

Part III.
Executive Instructions and Order.

INTRODUCTORY.

1. The orders and instructions incorporated in Chapters 1 and 2 of this Part are designed primarily for the guidance of the Bangladesh Bank and branches of Sonali Bank acting as agent of Bangladesh Bank. These instructions are subject to such orders and directions as Bangladesh Bank may issue to its own offices and branches of Sonali Bank conducting the cash business of the Government.
2. The orders and instructions issued by the Government which have been adopted as executive instructions for the guidance of the Bangladesh Bank and its agent in all matters relating to coinage are incorporated in chapter 3.
3. Instructions relating to Currency and Bank notes have been incorporated in Chapter 4.
4. The procedure regarding the supply, distribution, custody, etc. of stamps of all classes, which are the property of the Government, will be regulated by the instructions contained in the stamp manual.

CHAPTER I.

CASH BALANCE.

(Issued in consultation with the Bangladesh Bank)

Cash Balance of the Government.

1. The cash balance of the Government is made up of the balance in its account with the Bangladesh Bank.

Distribution of Funds.

2. It is the duty of the Currency Officer, Dhaka, to keep branches of the Bangladesh Bank and Sonali Bank branches maintaining Government accounts adequately supplied with all kinds of coins and notes and to arrange for the transfer of funds between the branches of Bangladesh Bank and Sonali Bank and for remittance between such branches and the currency office.

Supply of Funds.

3. The concerned Bank Manager shall be responsible for the provision of funds to meet requirements of Government disbursements. To enable the Bank Manager to make the requisite provision, the Accounts Officer with keep the Manager informed of the probable receipts and disbursement on Government Account for the following two weeks and forthwith inform the Manager in advance of any unusually heavy disbursement on a day.

Normal Balances.

4. The normal balance for every Bank branch holding currency chest/sub-chests shall be fixed by Currency Officer, Bangladesh Bank keeping in view all relevant factors. In case of chests/sub-

chests maintained by Sonali Bank branches, recommendations regarding fixation of normal balance shall be sent by Head Office of Sonali Bank to Bangladesh Bank for each of the branches. Such balance may be varied by Bangladesh Bank as and when necessary. Concerned Bank Officer should watch carefully that the balance does not exceed by any appreciable amount the limit fixed by Bangladesh Bank.

Note. – The normal balances may be fixed at a higher figure for certain months of the year, should this be deemed necessary.

CHAPTER 2

CURRENCY CHESTS.

(Issued in consultation with the Bangladesh Bank)

Explanation.

5. Under the provisions of the Bangladesh Bank Order, 1972, the amount of Currency and bank notes in circulation, which constitute the liabilities of the Issue Department of the Bank, should not exceed the assets of that department held in gold, foreign exchange, Taka coin (including Taka notes) and Taka securities. A portion of these assets is held in the various currency chests in the form of Taka coin and Taka notes. The Currency and Bank notes held in these chests are not notes in circulation but pass into circulation only when they are transferred to the cash balances. Assuming that there are no transactions elsewhere, the deposit of Currency and Bank notes in a Currency Chest decreases the amount of such notes in circulation and the deposit of Taka coins and Taka notes in the chest increases the assets of the Issue Department of the Bank. A deposit of notes or coin in currency chest thus enables the Bank to issue notes elsewhere up to the amount deposited without increasing the total amount of the notes in circulation. If, therefore, a transfer of funds from the cash balance at Branch A of the Sonali Bank to the cash balance at Branch B of sonali Bank is required, this can be effected at short notice and without the actual remittance of coin, or notes by transferring money from the Cash balance to the currency chest at A, and transferring the same amount from the currency chest to the Cash balance at B.

Location of currency chests.

6. The Bangladesh bank after consultation with the Government shall maintain currency chests and sub-chests at different places for facilitating the transfer of funds so as to reduce appreciably the locking up of moneys.

Note. – The currency chests are kept in the sole custody of the Bank.

Provision of Funds.

7. The Currency Officer will be responsible for maintaining the required form of currency in currency chests. It is the duty of the Bank Managers to see that currency chests are adequately stocked with notes and coins to meet all reasonable demands for change.

Custody.

8. The currency chests at Bank should be kept under double lock; one key should be held by the Manager and the other key by another officer of the Bank selected for the purpose by the Bank.