

THE BANGLADESH BANK (EXPENDITURE) REGULATIONS, 1977
(Incorporated amendments up to October, 2003)

In exercise of the powers conferred by Article 82 of the Bangladesh Bank Order, 1972 (P.O. No.127 of 1972) and in supersession of the State Bank of Pakistan (Expenditure) Regulations, 1961, the Board of Directors of the Bangladesh Bank, with the approval of the Government , is pleased to make the following regulations, namely :

1. Short title and commencement

- (1) These regulations may be called the Bangladesh Bank (Expenditure) Regulations, 1977.
- (2) They shall come into force at once.

2. Definitions

In these regulations, unless there is anything repugnant in the subject or context,-

- (a) ``**General Manager of Accounts and Budgeting**`` means the General Manager of Accounts and Budgeting Department of the Bank and includes the Deputy General Manager, Joint Director, Deputy Director and Assistant Director of Accounts and Budgeting Department;
- (b) ``**General Manager of Expenditure Management Department**`` means the General Manager of Expenditure Management Department of the Bank and includes the Deputy General Manager, Joint Director, Deputy Director and Assistant Director of Expenditure Management Department;
- (c) "**General Manager, Common Services Department**" means the General Manager, Common Services Department of the Bank and includes the Deputy General Manager, Joint Director, Deputy Director and Assistant Director of Common Services Department;
- (d) "**General Manager, Department of Currency Management and Payment Systems**" means the General Manager, Department of Currency Management and Payment Systems of the Bank and includes the Deputy General Manager, Joint Director, Deputy Director and Assistant Director of Department of Currency Management and Payment Systems.

- (d) "**General Manager of an Office or branch**" means the General Manager of an office or branch of the Bank which may for the purpose of the regulations and includes an officer who is placed in charge of any portion of the Bank's employees which constitute a separate unit for accounting purposes; and
- (e) "**Head Office**" means the Head office of the Bank.

3. Exercise of the Powers

- (1) The powers conferred on the Governor under these regulations may, subject to such conditions and limitations, if any, as may be specified by the Governor, be exercised by a Deputy Governor.
- (2) The Executive Director may, subject to such conditions and limitations, if any, as may be specified by the Governor, exercise such powers under these regulations as he may be authorised by the Governor from time to time.
- (3) The Governor may, subject to such conditions as he may consider necessary, authorise in writing any officer of the Bank to exercise the powers of the General Manager of Accounts and Budgeting Department or the General Manager of Expenditure Management Department or the General Manager of Common Services Department or the General Manager of an office or branch.

4. Form of Accounts

Subject to the provisions of the Bangladesh Bank Order, 1972 (P.O. No.127 of 1972) and the regulations made thereunder, the accounts of the Bank shall be maintained in such manner as the Governor may, from time to time, prescribe.

5. Limitations of Regulations

Nothing in the following regulations shall apply to the investing of the funds of the Bank in the purchase or sale of securities, advances, purchases and sales of foreign exchange and the banking business or to the payment of commission, brokerage and other regular charges in connection with the same, orders in regard to which shall issue from the Governor, who may delegate the powers to invest the funds of the Bank and to perform other banking functions to any official of the Head office and General Manager of an office or branch, either specifically or by general instructions subject to such restrictions or limitations as the Board may impose.

6. Premises

- (1) The purchase, sale, leasing and construction of all premises required for office use or residential purposes shall require specific sanction of the Board.

Provided that-

- (a) subject to such conditions as may be laid down by the Board in each specific case, the Governor may sanction the leasing of premises required for office use the rent of which does not exceed Taka 30,000/- per month; and
 - (b) the Governor may sanction lease of premises required for residential purposes of the Bank's employees subject to ceilings and other conditions prescribed by the competent authority.
- (2) Expenditure on additions to any premises may be sanctioned by the Board.

7. Furniture and Electric Installation

- (1) Expenditure on furniture and electric installations at office and residence in excess of the sum of Taka 6,00,000/- in any one instance requires the sanction of the Board.
- (2) Expenditure on furniture and electric installations at office and residence upto the sum of Taka 6,00,000/- in any one instance may be sanctioned by the Governor.
- (3) Expenditure on furniture and electric installations at office and residence upto the sum of Taka 2,00,000/- in any one instance may be sanctioned by the General Manager of Expenditure Management Department, General Manager of Common Services Department and General Manager of an office or branch.

8. Mechanical equipments and motor vehicles

- (1) General Manager of Expenditure Management Department, General Manager of Common Services Department and General Managers of an office or branch may incur expenditure on mechanical equipment and motor vehicles upto the sum of Taka 2,00,000/-, in any one instance.
- (2) Expenditure on Mechanical equipments and motor vehicles in excess of Taka 2,00,000/- and upto Taka 6,00,000/- in any one instance requires the sanction of the Governor.
- (3) Expenditure on mechanical equipments and motor vehicles in excess of Taka 6,00,000/- requires the approval of the Board.

9. Dead Stock Account Writing off

- (1) General Manager of Expenditure Management Department and General Manager of an Office or branch may sanction up to the Book value of Taka 10,000/- on Dead stock account writing off at the time of selling.
- (2) Sale of motor vehicles and motor cycles and writing off losses, if any, resulting from such sales shall be authorised by the Governor.

Notes:

- (1) *General Contracts for the maintenance and repairs of mechanical equipments require the sanction of the General Manager of Expenditure Management Department or General Manager, Common Services Department, as the case may be.*
- (2) *All expenditure incurred on repairs must be debited to Charges Account under the heading ``Repairs to Bank's property``.*

10. Printed Books, Forms, Registers, etc.

Stationery articles including printed books, forms, registers etc. required by the Bank shall be procured by the Offices according to their need. Stationery articles other than printed materials required by the Head Office shall be procured by the Expenditure Management Department or Common Services Department, as the case may be. Printed books, forms, registers etc. required by the Head Office shall be supplied by the Bank's Motijheel Office by debiting Head Office.

11. Security Printing (Cheques, drafts, note forms, etc.)

Currency note forms, cheque forms, draft forms and other security documents which are supplied by an approved security printing Agency shall be indented for through the General Manager, Department of Currency Management and Payment Systems who is authorised to pay the cost thereof at the rates approved by the Governor.

12. Salaries

The General Manager of Expenditure Management Department and the General Managers of other offices are authorised to pay monthly salaries and allowances to the employees at the Head office and offices respectively in accordance with the sanctioned strength and prescribed scales.

13. Overtime allowance

Sanction for working overtime, in case of the employees of Head Office, shall be accorded by the Executive Director of the concerned Department except for the block overtime of Cash Department of branches where such sanction will be accorded by the General Manager, Department of Currency Management and Payment Systems of Head Office. However, General Managers of branch offices are authorised to allow the employees to resort to overtime work (except block overtime of Cash Department) as and when the necessity for overtime work arises.

The General Manager of Expenditure Management Department and the General Managers of branch offices are authorised to pay overtime allowance to the employees according to the rates approved by the Board.

14. Provident Fund and Pension Fund

The banks contribution, if any, to the various funds of which employees are members shall be paid by the General Manager, Expenditure Management Department and the General Managers of branch offices, as the case may be, in respect of all the employees in their respective jurisdictions according to the scales laid down under the Regulations and Agreements governing such funds.

15. Gratuities and compassionate allowances

- (1) Any expenditure relating to the payment of gratuities and compassionate allowance requires the specific sanction of the Board.
- (2) The powers to sanction the payment of gratuities and compassionate allowance conferred on the Board under sub regulation (1) may, subject to such conditions and limitations, if any, as may be specified by the Board, be exercised by the Governor.

16. Temporary Employees

The salaries and allowances of temporary employees engaged in accordance with the terms for the recruitment of such employees shall be paid monthly by the General Manager of Expenditure Management Department and the General Manager of an office or branch, as the case may be.

17. Rent, rates, taxes and Group Insurance Premia

The General Manager of Expenditure Management Department and the General Managers of other offices shall pay-

- (a) the rent, rates and taxes of premises occupied by the Bank in accordance with the terms of the relevant leases or agreements which have received the sanction of the competent authority under regulation 6 ;
- (b) rates and taxes on the scale applicable to the Bank's property;
- (c) where the employees are entitled under their terms and conditions of service to receive their salaries free of income tax, the amount of tax due to the Government;
- (d) premia on Group Term Insurance policies of the employees taken with the approval of the Board.

18. Insurance

The Bank's premises and their contents shall be insured against loss or damage by fire or earthquake or both fire and earthquake in accordance with the instructions issued by the Governor and the premia on the relative policies shall be paid as they fall due by the

General Manager of Common Services Department, or the General Managers of other offices, as the case may be.

19. Electric Charges

Bills in respect of the electricity consumed in the Bank's office premises may be paid on presentation by the General Manager of Expenditure Management Department or the General Managers of branch offices. Separate meters shall be installed to register consumption in residential quarters and the relative cost, including meter rent, shall be borne by the occupants. Where an officer is required to stay in a particular premises provided by the Bank, cost of bulbs in the premises shall be borne by the occupant.

20. Bank`s Guards

The cost of Guards furnished for the protection of the Bank's property may be paid by the General Managers of branch offices on receipt and verification of relative bills. The fixation of initial strength and any increase therein requires the approval of the General Manager of the Department of Currency Management and Payment Systems.

21. Depreciation of property

Depreciation of property is a book transfer from Dead Stock Account to Charges Account and may be effected by the General Manager of Expenditure Management Department or the General Manager of Common Services Department or the General Managers of branch offices, as the case may be, in accordance with the scales approved by the Board.

22. Repairs to Bank's property and repairs to buildings leased by the Bank

- (1) Expenditure on repairs to Bank's property and buildings leased by the Bank in excess of the sum of Taka. 6,00,000/- in any one instance requires the sanction of the Board.
- (2) Expenditure on repairs to Bank's property and buildings leased by the bank upto the sum of Taka.6,00,000/- in any one instance may be sanctioned by the Governor.
- (3) Expenditure on repairs to Bank's property and buildings leased by the bank upto the sum of Taka 2,00,000/- in any one instance may be sanctioned by the General Manager of Expenditure Management Department, General Manager of Common Services Department and General Managers of branch Offices as the case may be.
- (4) In case of biennial repairs, General Manager of Expenditure Management Department or General Manager of Common Services Department or General Managers of branch offices, as the case may be, may sanction expenditure at actuals but not exceeding Taka 5,00,000/= when the contract is awarded on the basis of tender.

23. Law charges

- (1) Except in any emergency (when the Governor must be immediately fully advised of the action taken), no legal proceedings may be instituted or defended without the prior approval of the Governor.
- (2) The general law business of the Bank shall be conducted at the Head Office and except when legal advice or action is of such urgency that time does not permit prior references being made, Lawyers shall not be employed without the prior approval of the Governor. The terms and conditions subject to which lawyers may be engaged including the rates of their fees, shall be determined by the Governor.
- (3) Law charges incurred in terms of the sanction given by the Governor may be paid by the General Manager of Expenditure Management Department and General Managers of branch offices on receipt and verification of the relative bills.
- (4) General Manager of Expenditure Management Department and General Managers of branch offices are authorised to meet expenditure upto a sum of Taka 5,000/- in any one case, representing miscellaneous expenses, such as copying fee and court fee and to appoint lawyers at the fee fixed by Head Office each year from the approved panel of lawyers.

24. Postages and telegrams

Expenditure on postages and telegrams may be incurred by the offices.

25. Stationery

- (1). The value of stationery articles is a book transfer from Stationery Account to Charges Account, being the cost of stationery articles consumed in an office.
- (2) Purchase of stationery articles by the General Managers of branch offices shall be debited to the Charges Account.

26. Directors fees and expenses

Payment of Director's fees and expenses may be made by the General Manager of Expenditure Management Department or the General Managers of branch offices in accordance with the scale laid down in the Bank's General Regulations and resolutions of the Board.

27. Auditors fees

Auditor's fees may be paid by the the General Manager, Accounts and Budgeting Department on the basis of remuneration fixed by the Government.

28. Agency charges

Agency charges may be paid by the General Manager, Accounts and Budgeting Department in terms of the agreements entered into between the Bank and the institutions for the conduct of agency business.

28 A. I.M.F. Charges, interest subsidy to Banks etc.

- (1) The General Manager, Accounts and Budgeting Department shall pay-
 - (a) service and other charges to the International Monetary Fund in accordance with the terms and conditions set forth by the said Fund from time to time;
 - (b) interest subsidy to banks and other financial institutions in accordance with the decision taken by the Bank from time to time and
 - (c) interest on deposits to foreign banks or other institutions in accordance with the terms of agreement of such deposits.
- (2) The General Manager, Expenditure Management Department shall pay interest on balances of Staff Provident Fund at the rate fixed under the Provident Fund Regulations from time to time.

29. Books and news papers

- (1) General Manager of Expenditure Management Department and General Managers of branch offices are authorised to subscribe to newspapers and financial journals as per their discretion.
- (2) Expenditure on purchase of books upto the sum of Taka 50,000/- may be sanctioned by General Manager of Expenditure Management Department and General Manager of other offices at their discretion .
- (3) Expenditure on purchase of books up to the sum of Taka. 3,00,000/- for any one office and up to Taka 6,00,000/- for Head office in any one financial year requires sanction of the Governor.
- (4) Expenditure on purchase of books in excess of the limits mentioned in sub-regulation (3) requires the sanction of the Board.

30. Advertisement

Expenditure on advertisement requires sanction of the Governor. However, the Governor may authorise the General Manager of Expenditure Management Department and General Managers of branch offices to incur advertisement charges for disposal of old furniture, vehicles and other things subject to such terms and conditions as may be prescribed from time to time.

31. Travelling expenses and halting allowances

Payment of traveling expenses and halting allowances of the employees of Head Office may be made by the General Manager, Expenditure Management Department in accordance with the scales and other conditions laid down in the regulations governing the terms and conditions of service of the employees. General Managers of branch Offices may sanction and pay, on the same conditions, travelling expenses and halting allowance of the employees working under them and also their own bills when the tour has been approved by the Head Office.

32. Telephones

- (1) The number of telephone lines for each office and branch and the Head Office as also for residence of officials shall be fixed by the General Manager, Expenditure Management Department . The number of telephone at the residence of officials shall not exceed one.
- (2) Bills in respect of telephones so installed may be paid by the General Manager, Expenditure Management Department or General Managers of branch offices after usual verification.

33. Medical fees

- (1) The terms on which the services of the Medical officers and Medical Advisers are retained for the benefit of the Employees and their families require the sanction of the Governor. Expenditure incurred on the maintenance of Bank's Dispensaries and Hospitals in accordance with the approved schemes may be paid by the General Manager, Expenditure Management Department and General Managers of branch Offices.
- (2) Subject to the provisions of sub regulation (3), the cost of other medical attendance and treatment incurred by the employees for themselves and their family members may, subject to such terms and conditions as may be prescribed by the Governor, be reimbursed to them on merits by --
 - (a) General Managers of branch offices in case of employees working under them;
 - (b) General Manager, Expenditure Management Department, in the case of all employees of the Head Office and in case where the General Managers of branch offices are not competent except in the cases of the General Manager, Expenditure Management Department himself, Executive Directors and above; and
 - (c) Governor, in cases where the General Manager, Expenditure Management Department is not competent.

- 3) All costs of medical attendance and treatment not conforming to the scheme approved by the Governor shall require his approval for reimbursement.

34. Passages

General Manager of Expenditure Management Department or General Managers of branch offices may give permission to avail of leave and retirement fare concession and authorise payment of travelling bills in accordance with terms and conditions laid down in the regulations governing the terms and conditions of service of the employee concerned.

35. Remittance of treasure:

- (1) The cost of remittances incurred in offices under the subsidiary headings (a) Insurance, (b) Railway, Air and Steamer Fares, (c) Railway, Air and Steamer Freight, (d) Potdar's Allowance, (e) Hire or purchase of boxes, (f) Cartage and Cooly Hire; and (g) Not Enumerated may be paid by the General Managers of branch offices on the scales laid down in the Issue Department Manual and the regulations governing the terms and conditions of service of the employee concerned.
- (2) The cost of remittances incurred by the Treasuries under the subsidiary headings mentioned in sub-regulation (1) and the pay and allowances of Treasury potdars and police escorts shall be recovered through the Accountant General from the Head office and shall be paid by the General Manager, Department of Currency Management and Payment Systems according to the scales laid down in the various Government Codes and Manuals governing such expenditure.
- (3) The cost of remittances incurred by the agencies of the Bank may be reimbursed to them by the General Manager, Department of Currency Management and Payment Systems on such terms and conditions and on such rates as may be agreed to between the Bank and the agencies in this regard.
- (4) Agreements where entered into for the insurance, packing or cartage or both packing and cartage of remittance to and from the chests, shall be approved by the General Manager, Department of Currency Management and Payment Systems.

36. Cartage and Cooly Hire

The expenditure incurred in connection with the receipt of note forms and coins and removal thereof from one place to another in any office is debitable to cartage and cooly hire heading. These charges may be paid by the General Managers of branch Offices in accordance with the rates prescribed in the agreement with the Cooly contractors. Such agreements being first approved by the General Manager, Department of Currency Management and Payment Systems.

37. Issue Department Stores

- (1) Expenditure on purchase of Issue Department Stores up to the sum of Taka 1,00,000/- in any one instance may be sanctioned by the General Manager, Expenditure Management Department and General Managers of branch Offices.
- (2) Expenditure on purchase of Issue Department stores upto the sum of Taka 5,00,000/- in any one instance may be sanctioned by the Governor.
- (3) Expenditure on purchase of Issue Department stores in excess of the sum of Taka 5,00,000/- in any one instance may be sanctioned by the Board.

38. Uniforms

The scales and the terms and conditions subject to which and the category of employees to whom, summer and winter uniforms may be supplied shall be fixed by the Governor. The cost of supply of uniforms at the scales approved by the Governor shall be paid by the General Manager, Expenditure Management Department and General Managers of branch Offices.

39. Training/Study

Expenditure incurred in connection with local training/study of employees may be sanctioned by the Governor.

40. Miscellaneous expenses -Not Enumerated

Any Expenditure for which no express provision has been made in these regulations shall be classified as "Miscellaneous expenses - Not Enumerated" and such expenditure may be incurred by -

- (a) General Managers of branch offices up to Taka 1,00,000/- in any one instance;
- (b) The General Manager, Expenditure Management Department and the General Manager, Common Services Department up to Taka 1,00,000/- in any one instance;
- (c) The Governor up to Taka 5,00,000/- in any one instance;
- (d) The Board of Directors in cases where the sum is in excess of Taka 5,00,000/- in any one instance.

ANNEXURE

Delegation of Power/Authority

1. In terms of Regulation 3(1) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the Deputy Governor to exercise his power under Regulation 15(2) of the aforesaid Regulations.

(Ref: Administrative Circular No. 11 dated 22 May, 2003).

2. In terms of Regulation 3(2) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the Executive Director, In-charge of Expenditure Management Department to exercise all his powers under the aforesaid Regulations except those in Regulation 33(3).

(Ref: Administrative Circular No. 18 dated 03 August, 1977).

3. In terms of Regulation 3(2) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the Executive Director, In-charge of Common Services Department to exercise all his powers under the aforesaid Regulations except those in Regulation 33(3).

(Ref: Administrative Circular No. 09 dated 27 April, 2003).

4. In terms of Regulation 3(2) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the Executive Director, In-charge of Exchange Control Policy Department and Exchange Control Investment Department to exercise powers under Regulations 23(1) and 23(2) of the Bangladesh Bank (Expenditure) Regulations, 1977 in respect of legal proceedings to be instituted/defended under the Foreign Exchange Regulations Act, 1947 only.

(Ref: Administrative Circular No. 11 dated 29 April, 1986).

5. In terms of Regulation 3(2) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the Executive Director, In-charge of Secretary's Department to exercise powers under Regulation 40 of the aforesaid Regulations to sanction up to Taka 75,000.00 in one instance.

(Ref: Administrative Circular No. 10 dated 27 April, 1998).

6. In terms of Regulation 3(3) of the Bangladesh Bank (Expenditure) Regulations, 1977, Governor has been pleased to authorise the General Manager of Expenditure Management Department, Head Office and the General Managers of branch offices to exercise powers under Regulation 30 to sanction the cost of advertisement of their own offices. However, copy of advertisement should be forwarded for publication to the media through the General Manager, Public Relations & Publication Department of Head Office.