

**CHAPTER 4**

**CURRENCY AND BANK NOTES.**

**( Issued in Consultation with the Bangladesh Bank)**

**Denominations of Notes.**

39. Under the provisions of the Bangladesh Bank Order, 1972, the sole right to issue Bank notes in Bangladesh has been vested in the Bangladesh Bank .

40. Bank notes issued by the Bangladesh Bank will be of the denominational values of five Taka, ten Taka, twenty Taka, fifty Taka, one hundred Taka and five hundred Taka unless otherwise directed by the Government, on the recommendation of the Board of the Bank. Bank notes are legal tender throughout Bangladesh.

41. One and two Taka notes issued by the Government are unlimited legal tender, and, although these notes are treated as Taka coin for all purposes, the instructions contained in the following paragraph will, save where the contrary intention appears, apply to these notes as they apply to Bank Notes.

**Receipt and Issue of Notes.**

42. The form of currency demanded by the public should be supplied freely.

43. No restrictions are imposed on the issue of notes at the Bank in exchange for coin or for notes of other denominations.

44. Although no person has a legal claim to obtain coin for notes presented at the Bank, this accommodation should be given whenever possible, and all applications for exchange should be granted, provided that the coins or notes applied for are available, subject to any general or special limitations which the Bangladesh Bank or the Government may find it necessary to impose from time to time.

45. Subject to any limitations which may be imposed in particular cases, the Bank should, whenever it is satisfied that no inconvenience will be caused to the Bank, exhibit in some conspicuous place a placard notifying that the Bank is prepared to give coin for notes.

46. Whenever there are reasons to believe that notes are selling in the local market at a discount or a premium in large amounts, the Bank should at once bring the fact to the notice of the Currency Officer.

47. The ordinary exchanges with the public mentioned in paragraphs 43 to 45 above should be made from the cash balance. When, however, the amount of Taka or notes of any denomination in the Government balance is insufficient to meet the demand for exchanges, Taka or notes of the required denominations may be obtained from the currency chest.

48. It is desirable from the point of view of the popularity of the note issue that clean notes only should be put into circulation. This has, at the same time, the advantage of making it more difficult for forged notes to escape detection, as these are frequently intentionally soiled or smudged in order to conceal their defects. Currency Officer will arrange to keep the Bank supplied with sufficient stock of

clean notes in order to meet all probable demands. Notes much soiled, defaced or torn should not in any case be re-issued to the public and cut notes should not be re-issued. Notes unfit for re-issue should be sent to the Currency Office in the first remittance made thither.

49. Subject to the conditions noted in the preceding paragraph, all notes, if fit for issue, may be issued to the public.

50. In order to prevent the older issues of notes being stored for an indefinite period in the Bank, the notes of older issues fit for re-issue should be promptly re-issued. Notes received across the counter in the course of daily transactions may be re-issued at once, provided that they are in good condition.

51. Notes unfit for issue should be kept separately in the currency chest balance, pending remittance to Currency office in accordance with S.R. 388.

#### **Forged, defective and lost notes.**

52. (1) In the event of a forged note being presented, the note and the presenter should be made over to the police, if the Bank considers it advisable to do so. If, however, the Bank office is convinced that the presenter has presented the forged note in good faith, believing it to be genuine he should impound the note, take his name, his father's name, local and permanent address and his full signature with date or left hand thumb impression if he is illiterate on the back of forged note, and his statement regarding the person from whom he received the note. The forged note and the presenter's statement should be sent to the police for further enquiry. After the enquiry has been completed, the police will forward the forged note to the Currency Office along with a report.

Note. – When a forged note is impounded, it should be stamped with the word “Forged” or the word “Forged” should be written on it in red ink in large letters before it is sent to the police for enquiry.

(2) Notes disfigured by oil or other substances should be scrutinised with special care, as forged notes are sometimes intentionally thus disfigured to render detection difficult.

(3) The managers of all banks have instructions to send forged notes presented to them to the police who will send them to Currency Officer for necessary action.

(4) The Bangladesh Bank has authorised Currency Officer in Dhaka and designated officers in its other branches to impound forged notes.

(5) The branches of Sonali Bank are authorised to accept for disposal in the usual manner suspected notes tendered by the Post and Telegraph office.

(6) When suspected notes sent to Bank by Post Offices or Managers of banks for adjudication are adjudged by the Bank Officers as genuine their value will be accounted for as “Revenue Deposits” in the Government Accounts pending payment of the amount to the parties concerned. If these deposits remain unclaimed for one whole account year, they should lapse to the credit of the Government.

These instructions apply *mutatis mutandis* to suspected coins sent by Post Offices to Banks under paragraph 23.

53. No person is of right entitled to recover the value of any lost, stolen, mutilated or imperfect Currency or Bank note. Bangladesh Bank (Note Refund) Regulations have been framed under

## Treasury Rules

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Bangladesh Bank Order, 1972 prescribing the circumstances, conditions and limitations under which the value of such notes may be refunded as of grace.

**54.** Half, mutilated, mismatched or altered notes, and notes disfigured by oil or other substances in such manner as to render their identification doubtful should never be received in payment of Government dues or cashed. The holder should be advised to apply to the Currency Officer competent to deal with the matter in accordance with Bangladesh Bank, (Note Refund) Regulations under which the value of such notes may in some cases be recovered.

Note 1. – Notes with only a slight mutilation which does not interfere with identification or suggest fraud, may be received at the Bank and dealt with under S.R. 388. The features necessary for the identification of a note are, besides the number which must, including the serial letters, be all intact, the denomination, the place of issue where indicated, the signature and the watermark.

Note 2. – Defective notes should be stamped “ Half-note payment refused” “ Mutilated Payment refused”, “ Mismatched payment refused”, or Altered payment refused”, as the case may be, or such words should be written in red ink in large letters before they are returned to the presenter.

**55.** The value of lost stolen or wholly destroyed notes of the denomination of Tk.10 and below may be refunded in accordance with Bangladesh Bank (Note Refund) Regulations through the Currency Office.

### Indents for Notes.

**56.** Manager of the concerned Bank branch is responsible for keeping in the currency chest a sufficient stock of notes and coins to meet all demands from the public. Manager will submit his indent for necessary remittance to the Currency Officer for his requirement of notes and coins.