Exchange rate



## **Political Risks**

- Risk of non-renewal of import and exports licenses
- Risks due to war
- Risk of the imposition of an import ban after the delivery of the goods
- Surrendering of political sovereignty

## **Buyer Country Risks**

- Changes in the policies of the government
- Exchange control regulations
- Lack of foreign currency
- Trade Embargo

## **Commercial Risks**

- A bank's lack of ability to honor its responsibilities
- A buyer's failure pertaining to payment due to financial limitations
- A seller's inability to provide the required quantity or quality of goods

## **Others Risks**

- Cultural differences
- Lack of knowledge of overseas markets
- Language barriers
- Inclination to corrupt business associates
- Legal protection for breach of contract or non-payment is low
- Effects of unpredictable business environment and fluctuating exchange rates
- Sovereign risk - the inability of the government of a country to pay off its debts
- Natural risk – due to the various kinds of natural catastrophes, which cannot be controlled

Some critical risk discussed

- **Credit risk:** Credit risk is the current and prospective risk to earnings or capital arising from an obligor's failure to meet the terms of any contract with the bank or otherwise to perform as agreed. Credit risk is found in all activities in where success depends on counterparty, issuer, or borrower performance. It arises any time bank funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet.

- **Foreign Exchange Risk:** A foreign exchange risk is the risk that a business's financial performance or position will be affected by fluctuations in the exchange rates between currencies. The risk is most acute for businesses that deal in more than one currency (for example, they export to another country and the customer pays in its own currency). However, other businesses are indirectly exposed to foreign exchange risk if, for example, their business relies on imported products and services.
- **Transaction Risk/ Operational Risk:** Transaction risk is the current and prospective risk to earnings or capital arising from fraud, error, and the inability to deliver products or services, maintain a competitive position, and manage information. Risk is inherent in efforts to gain strategic advantage, and in the failure to keep pace with changes in the financial services marketplace. Transaction risk is also referred to as operating or operational risk. This risk is particularly high in trade transactions because of the high level of documentation required in letter of credit operations.
- **Strategic Risk:** Strategic risk is the current and prospective risk on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation. Strategic risk in trade financing arises when a bank does not know enough about the region in which it is doing business or the financing product it is using. A bank considering whether to finance trade must carefully develop its financing strategy.

### 3.16 The Foreign Exchange Market:

The foreign exchange (some shorten the term to "forex" or "FX") market provides the physical and institutional structure through which the money of one country is exchanged for that of another country, the rate of exchange between currencies is determined, and foreign exchange transactions are physically completed. A foreign exchange transaction is an agreement between a buyer and a seller that a given amount of one currency is to be delivered at a specific rate for some other currency.

Main types of foreign exchange market:

- Interbank/ Wholesale Market
- Futures, Futures Optional Market
- Over-the-Counter (OTC) / Secondary/ Market

The Interbank market is one in which huge banks, Insurance companies, corporations and other financial institutions manage the risks associated with fluctuations in currency rates by trading in large quantities.

Futures and futures options on different currencies can be traded on centralized boards of trade, or exchanges, such as the CME Group.

The secondary market – the OTC market – has developed more recently, permitting retail (smaller) investors to participate in forex markets. The OTC market has many of the same characteristics of the interbank market but it doesn't provide the same price, as the size of trades, and the volumes, are much smaller.

Participants in the FX Market:

- Foreign Exchange Dealers
- Importers & Exporters
- Speculators and Arbitragers
- Central Banks and Treasuries
- Foreign Exchange Brokers
- International Portfolio Investors
- Multinational Firms

Seven currencies that are the most actively traded of the world's monies, and they are called "the majors"

- U.S. Dollar (USD)
- British Pound (GBP)
- Canadian Dollar (CAD)
- Swiss Franc (CHF)
- Japanese Yen (JPY)
- Australian Dollar (AUD)
- Euro (EUR)

## THE USAGE OF DIFFERENT EXCHANGE RATES:

### **Principal Types of Buying Rates:**

Depending upon the time of realization of foreign exchanges by the banks, different types of buying rates are quoted in Bangladesh. These are –

- TT ( Clean) Buying Rate
- TT ( Documentary)
- OD ( Sight Export)
- OD ( Transfer )
- Bill Buying Rate

**TT (Clean) Buying Rate:** This rate is applied when the transaction does not involve any delay in realization of the foreign exchange by the bank. In other words, the nostro account of the bank would already have been credited. The rate is calculated by deducting from the interbank buying rate the exchange margin as determined by the bank. Transactions where this rate is applied are – (a) payment of demand drafts, mail transfers, telegraphic transfer etc. drawn on the bank where bank's nostro account is already been credited, (b) foreign bills collected. When a foreign bill is taken for collection, the bank pays the exporter only when the importer pays for the bill and the bank's nostro account abroad is credited, and (c) cancellation of foreign exchange sold earlier. For instance, the purchaser of a bank draft drawn on New York may later request the bank to cancel the draft and refund the money to him. In such case, the bank will apply the TT (Clean) buying rate to determine the taka amount payable to the customer.

**OD (Buying) Rate:** This rate is applied for purpose of clean bills, drafts or personal cheques drawn on a foreign bank. The process of collection of the cheque or the draft involves two things, which are, loss of interest to the bank for the period the cheque/draft remains in transit and its handling charges including postages involves in sending the instrument.

- OD (Sight) Export: This rate is worked out by loading, to the TT (Clean) buying rate, interest at the rate corresponding to the interest rate applicable to export credit in Bangladesh.
- OD (Transfer): For purpose of non-export bills, drafts and personal cheques, OD (Transfer) rate is used. This rate is worked out by loading to the TT (Clean) buying rate, interest at the rate applicable to ordinary commercial credit.

An additional margin is added to all the above rates; it represents the banks' out-of-pocket expenses involved in handling of the instruments.

**Bill Buying Rate:** This is the rate to be applied when a foreign export bill is negotiated or purchased by a bank. Traditionally, Bill Buying rate in Bangladesh is worked out by the banks by loading interest at the export credit rate to the TT (Clean) buying rate for a period of 10 to 12 days as transit period. For usance bills, total period is counted by adding the usance period with the transit period. An additional amount is also loaded as out-of-pocket expenses.

**Principal Types of Selling Rates:** Two types of selling rates are quoted in Bangladesh. They are-

- TT and OD Selling rate
- Bills Selling Rate

**TT and OD Selling Rate:** This is the rate to be used for all transactions that do not involve handling of documents by the bank. Transactions for which this rate is quoted are – (a) issue of demand drafts, mail transfers, telegraphic transfers etc., other than retirement of an import bill, and (b) cancellation of foreign exchange purchased earlier. For instance when an export bill purchased earlier is returned unpaid on its due date; the bank will apply the TT selling rate for the transaction. The TT selling rate is calculated on the basis of interbank selling rate. The rate to the customer is calculated by adding exchange margin to the interbank rate.

**Bills for Collection Rate (BC Selling Rate):** This rate is to be used for all transaction which involves handling of documents by the bank, for example, when payments against import bills are made. The BC selling rate is calculated by adding exchange margin to the TT selling rate, which means the exchange margin enters into the bill's selling rate twice, once on the interbank rate and again on the TT selling rate.

### **3.17 SWIFT:**

SWIFT (Society for Worldwide Interbank Financial Telecommunication) is a member-owned cooperative through which the financial world conducts its business operations with speed, certainty and confidence. More than 9,700 banking organizations, securities institutions and corporate customer in 209 countries trust SWIFT every day to exchange millions of standardized financial messages. The role of SWIFT is two-fold. It provides the proprietary communications platform, products and services that allow its customers to connect and exchange financial information securely and reliably. It also acts as the catalyst that brings the financial information securely and reliably. It also acts as the catalyst that brings the financial community together to work collaboratively to shape market practice, define standards and consider solutions to issues of mutual interest. SWIFT enables its customers to automate and standardize financial

transactions, thereby lowering costs, reducing operational risk and eliminating inefficiencies from their operations. By using SWIFT customers can also create new business opportunities and revenue streams. SWIFT has its headquarters in Belgium and has offices in the world's major financial centers and developing markets.

SWIFT was born in 1973 with 239 Members, 15 Countries, with 40 square meters of office space in the centre of Brussels, Belgium. In September 2011, SWIFT has 209 Live Countries of 2326 Live Members, with Total of 382,444,920 Messages with Average Daily Traffic of 17,624,190. SWIFT has usages of Payments, Securities, Treasury and Trade.

### **SWIFT BIC:**

- BIC stands for **B**ank **I**dentifier **C**odes
- It is the unique identification code of a particular Bank/ Branch
- SWIFT handles the registration of these codes
- The code is 8 or 11 characters
  - 4 characters – bank code
  - 2 characters- country code
  - 2 characters- location code
  - 3 characters- branch code, optional ( 'XXX' for primary office)
- Where an 8-digit code is given, it must be assumed that it refers to the primary office.
- BIC is often called SWIFT addresses or codes
- For example: SWIFT BIC of Dhaka Bank Limited is DBLBDDH. Here DBL= Bank Code, BD= Country Code, DH= Location Code

### **SWIFT BKE:**

- BKE stands for **B**ilateral **K**ey **E**xchange
- BKE is an essential part of the security of the SWIFT network.
- Exchanges secret bilateral authentication keys
- Automatically generates **M**essage **A**uthentication **C**ode (MAC) while sending messages. It also decodes and confirms while receiving messages. The MAC ensures the origin of a message and the authenticity of the message contents
- Once BKE relation established within two banks, they can send and receive authenticated messages between them.
- If No BKE present then only FIN 999 (Free format Unauthenticated Message) can be exchanged

### **SWIFT RMA:**

**Relationship Management Application (RMA)** is a service provided by SWIFT to manage the business relationships between financial institutions.

## **SWIFT FIN:**

FIN is SWIFT's core store-and-forward messaging service. FIN enables over 8,300 financial institutions in more than 200 countries to exchange financial data in a secure, cost effective and reliable way. FIN value-added processing includes message validation to ensure messages are formatted according to SWIFT message standards, delivery monitoring and prioritization, message storage and retrieval. It is based on a distributed processing architecture with full, built-in redundancy to ensure maximum availability.

## **3.18 ICC:**

The International Chamber of Commerce (ICC) is the World Business Organization, a representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world. It was founded in 1919 with an overriding aim that remains unchanged; to serve world business by promoting trade and investment, open markets for goods and services, and the free flow of capital.

Much of ICC's initial impetus came from its first president, Étienne Clémentel, a former French minister of commerce. Under his influence, the organizations international secretariat was established in Paris. ICC was granted the highest level consultative status with the UN and its specialized agencies, a year after the creation of the United Nations in San Francisco in 1945. Ever since, it has ensured that the international business view receives due weight within the UN system and before intergovernmental bodies and meetings such as the G20 and G8 where decisions affecting the conduct of business are meet.

### **Roles of ICC, the World Business Organization**

- The voice of international business
- Advocate for international business
- Setting rules and standards
- Promoting growth and prosperity
- Spreading business expertise
- The fight against commercial crime
- ICC Dispute Resolution Services

## ICC AS RULE & STANDARD SETTER

- Arbitration under the rules of the ICC International Court of Arbitration is on the increase. Since 1999, the Court has received new cases at a rate of more than 500 a year.
- ICC's Uniform Customs and Practice for Documentary Credits (UCP 600) are the rules that banks apply to finance billions of dollars worth of world trade every year.
- ICC Incoterms® are standard international trade definitions used every day in countless thousands of contracts. ICC model contracts make life easier for small companies that cannot afford big legal departments.
- ICC is a pioneer in business self-regulation of e-commerce. ICC codes on advertising and marketing are frequently reflected in national legislation and the codes of professional associations.

The table below shows lists of some frequently used ICC rules in trade world:

### **Name of the Rules**

### **Publication No.**

ICC Uniform Customs and Practice for Documentary Credits (UCP 600)	600
International Standard Banking Practice for the Examination of Documents under Documentary Credits (2013 Revision for UCP 600)	745
ICC Uniform Rules for Collections (URC 522)	522
International Standby Practices (ISP98)	590
ICC Uniform Rules for Demand Guarantees (2010 Revision)	758
ICC Uniform Rules for Bank-to-Bank Reimbursements Under Documentary Credits	725
ICC Rules for Documentary Instruments Dispute Resolution Expertise (DOCDEX)	811
Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation (eUCP)	Version 1.1
INCOTERMS®2010- ICC official rules for the interpretation of trade terms	715



## **Trade Finance Rules & Regulations- International, Local & Bank Perspectives:**

### **International Perspective:**

Rules formulated by International Chamber of Commerce (ICC):

- ✓ **The Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600 (UCP 600)** – The most comprehensive codification of rules on documentary credits which have been accepted throughout the world of international trade and banking.
- ✓ **International Standard Banking Practice (ISBP) for the Examination of Documents under Documentary Credits, 2007 Revision for UCP 600, ICC Publication No. 681**, to be used in connection with UCP 600 for documentary letters of credit operations.
- ✓ **International Standby Practices (ISP 98)**, ICC Publication No. 590. These rules were implemented on 1 January 1999. ISP 98 reflects generally accepted practice, customs and usage specifically for standby letters of credit.
- ✓ **The Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentations (eUCP)**. eUCP version 1.1 is a supplement to, and must be used in conjunction with, UCP 600. It is flexible and may be used to facilitate mixed presentations made up of part paper and part electronic presentations, or fully electronic presentations. Documentary credits issued subjects to eUCP version 1.1 are automatically subject to UCP 600 without specific reference.
- ✓ **Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits**, ICC Publication No. 725, for reimbursement arrangement under documentary credit. These rules do not cover transactions under which reimbursement is obtained from the issuing bank. Reimbursement banks act on the instructions, or under the authority, of the issuing bank. The issuing bank should indicate the application of the rules by incorporation of reference to the rules in both the documentary credit and the reimbursement authorization.
- ✓ **Uniform Rules for Collections**, ICC Publication No. 522, are a practical set of rules to aid bankers, buyers, and sellers in the collections process.
- ✓ **Uniform Rules for Demand Guarantees**, 2010 Revision, ICC Publication No. 758, are a set of contractual rules that apply to demand guarantees and counter-guarantees. As the rules in URDG 758 are contractual by nature, they apply only if the parties to a demand guarantee or counter-guarantee so choose.
- ✓ **Incoterms®2010**, ICC Publication No. 715, for interpretation of trade terms used in domestic and international trade. Incoterms are confined to the rights and responsibilities of parties relating to delivery of goods sold under the contract of sale. They do not extend

to other contracts, such as, insurance, carriage and payment, although the implications of Incoterms used may have links to such contracts.

### **Local Perspective:**

- **The Negotiable Instrument Act, 1881** (Act No. XXVI of 1981) – An Act to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques.
- **Foreign Exchange Regulation Act, 1947** (Act No. VII of 1947) – An Act to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion.
- **The Imports and Exports (Control) Act, 1950** (Act No. XXXIX of 1950) - An Act to continue for a limited period powers to prohibit control imports and exports.
- **The Importers, Exporters and Indentors (Registration) Order, 1981**
- **Customs Act, 1969** (Act No. IV of 1969) – An Act to consolidate and amend the law relating to customs.
- **The Income – Tax Ordinance, 1984** (Ordinance No. XXXVI of 1984) – An ordinance to consolidate and amend the law relating to income-tax.
- **Value Added Tax (VAT) Act, 1991** (Act No. XXII of 1991) – An Act made to provide for the imposition of an added value tax on goods and services.
- **Bangladesh Export Processing Zones Authority Act, 1980** (Act No. XXXVI of 1980) – This law is related to the establishment and management of the Bangladesh Export Processing Zones Authority.
- **The Import Policy Order (IPO)** promulgated by the Ministry of Commerce, Government of Bangladesh for the concerned period.
- **The Export Policy** promulgated by the Ministry of Commerce, Government of Bangladesh for the concerned period.
- **Guidelines for Foreign Exchange Transactions (GFET), 2009 Revision, Volume 1&2**, Published by Foreign Exchange Policy Department, Bangladesh Bank. This is a compilation of the instructions to be followed by the Authorized Dealers & their constituents, Money Changers in transactions relating to foreign exchange. GFET is to be read in conjunction with other instructions, subsequent amendments and modifications issued from time to time.
- **FE Circulars/Circular Letters issued by FEPD(Foreign Exchange Policy Development), Bangladesh Bank**
- **Circulars/Circular Letters issued by BRPD(Bangladesh Regulations and Policy Department), Bangladesh Bank**
- **Public Notices issued by the Office of the CCI&E(Chief Controller of Imports & Exports)**

- **Harmonized Commodity Description & Coding System (H.S. Code)** in Bangladesh Customs Tariff: the First Schedule of the Customs Act, 1969.
- **Statutory Revenue Orders (SROs) & Notifications** issued by **National Board of Revenue (NBR)** on relevant issues from time-to-time.
- **All the relevant Laws/Acts/Ordinances/Government Orders/Notifications/SROs(Self Regularity Organizations)/Master Circulars/Circular Letters** issued by the Ministry of Commerce, NBR, CCI&E Office, Customs Authority, BEPZA, Bangladesh Bank.

#### **Bank Perspective:**

- **Policy Manual for Trade Services Division, DBL, Second Edition, 2010**
- **Trade Services Process Guidelines**
- **Quality Manual for DBL Trade Services QMS**
- **UBS Navigation Manual**

#### **3.19 Local Trade Regulatory Bodies:**

These are the list of regulatory bodies that have direct impact on the operations of handling trade businesses by banks in Bangladesh:

- **Ministry of Commerce**  
Government of the People's Republic of Bangladesh  
The Ministry of Commerce is responsible for overall trade and commerce  
[www.mincom.gov.bd](http://www.mincom.gov.bd)
- **Ministry of Finance**  
Government of the People's Republic of Bangladesh  
[www.mof.gov.bd](http://www.mof.gov.bd)
- **Bangladesh Bank**  
Head Office, Dhaka  
Bangladesh Bank is the Central Bank of Bangladesh and apex regulatory body for the country's monetary and financial system  
[www.bangladesh-bank.org](http://www.bangladesh-bank.org)
- **National Board of Revenue (NBR)**  
Government of the People's Republic of Bangladesh  
NBR is the central authority for tax administration in Bangladesh  
[www.nbr-bd.org](http://www.nbr-bd.org)
- **Export Promotion Bureau (EPB), Bangladesh**  
Ministry of Commerce  
1, Kawran Bazar (2nd, 4th Floor & 9th Floor), TCB Building, 1 Hatirjheel Link Rd 2, Dhaka 1215, Bangladesh  
[www.epb.gov.bd](http://www.epb.gov.bd)

- Office of the Chief Controller of Imports & Exports (CCI&E)  
111-113, Motijheel C/A, Dhaka-1000  
[www.ccie.gov.bd](http://www.ccie.gov.bd)
- Board of Investment (BOI), Bangladesh  
Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000  
[www.boi.gov.bd](http://www.boi.gov.bd)
- Bangladesh Export Processing Zones Authority (BEPZA)  
BEPZA Complex, House 19/D, Road 6, Dhanmondi R/A, Dhaka  
[www.epzbangladesh.org.bd](http://www.epzbangladesh.org.bd)

### **3.20 A Short Description of Dhaka Bank Limited in Letter of Credit:**

In comparison with other local and foreign banks in Bangladesh, Dhaka Bank Limited (DBL) has the most sincere, trustworthy and productive people. The letter of credit has a process through which DBL operates its transactions. Dhaka Bank Limited has 94 branches all around Bangladesh. Dhaka Bank Limited, like any other banks, has their marketing team who helps to find the clients for opening L/C. The commission charged for that is reasonable and the procedure as per the banking rules and regulations is concerned provides the smoothest and accurate means of transactions. When a new client comes to any of the branches of DBL, a form known as LCAF (Letter of Credit Authorization Form) is filled up according to the type of LC. In case of a new client, the issuing bank will verify the creditability of the client by looking into the assets of the client and mortgage those assets in order to begin the safe transaction. All the branches of DBL follow the same instruction(s), so as soon the client wants to open an LC, the branches gathers all the information required from the client and send it to the Head Office of Dhaka Bank Limited for approval (where the clients credibility analysis is done), and after that through DOCUDEX (where all the necessary information about the LC is written) the LC is opened after authorization from CPC (Central Processing Centre) of DBL. Once the LC is opened, both parties are notified through SWIFT, and if there is any correction (for minor or insignificant error like “date of issue” is incorrect) that is done through a correction message via email to both parties, but in case of a major change or error, “Amendment” has to be done through which any major changes like change in “Clause” is carried out after the opening of an LC. Once the LC is opened, documents that support the proof of the goods being asked by the buyer, along with all other necessary documents requested for, are transferred through courier services once the goods are on its way from the sellers end. Those documents are then verified by the issuing bank (CPC by the scrutiny team). After those documents are examined, the billing department clears the bill as per agreement. Every international trade requires foreign reserves, so our Central Bank (Bangladesh Bank) has to know the BOT for a specific fiscal year as the

foreign reserves comply the BOP. In order to have a thorough understanding and accountability, every bank (both local and foreign) in Bangladesh provides the necessary information (i.e. the amount, currency and other required information of the trade transaction) to Bangladesh Bank by online posting. Say for example, a particular LC is: 141617040001, here the 1<sup>st</sup> 2 digits “14” represents Bank Code i.e. Dhaka Bank Limited, next two digits “16” represents branch code i.e. Gulshan Branch, next two digits “17” represents particular year i.e. 2017, next two digits “04” represents the type of LC that has been generalized with code, last four digits “0001” represents the no. of LC.

## Chapter 4

### My experience as an Intern

I remember my first day going to office as an intern; it was a hot and humid day. Couple of days before I start my internship, the phone call from Dhaka Bank Limited gave me clear instructions to be present at office by 9.30 am. I reached office couple of minutes earlier and saw that the office was yet to open. I waited outside and was having tea. A few minutes later the security allowed me to enter. After entering, I informed that I was the intern to be working here, but the person whom I informed asked me whether it was in Karwan Bazar Branch. I told him “yes it is”, and that person told me to wait. Half an hour later, I got another phone call, and the person was saying “you are supposed to be in the office by now”, I said, “I am already in the office.” After that, I understood that I was meant to be in CPC instead of Karwan Bazar Branch.

CPC is currently located at the 2<sup>nd</sup> floor of BGMEA Building. As I walked inside CPC, I met with Amin sir In-Charge/Manager of CPC. Then I met with Jahid Ansari (Operational Manager) who came forward as my cousin Saiful bhaia introduced me to him over the phone. Then Amin sir called upon several dept. heads of CPC to figure out with which department I will be working. Then Amin sir introduced me to Rojina apu and told me that I will be working with her team. Then she told me to sit down and enjoy a cup of tea while she gets back to me after finishing her urgent work. The room where I sat down and was having tea is a conference room but it's mostly used for filing the LC opened. After few minutes Rojina apu came and introduced me with the LC team. Then she showed me how to make a file of the LC opened i.e. what to write and where to write on the file. The first file I made, I looked into how she did it and followed through. At the beginning it took me couple of minutes to finish a single file. But the number of filing that needs to be done kept on coming at my desk. After finishing my first day at work, I was very happy as the work is really simple. The second day, as I sat down and was filing, I understood how much work has to be done. I did a rough calculation of the number of LCs opened each day, the backlog of two months, and the time needed to make each file; that left

me speechless, and by the end of second day ( as I was not accustomed for sitting long hours in the chair) I was caught by fever.

Probably on the third or fourth day of my office Rojina apu (my supervisor) went on vacation. At that time I only knew her, although she introduced me with others but I forgot their names the moment she introduced me. Gradually I came to know their names as I was filing their respective LCs. Filing seemed like a never ending process. The more I did, the more filing had to be done. Sometimes it gets way too boring to work. Then I saw how everyone was working throughout the whole day, I came to realize that I need to work even harder.

The first person I interacted was Mizan bhai. He has a friend named Hasan bhai who is also from Dhaka University. After talking to him (Mizan bhai) I came to know that he lives in Mohammadpur. Then I met with Ijaz bhai (LC team). He was very helpful. He gave me a book for understanding trade and finance. At that time I couldn't read the book due to heavy work load. As I was filing, there were times when I had to confirm certain information before I write it down on the file. Since the type of LC and designated branch has been allocated amongst each of the employees of LC team to look after, so I had to confront the respective person to verify it. While doing so, I met Monsur bhai, he used to tell me to come and sit beside him and talk so that I don't get bored. I remember Monsur bhai giving an apple to me while I was working late at night. Usually these apples are imported from South Africa, several employees buys them as per their need. But it was first Monsur bhai who was kind enough to give me an apple as a token of appreciation.

After one month I went to university to inform about my internship. As it was December, due to heavy cold weather I became ill and couldn't go to office for a week. One week later I went to office. I met with Moin bhai. He came to say his prayers and after finishing he gave me a valuable advice. While I was filing, I met another incredible person Ezaj bhai. He used to come to say his prayers in the conference room. At that time it was winter and Dhaka Bank Limited wanted to help those who were having a hard time surviving the severe cold. Ezaj bhai was the first person from CPC to giveaway his BDT 3000 suit to the poor people. I met another wonderful person of the LC team, but the way I met him is an interesting story. It was near the end of December 2016, everyone of the LC team was busy. Even the LC requests would come late at night. The LC team was trying their best to open the LC as soon as possible. As per rules, once the LC is opened the LC request should be cleared from the Docudex. But due to heavy workload the LC team was having hard time clearing them. Then I was given the task of clearing Docudex. I remember that day sitting by the laptop from 10am to 8pm. While doing so, my eyes started to turn blurry; with one hand I was sweeping water coming out of my eyes and with another I was clearing Docudex. As I was about to finish clearing Docudex, Monsur bhai asked me not to clear the Cash LC. When I was done clearing I went to my team and Bodrul bhai screamed at me, "is this a joke, you have cleared everything! You should have kept something

for us.” I thought Bodrul bhai was angry at me, so I replied, “No I haven’t cleared it all, there is a Cash LC and Cash Amendment yet to be cleared.” The whole team was laughing. Then I understood that Bardul bhai was just having fun. That’s how I came to know him.

The first day of January 2017 was fun. Everyone exchanged New Years greetings with one another. By this time filing of LCs was almost up to date. Out of three months, the last month was less hectic. As the days of internship came to an end, I realized I have lot to learn.



# Chapter 5

## Recommendation and Conclusion

**5.1 Recommendation:** Since Dhaka Bank Limited centralized its trade operations by establishing CPC, all its transactions runs smoother and faster. But there are certain things that need attention. As my internship period was near the closing of the bank, I had the pleasure of understanding the workload that emerges during that time. Taking those facts into consideration here are some ideas that might help:

i) Unlike the branches, the employees of CPC have to sit down for long hours in front of the desk/computer, as a result of prolong exposure to computer screen their eyes suffer from strain. A protection for eyes is necessary.

ii) Another important thing is that employees of CPC suffer back pain a lot. A proper chair that is suitable for working (10am-10pm) 12hours at a stress is recommended.

iii) While I was working with the LC team, I noticed one significant issue i.e. the software currently used by DBL. The corporate line used by CPC seemed to have slowed down the process of opening LC. A more capable, strong and fast software will increase the clients satisfaction as well as decrease the level of hecticness of the employees of CPC.

**5.2 Conclusion:** As a Private Commercial Bank, Dhaka Bank Limited has had a significant contribution to the banking sector as well as the economy of Bangladesh. Since the commencement of Dhaka bank Limited, it is continuously striving for excellence in banking by offering innovative products and services to the clients ranging from Consumer Banking, Corporate banking, SME Banking, Islamic Banking services to foreign trade financing. Considering the importance of the trade operations, Dhaka Bank Limited had centralized all of its export and import related operations by establishing CPC Trade Operations in the year 2009. From the very beginning of its operations CPC has centrally dealt with all import Letter of Credits, export bills, import payment settlements with the help of well trained personnel who are expert in foreign trade financing. Besides this, CPC Trade Operations is equipped with the latest technologies like Corporate Software that facilitates quick processing of the import and export

transactions. The proper use of the instruments of foreign trade financing, abidance to the rules and regulations and strict monitoring has ensured effective and efficient functioning of the trade activities leading to long lasting ties with the importers and exporters which is helping the expansion of trade financing. In the long run CPC Trade Operations will have huge contribution to the economy of Bangladesh through facilitating the inward and outward flows of foreign currencies into and out of the country.

### 5.3 Appendix:

Agrani Bank Limited: <https://www.agranibank.org/>

Basic Bank Limited: <https://www.basicbanklimited.com/>

Janata Bank Limited: <http://www.janatabank-bd.com/>

Rupali Bank Limited: <https://rupalibank.org/en/>

Sonali Bank Limited: <http://www.sonalibank.com.bd/>

Bangladesh Development Bank Limited: <http://www.bdbl.com.bd/>

Bangladesh Krishi Bank: <http://www.krishibank.org.bd/>

Bangladesh Samabaya Bank Ltd: <http://www.bsbl.org.bd/>

Rajshahi Krishi Unnayan Bank (RAKUB): <https://www.rakub.org.bd/>

Ansar-VDP Unnayan Bank: <http://ansarvdpbank.gov.bd/>

Karmashangosthan Bank: <http://www.karmasangsthanbank.gov.bd/>

Probashi Kollyan Bank: <http://www.pkb.gov.bd/>

Palli Sanchay Bank: <http://www.pallisanchaybank.gov.bd/>

AB Bank Limited: <http://abbl.com/>

Bangladesh Commerce Bank Limited: <http://bcblbd.com/>

Bank Asia Limited: [www.bankasia-bd.com/](http://www.bankasia-bd.com/)

BRAC Bank Limited: <https://www.bracbank.com/>

City Bank Limited: <https://www.thecitybank.com/>

Dhaka Bank Limited: [dhakabankltd.com/](http://dhakabankltd.com/)

Dutch-Bangla Bank Limited: <https://www.dutchbanglabank.com/>

Eastern Bank Limited: <https://www.ebl.com.bd/>

IFIC Bank Limited: [www.ificbank.com.bd/](http://www.ificbank.com.bd/)

Jamuna Bank Limited: [www.jamunabankbd.com/](http://www.jamunabankbd.com/)

Meghna Bank Limited: <https://www.meghnabank.com.bd/>

Mercantile Bank Limited: [www.mblbd.com/](http://www.mblbd.com/)

Midland Bank Limited: <https://www.midlandbankbd.net/>

Modhumoti Bank Limited: [www.modhumotibankltd.com/](http://www.modhumotibankltd.com/)

Mutual Trust Bank Limited: [www.mutualtrustbank.com/](http://www.mutualtrustbank.com/)

National Bank Limited: [www.nblbd.com/](http://www.nblbd.com/)

National Credit & Commerce Bank Limited: <https://www.nccbank.com.bd/>

NRB Bank Limited: [www.nrbbankbd.com/](http://www.nrbbankbd.com/)

NRB Commercial Bank Limited: [www.nrbcommercialbank.com/](http://www.nrbcommercialbank.com/)

NRB Global Bank Limited: [nrbglobalbank.com/](http://nrbglobalbank.com/)

One Bank Limited: <https://www.onebank.com.bd/>

Premier Bank Limited: [www.premierbankltd.com/](http://www.premierbankltd.com/)

Prime Bank Limited: <https://www.primebank.com.bd/>

Pubali Bank Limited: <https://www.pubalibangla.com/>

South Bangla Agriculture & Commerce Bank Limited: [www.sbacbank.com/](http://www.sbacbank.com/)

Southeast Bank Limited: <https://www.southeastbank.com.bd/home.php>

Standard Bank Limited: [www.standardbankbd.com/](http://www.standardbankbd.com/)

The Farmers Bank Limited: [www.farmersbankbd.com/](http://www.farmersbankbd.com/)

Trust Bank Limited: [www.trustbank.com.bd/](http://www.trustbank.com.bd/)

United Commercial Bank Limited: [www.ucb.com.bd/](http://www.ucb.com.bd/)

Uttara Bank Limited: <https://www.uttarabank-bd.com/>

Shimanto Bank Ltd: <http://www.shimantobank.com/>

Al-Arafah Islami Bank Limited: <https://www.al-arafahbank.com/>

EXIM Bank Limited: [www.eximbankbd.com/](http://www.eximbankbd.com/)

First Security Islami Bank Limited

ICB Islamic Bank Limited: <https://www.icbislamic-bd.com/>

Islami Bank Bangladesh Limited : [www.islamibankbd.com/](http://www.islamibankbd.com/)

Shahjalal Islami Bank Limited: <http://www.sjibld.com/>

Social Islami Bank Limited: [www.sibld.com/](http://www.sibld.com/)

Union Bank Limited: <https://www.unionbank.com.bd/home.php>

Bank Al-Falah Limited: [www.bankalfalah.com/](http://www.bankalfalah.com/)

Citibank N.A: <https://online.citi.com/US/login.do>

Commercial Bank of Ceylon PLC: <https://www.combank.net/bdweb/>

Habib Bank Limited: [www.hbl.com/](http://www.hbl.com/)

National Bank of Pakistan: <https://www.nbp.com.pk/>

Standard Chartered Bank: <https://www.sc.com/bd/>

State Bank of India: <https://www.onlinesbi.com/>

Hong Kong and Shanghai Banking Corporation Limited: <https://www.hsbc.com.bd/1/2/>

Woori Bank: [eng.wooribank.com/](http://eng.wooribank.com/)

**Grameen Bank:** [www.grameen.com/](http://www.grameen.com/)

Jubilee Bank

Agrani SME Financing Company Limited: [www.agranisme.org/](http://www.agranisme.org/)

Bangladesh Finance and Investment Company Limited: <http://www.bdfinance.net/#/>

Bangladesh Industrial Finance Company Limited: <https://www.bifcol.com/>

Bangladesh Infrastructure Finance Fund Limited: [www.biffl.org.bd/](http://www.biffl.org.bd/)

Bay Leasing and Investment Limited: [blilbd.com/](http://blilbd.com/)

CAPM Venture Capital and Finance Limited: [www.capmbd.com/](http://www.capmbd.com/)

Delta Brac Housing Finance Corporation Limited: <https://www.deltabrac.com/>

Fareast Finance & Investment Limited: [www.ffilbd.com/](http://www.ffilbd.com/)

FAS Finance & Investment Limited: [www.fasbd.com/](http://www.fasbd.com/)

First Finance Limited: [www.first-finance.com.bd/](http://www.first-finance.com.bd/)

GSP Finance Company (Bangladesh) Limited

Hajj Finance Company Limited: [www.hajjfinance.net/](http://www.hajjfinance.net/)

IDLC Finance Limited: [idlc.com/](http://idlc.com/)

Industrial and Infrastructure Development Finance Company Limited: [www.iidfc.com/](http://www.iidfc.com/)

Industrial Promotion and Development Company of Bangladesh Limited: [www.ipdcbd.com/](http://www.ipdcbd.com/)

Infrastructure Development Company Limited: [www.idcol.org/](http://www.idcol.org/)

International Leasing and Financial Services Limited: [www.ilfsl.com/](http://www.ilfsl.com/)

Islamic Finance and Investment Limited: [www.ifilbd.com/](http://www.ifilbd.com/)

LankaBangla Finance Limited: <https://www.lankabangla.com/>

Meridian Finance and Investment Limited: [www.meridianfinancebd.com/](http://www.meridianfinancebd.com/)

MIDAS Financing Limited: [www.mfl.com.bd/](http://www.mfl.com.bd/)

National Finance Limited: [www.nfl.com.bd/](http://www.nfl.com.bd/)

National Housing Finance and Investments Limited: [www.nationalhousingbd.com/](http://www.nationalhousingbd.com/)

People's Leasing and Financial Services Limited: [plfsbd.com/plfs/contact-us-2/](http://plfsbd.com/plfs/contact-us-2/)

Phoenix Finance and Investments Limited: [www.phoenixfinance.com.bd/](http://www.phoenixfinance.com.bd/)

Premier Leasing & Finance Limited: [www.premierleasing.com.bd/about.php](http://www.premierleasing.com.bd/about.php)

Prime Finance & Investment Limited: [www.primefinancebd.com/](http://www.primefinancebd.com/)

Reliance Finance Limited: [www.reflbd.com/](http://www.reflbd.com/)

Saudi-Bangladesh Industrial & Agricultural Investment Company Limited:

<https://www.sabinco.com.bd/>

SEAF Bangladesh Venture Limited: [www.seafbv.com/](http://www.seafbv.com/)

The UAE-Bangladesh Investment Company Limited: [www.ubinco.com/](http://www.ubinco.com/)

Union Capital Limited: [www.unicap-bd.com/](http://www.unicap-bd.com/)

United Finance Limited: <https://www.unitedfinance.com.bd/>

Uttara Finance and Investments Limited: <https://www.uttarafinance.biz/>

#### 5.4 References:

- An introductory guide book to Trade & Finance.
- [https://en.wikipedia.org/wiki/Trade\\_finance](https://en.wikipedia.org/wiki/Trade_finance)
- [https://en.wikipedia.org/wiki/Uniform Customs and Practice for Documentary Credits](https://en.wikipedia.org/wiki/Uniform_Customs_and_Practice_for_Documentary_Credits)
- <https://iccwbo.org/>
- <https://www.swift.com/>