

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.

Note. – The Bank will be responsible for the examination and correctness of coin or notes at the time of deposit into or withdrawal from the chest, and for sending the chest slips prescribed in clause (v) of paragraph 9 below :

9. The following instructions should be observed by officers-in-charge of currency chests of the Bank :-

(i) Coins of 50 paisa, 25 paisa, 10 paisa and one paisa should never be deposited in the chest.

(ii) A currency chest book in Form T.E. 1 should be kept in the chest and the balance proved and signed at every transaction by the officers-in-charge of the chest. They should satisfy themselves that the transaction has been correctly entered and the balances correctly worked out.

Note. – The chest books should be retained for three complete account years.

(iii) Transactions should always be in even hundreds of Taka.

(iv) Notes may be deposited in a chest in exchange for coin or notes of other denomination or *vice versa* by the officers-in-charge of the chest. These exchanges should not ordinarily be of small sums and should be avoided as far as possible during the last week of the month. If important exchanges take place during the last three days of the month, the transactions should be telegraphed to the Currency Officer.

(v) On each day on which a chest is opened, a slip in Form T.E. 2 serially numbered and signed by the two Bank officers-in-charge of the chest, must be sent at the close of the day to the Currency Officer.

Note. – The chest slips may be destroyed three months after the balances have been verified.

Verification of Balances.

10. The Bangladesh Bank will conduct through its own officers such verification of currency chest balances as it considers desirable.

11. A verification certificate should be given in Form No. T.E. 3. The verification certificate should be retained until the next one has been received.

Remittances to and from Currency Chests.

12. Transfers between currency chests at the Bank will be regulated by the rules laid down in chapter IX of Part II. Subject to any general or special Instructions that may be issued in this behalf by the Currency Officer, the provisions of Section III of Chapter IX of Part II will apply also to remittances of notes or coins from a currency chest or currency office to another chest or office. A remittance of this kind does not affect the Government balance and involves no locking up of Government funds. Notes or coins should, as far as possible, be sent as currency remittances.

Note. – Detailed instructions for guidance of Bank Managers in maintaining currency chests are contained in Appendix 13.