



Daffodil
International
University

Internship Report On
“Foreign Exchange Activities of Southeast Bank Limited”

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Letter of transmittal

21.11. 2018

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Sub: Submission of the Internship Report.

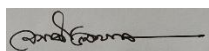
Dear Sir,

I am pleased to submit this report, which has been prepared for the requirement of internship Program. The report entitled “**Foreign Exchange Activities in Southeast Bank Limited**”. I have tried my best of my ability to complete the report properly and to bring out a Meaningful insight within the constraints. This was assigned to me a practical requirement of the internship program- a prerequisite for the completion of the BBA program.

I am also very much grateful to Almighty Allah because he gave me patience to complete my internship program smoothly and to prepare this report.

I hope and sincerely believe that this report will able to serve the purpose of my internship program. However, I shall not claim that this report is flawless and very exclusive one. But I have put my best report to overcome my shortcomings and prepare the report to the best of my ability.

Sincerely yours,



S M Nabeul Hasan

ID 142-11-3816, BBA (Accounting)

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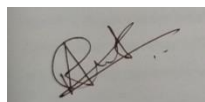
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Approval certificate

This is certifying that S M Nabeul Hasan, ID # 142-11-3816, BBA (Accounting), is a regular student of Department of Business Administration, Faculty of Business & Entrepreneurship, and Daffodil International University. He has successfully completed his internship program at “**Southeast Bank Limited**” and prepared this internship under my direct supervision. His assigned internship topic is on “**Foreign Exchange Activities in Southeast Bank Limited**”. I think that the report is worthy of fulfilling the partial requirements of BBA program. I also declare that the study has been prepared for academic purposes only and this paper may not be used in actual market scenario.

I have gone through the report and found it a well written report. He has completed the report by himself. I wish him every success in life.



Md. Arif Hassan

Assistant Professor & Associate Head

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ACKNOWLEDGEMENT

At first I might want to offer my thanks to Almighty Allah who has given me chance to experience the aggregate procedure of temporary job and to compose a report in such manner.

I might want to accept the open door to offer my thanks to my Internship Md Arif Hassan, Asst. Professor & Supervisor, and Daffodil International University (DIU) whose course, bearing and support helped me a significant measure in creating this report.

It was a staggering enjoyment for me to work in Southeast Bank Limited (Motijheel Branch) as an assistant. I thank every one of the representatives for being well disposed and helpful. I was encouraged heaps of imperative things all through my temporary job vocation on account of their appropriate consideration and co-task.

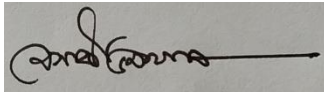
My extraordinary much gratitude goes to the Head of Motijheel Branch, M A Faisal the Manager Operation of Southeast Bank Ltd Motijheel Branch, for expanding his help in aggregating this report. I might exceptionally want to thank MD Zakariya Taslim the In-Charge Foreign Exchange Department and other officers of Southeast Bank, Motijheel Branch who helped me a lot during my Internship days with valuable advices, guidance and necessary information.

It must specify the great workplace and gathering duty of this bank has empowered me a considerable measure arrangement to do and watch the keeping money exercises amid my entry level position time of three months. As an understudy I never felt powerless as they for the most part guide me all through my entire range of the transitory position time period. In addition, this examination surpassed desires my significance of learning for the future master livelihood.

I expressed profound gratitude to them again. I endeavor my name best to make this report correct and remarkable. At any rate there might be a couple of missteps due to my confined bowed and time restrictions. In such way I search for your kind idea as I am learning.

Declaration

This is **S M Nabeul Hasan**, the undersigned and presenter of the report of internship titled foreign exchange activities of southeast bank ltd in Motijheel branch. This report prepared by me after completion of internship in southeast bank ltd. I have joined the genuine data in my report with the largest amount of exactness and energy. I believe that the information provide herein my report may not make any jeopardy or any persons, patrons, referrers or any writers either in individual institution.



S M Nabeul Hasan

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Executive Summary

A Bank is a monetary organization whose principle point is to procure benefit complete trade connected with cash and credit instruments by giving agreeable administrations to the clients. It is an administration arranged and benefit situated association. To play out those two capacities all the while, the Bank isolates its activity primarily in three sections: money dealing, credit and progress in development and Forex. ©Southeast Bank Limited (SEBL) is one of the main exclusive business financial institutions possessing a 134 extension crosswise over Bangladesh. Natural managing an account other beginning stage about complete on keeping money activities. Usual managing an account office play out the larger part elements of a bank. Truth be told, bank works with the general population cash and this procedure begins with general keeping money. Remote trade assumes an indispensable job in fare together with bearing about a nation's essential office in ©SEBL.

Outside exchange alludes to exchange in the middle of diverse unlimited countries/nations. Remote exchange does primarily classify within fare exchange together with import exchange. As long as improvement sector nation remote exchange is critical. Loaning center capacity about business counting house. Counting house decent advances credit are most beneficial resources. The biggest part working salary is gotten from loaning. A business bank as a rule prevails upon its rival just on the quality and amount of loaning. What's more, the money related examination demonstrates the state of ©Southeast Bank Limited. The general execution of the ©Southeast Bank Limited all in all be very recognized.

Here paper is introduced a few sections consecutive way. The paper a few sections along with every part talk about various viewpoint with respect to the points. At first featured the general presentation about the Southeast Bank restricted which incorporates foundation, beginning, sound, goal, degree and confinement of the examination and furthermore talk about the philosophy and the source information. Second chapter contains the overview of SEBL. In third chapter the foreign exchange activities and import, export and remittance mechanism have been discussed. Fourth chapter includes the analysis of the last five years information of ©SEBL in territory of fare and import and done a few correlations among the fare, import and aggregate remote trade. It also contains the contributions of Motijheel branch towards the overall foreign exchange operation

of SEBL. Finally chapter five ends with some observation and findings and possible suggestion to improve the current situation in foreign exchange operation.

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Chapter 1

Introduction

1.1 Introduction

A country is financially rich when they has modern financial institutions. These institutions play a vital role in the field of financial stability of a country. Banking sector is one of the stable financial institutions of a country. A bank is financial institute that accepts deposits from the public and creates credit. Especially banks play an important role in the field of promotion of capital, encouragement of entrepreneurship, generation of employment opportunities etc. due to globalization money transfer and other important task is easily done by banks. Due to their importance in the financial stability of a country, banks are highly regulated in the most countries. Activities undertaken by banks include personal banking, corporate banking, investment banking, private banking, transaction banking, insurance, consumer finance, foreign exchange trading and money market trading. Banking sector in Bangladesh consists of several types of institution that are scheduled banks, specialized banks. Non-scheduled bank, non-bank financial institutions, specialized financial institutions. Southeast bank limited is one of the largest commercial banks of Bangladesh.

Southeast bank is one of the leading private banks in Bangladesh. Southeast bank offers different product and services including saving accounts, current account, fixed deposit receipts, foreign currency accounts, non—foreign currency deposits, trade, import & export finance options,

This report contains the analysis of the foreign exchange performance of Southeast bank. International trade is the system by which countries exchange goods and services. Remote trade is the methods and strategies by which rights to riches in a nation's money circular segment changed over into rights to riches in another nation's cash. Remote trade activities are includes import, export and remittance that are analyzed in details in this report.

1.2 Background of the Study

The report titled as “Foreign Exchange Activities of Southeast Bank Limited: A study on Motijheel Branch (Islamic Banking)”. Which attempts to analyze the nature of modern foreign Exchange activities and performance of Southeast Bank Limited. This investigation is made by all through the temporary position program; close perception was made on various keeping money exercises of ©Southeast Bank Limited. The execution of Remote trade work is checked on about dissected that yearly papers and inside document about the organization.

1.3 Scope of the Study

The internship opportunity at Southeast Bank Limited, Corporate has given the chance to not only have practical knowledge about an organization but to also learn the different operations of the foreign exchange department. The process to open a Letter of Credit, endorse export documents, prepare forwarding, post into the online system, fill out IMP forms, etc. gave me a clearer picture of how import and export takes place in Bangladesh. Since my supervisor has asked me to focus on the Foreign Exchange Department of Southeast Bank Limited, I got opportunity to broaden my understanding about Foreign Exchange Activities of Bangladesh.

1.4 Objective of This Report

The Main objective of this report is to measure the Foreign Exchange Activities of Southeast Bank Limited (SEBL). Specific objectives are:

- ✓ To learn about import, export, and foreign remittance procedure of the Bank.
- ✓ To evaluate the performance Foreign Exchange Activities of Southeast Bank Ltd.
- ✓ To analyze the branch import and export performances and find out the contribution of branch to the overall foreign exchange activities of SEBL.
- ✓ To distinguish the issue of Foreign Exchange Activities of Southeast Bank Ltd.
- ✓ Provide some suggestion to improve the current situation.

1.5 Methodology

On the basis of knowledge that gathered from the internship period analyzing data with simple mathematical calculation. Required data will be collected from both primary and secondary sources will be used to prepare a internship report. Within 3 months, a lots of events have been occurred from where it helps to prepare the report. Sometime orally I have collected information which is not available. And these can be gathered only personal experience. Data analyzed from the data and endeavor to make theoretical issues, graphical instruments to get a reasonable image of the circumstance.

➤ **The primary sources of data include the followings:**

1. Individual perception.
2. Up close and personal talk of official and customers.
3. Pertinent document examine given by the official anxious.

4. Working at Different desks of the Bank.

5. Observation

➤ **The secondary sources of data include the followings:**

1. Annual report of SBL.
2. Different publications of SBL.
3. SBL Bank website.
4. Files and document of the branch.

1.6 Limitation of the Study

The report is prepared based on the primary and secondary sources of data. A part of the study is based on my practical experience along with the interview with the employees. Although the officials were extremely helpful, these are the few limitations of the study:

1. The bank operated most of its work manually.
2. Supervisory personnel hesitated to give instant decisions that delayed the work leading to a lengthy process where the same thing had to be done over and over again.
3. Absence of adequate secondary data, such as other financial reports.
4. Internal financial reports of the branch were hard to obtain. Only one or two reports were provided to me.
5. The timeframe of the internship program is three months which is insufficient to understand the entire process of the foreign exchange.

Chapter 2

Company overview

2.1 About Southeast Bank Ltd.

©Southeast Bank Limited is a quickly developing second era bank. ©SEBL has been accomplishing a consistent development rate in various circles of managing an account activities since its foundation in the year 1995 The rationality of the bank is "A Bank with Vision" that demonstrates its earnestness, honesty and also the quality of psyche to adapt to the worldwide intensity and progression.

2.2 Overview of Southeast Bank Limited

Table no-1 Overview of Southeast Bank

©Name of the Company	: ©Southeast Bank Limited
©Legal Form	: ©Public Limited Company
Date of Inception	: March 12, 1995
Company Registration No	: ©C-27985 (1831)/95
Authorized Capital	: BDT 15,000 million
Paid Up Capital	: BDT 9,169.50 million
Registered Office	: Eunoos Trade Centre 52-53, Dilkusha C/A (Level 2,3,4,6 & 16), Dhaka-1000, Bangladesh Phone: +88 02 9571115, 9576415, 9555466 & 9578324 Fax: +88 02 9550093, 9550094 & 9550086 SWIFT: SEBDBDDH, E-mail: info@southeastbank.com.bd Website: www.southeastbank.com.bd
©Tax Payer Identification No	: 555495486932
©VAT Registration No	: 19011025625
Chairman	: ©Alamgir Kabir, FCA
Vice Chairperson	: Duluma Ahmed
Chairman of the Audit Committee	: ©A.H.M. Moazzem Hossain
Managing Director	: M. Kamal Hossain
Chief Risk Officer	: S. M. Mainuddin Chowdhury

©CAMLCO	: A.K.M. Nurul Alam
©Company Secretary	: A.K.M. Nazmul Haider (Acting)
©Chief Financial Officer	: Rasedul Islam, ACA (Acting
©Auditors	: Pinaki & Company, ©Chartered Accountants
©Tax Consultant	Akhter Abbas Khan & Co
©Credit Rating Agency	©Credit Rating Information and Services Limited (CRISL)
©Date of Opening of First Branch	©May 25, 1995
©Year of Initial Public Offer	1999
©Number of Employees	©2,837
©No. of Branches	134
©No. of Islamic Banking Branches	05 (five)
©No. of Ladies Branches	02 (two)
©No. of Off-Shore Banking Units	02 (two)
©No. of Foreign Correspondents	825
©Number of Outstanding Shares	916,950,176

2.3 Bank Profile

Southeast Bank Limited is a second-age bank that was set up in 1995 with a Vision to convey proficient and proficient keeping money administrations to the general population and the business Network of Bangladesh. It expects to contribute fundamentally to the development of the national Economy.

The Bank's glorious journey began as a Public Limited Company on March 12, 1995 through receiving the certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms on that date. Its Banking License from the Bangladesh Bank was received on March 23, 1995. The Authorized Capital of the Bank today is BDT 15,000 million. Its Paid-Up-Capital and Reserve reached BDT 33,765.13 million as on December 31, 2017. The Bank had 2,704 Staff of whom 266 were Executives, 1,928 were Officers and 510 were other Staff as on December 31, 2017. Southeast Bank was established

by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. The incumbent Chairman of the Bank is. Alamgir Kabir, FCA, a professional Chartered Accountant. The Bank's Managing Director is M. Kamal Hossain, a creative, experienced and eminent banker of the country with 35 years of experience in banking to his credit. A team of efficient professionals manages the Bank. They make and create a situation of trust and order that empowers everyone in the Bank to cooperate for accomplishing the goals of the Bank. It has an assorted exhibit of items and administrations custom-made deliberately to oblige the necessities of all sections of clients. Our operational systems are organized to address the extraordinary and regularly complex needs of the clients. In the development diagram, the Bank has produced benefit of BDT 1,168.63 million after arrangement and wage charge in the year 2017. The bend continues taking off upward ordinary making it one of the main and best saving money organizations in Bangladesh with an aggregate resource base of BDT 339,288.05 million as on December 31, 2017.

2.4 Vision

It is particular!" essential for supervisors and administrators in any association to concur upon the fundamental vision that the firm endeavors of accomplish in the long haul. A reasonable vision gives the establishment to building up an extensive statement of purpose. So the vision articulation ought to be built up as a matter of first importance. Southeast Bank has set up their vision articulation to accomplish their long haul Objectives, Their vision is to emerge as, **“To be a premier banking institution in Bangladesh and contribute significantly to the national economy”**.

2.5 Mission

A business mission is the establishment for needs, methodologies, plans and work task. Nothing may appear to be more straightforward or more negligent than to recognize what an organization's business is. Southeast Bank is particularly worry about their main goal in light of the fact that unique perspectives among administrators must be uncovered and settled through the statement of purpose.

The mission of the hank is stated below:

- Highest affection budgetary administrations with the assistance of most recent innovation.
- Quick and exact client benefit.
- Adjusted development system.
- Exclusive expectation business morals.
- Consistent profit for investors' value.
- Inventive managing an account at a focused cost.
- Profound pledge to the general public and the development of national economy.
- Draw in and hold quality human asset.

2.6 Core values

©Southeast Bank has set up their goals of accomplish their key about monetary focuses on a solid upper hand in the managing an account division. Their center qualities standards is show underneath:

- Honesty
- Civility
- Conformity
- Kindness
- Responsibility
- Judgment
- Passionate effort

2.7 ©Core Strengths

- Straightforward and Quick Decision Making
- Fulfilled Customers
- Talented Risk Management
- Proficient Team of worker
- Interior change

- Regulation about conformity.

2.8 ©Core Competence

- Knowledge
- Transparency
- Reliability
- Experience and Expertise
- Determination
- Pursuit of Disciplined Growth Strategy
- Customer Focus
- Zeal for Improvement

2.9 Commitment to clients

- Provide service with high degree of professionalism and use of modern technology
- Create long - term relationship based on mutual trust
- Respond to customer needs with speed and accuracy
- Share their values and beliefs
- Grow as our customers grow
- Provide products and service at competitive pricing
- Ensure safety and security of customers' valuables in trust with us

2.10 Southeast Services

General Banking Services

- Opening the Accounts
- Maintaining of Account.

- closing of Account
- Pay order Issuing.
- Bank draft.
- Demand draft.
- Fixed Deposit Opening.
- Cheque Clearing of Bank.

2.11 ©Foreign Exchange Business Services

- Letter of credit
- Parties to Letter of Credit
- Operations of Documentary Letters of Credit
- L/C Application
- Scrutiny of Documents
- Scrutiny of L/C Application

2.12 Investment Service

- Venture Scheme for specialist
- Private venture contribution arrangement
- Home contribution arrangement
- Light carrier arrangement
- Vehicle credit arrangement
- Farming instrument loan program on Rural Development program

2.13 Organizational Hierarchy

©CHAIRMAN

©VICE CHAIRMAN

©DIRECTORS

©Management Executive Level

©Managing Director (MD)

©Additional Managing Director

©Deputy Managing Director

©Senior Executive Vice President

©Executive Vice President

©Senior Vice President

©Vice President

©Senior Assistant Vice President

©Assistant Vice President

©Officer's Level:

©Senior Principal Officer

©Principal Officer

©Executive Officer

©Senior Officer

©Officer

©Trainee Officer

©Junior Officer

©Junior Officer (Cash)

©Trainee Cash Officer

Chapter 3

Foreign Exchange Activities

3. 1.1 Letter of credit (L/C)

Definition:

Can be portrayed as a 'Credit Contract' whereby the buyer's bank is submitted (for the buyer) to put an agreed proportion of money at the sellers exchange under some agreed conditions since the concurred conditions incorporate in addition to other things, the introduction of some predetermined records the letter of credit is called narrative letter of credit the uniform traditions and practices for narrative credit (UCPDC) distributed by the worldwide assembly of business (ICC) 2007 correction production No. 600 characterizes narrative:

Any plan, in any case, hurt or depicted, whereby ("Issuing Bank"), temporary demand about guidelines ("Application") all alone sake,

- 1) Isn't make an installment request an outsider (recipient), acknowledge about payment the note trade (Drafts) withdrawn by bearer.
- 2) Approves another bank to effect such portion, or to recognize any such bills of exchange (Draft),
- 3) Approved another bank to organize, against the stipulated document(S), gave that the terms and conditions are consented to.

Types: Documentary credits either:

- 1) Transformable
- 2) Irreversible.

1) Revocable Letter of Credit.

As indicated by the Foreign Exchange Regulation Act, A Revocable Credit is one which can be revised dropped by the issuing bank at any minute about after earlier not smooth recipient, yet assign organization will undoubtedly repay the arranging bank for any installment made before receipt of notice of wiping out, against delivery archives which are clearly as per the this is certain that can be changed whenever after earlier notice to the recipient.

2) Irrevocable Letter of Credit:

According to the Foreign Exchange Act, an Irrevocable unsubstantiated *L/C* can't be dropped or altered after that assent considerable number of gatherings, especially on recipient. That clear about supreme endeavor assign org to made installment to merchandise provided on introduction is agree dispatching reports every one of condition about states acknowledge was gone along for. Sign, that is regarded also irreversible *L/C*.

Once in a while, *L/C* set apart," With plan of action cabinet without response to cabinet"

3. 1. 2 Forms of Documentary Credit:

The Letter of Credit can be either Revocable or unalterable. It should be plainly shown whether the *L/C* is revocable or irreversible. As per **Uniform Customs and Practice for Documentary Credit (UCPDC) ICC Publication No 500, 1993, in the absent.**

3. 1. 3 Types of Letter of credit According to Payment Method:

On the basis of time of payment, Letter of Credit can be of two types-

- i) **Sight L/C:** If there should be an occurrence of Sight *L/C*, intuition made installment opposing introduction locate about reports are withdrawn entirely according to condition of *L/C*. Discharge support quickly the introduction of insist upon records.
- ii) **Deferred L/C:** Deferred pay implies postponed installment opposing *L/C*. That sum profited off, isn't put at the vender's transfer promptly on the introduction of reports, however simply after a predefined period. The credit wording dependably indicates the length of the time frame of installment that affected opposing the introduction archives withdrawn condition of *L/C*.

3. 1. 4 Special Documentary credits:

- 1) Revolving credit:** That spinning loan was accommodates reestablishing loan boss first sum of whole used. Often that occur must particularly made reference to loan. The rotating loan or non-aggregate.
- 2) Transferable credit:** An exchangeable loan is one that can be traded by the main beneficiary in full or to some degree at least consequent beneficiary are not denied.
- 3) Back to Back Credit:** The back to back credit is another credit opened dependent on a one of a kind credit in help or another beneficiary. Under to back to back thought, the merchant as the beneficiary of the primary recognize offers it as "security" to the indicating bank for the issuance of the second credit. The beneficiary of the continuous credit may be arranged inside or outside the primary beneficiary's country.
- 4) Anticipatory Credits:** That expectant loan made arrangement freight installment, of recipient fully expecting his influencing the shipment according to *L/C* terms.
- 5) Red Clause:** At that point when that condition of the loan approving of arranging give freight installment for development of recipient composed in red, the credit is called 'Red Clause Letter of Credit'.

Under the recently made reference to condition, the opening bank is committed for the pre-shipment indications of advancement made by the organized bank, if the beneficiary fails to redress or pass on the records for the exchange.

3. 1. 5 ©Parties to Letter of Credit:

L/C is issued by the bank in line with a merchant for an exporter from whom he has contracted to buy a few products or administrations. By and large, the l/c is address of recipient in the recipient's nation. In this manner, gatherings of the letter of credit are for the most part:

1) Obligatory Parties:

- a) Foreign buyer
- b) Assign Bank

c) Recommend Bank

d) Businessperson

Plus, there are at least one than one banks who are engaged with different limits and different stages to assume a critical job in the aggregate tasks of acknowledge which are as per the following:

2) Optional Parties:

a) Bargaining Bank

b) Make sure Bank

c) Relocate Bank

d) Adjust Bank

3) Involved Parties:

a) Importer/Buyer/Applicant

Merchant of individual who demands/educates issue an *L/C*. That parson was additionally called opener loan.

b) Opening/Issuing Bank

Opening Bank is the bank which issues a *L/C* in the interest of the merchant. It is additionally called the purchaser's bank. Businessperson is the gathering in whose support *L/C* is built up.

c) Advising / Notifying Bank

Inciting Bank is the bank through which the *L/C* is urged to the exporter. It is a bank orchestrated in the conveying country and it may be a piece of the opening bank or a columnist bank. It may in like manner acknowledge the activity of avowing and also organizing bank dependent upon the conditions of the credit.

d) Exporter/ Seller/ Beneficiary

e) The beneficiary of the *L/C* is the social occasion in whose help the letter of credit is issued. When in doubt, they are the seller

f) Negotiating Bank

Bargaining bank assigned by bank to arrange records about payment the sum to the recipient, bring about conceded installment obligation, to acknowledge the. In the event that arrangement of the records isn't confined specific bank in the L/C, regularly the arranging bank was broker recipient.

g) Confirming Bank

The Bank, which under the guidance in the letter of credit, adds the assurance to the credit, consequently attempted the obligation of installment/transaction/acknowledgment under the credit notwithstanding that of issuing bank. An affirming bank does as such whenever asked for by the issuing bank having a course of action with them.

h) Transferring Bank

The first recipient may exchange the L/C to the second recipient according to the condition of the L/C. the exchange might be made once as it were. The bank of the first recipient validates the exchange and the bank is known as exchanging bank. Regularly exchanging bank verify the exchange and keeps the record of exchange with no commitment on their part.

i) Reimbursing Bank / Paying Bank

Repaying Bank approved by the bank to make installment opposing contract archives, agreeing to the loan condition. Ordinarily keeps up a record with the repaying bank to make the installment.

3. 1. 6 ©Operations of Documentary Letters of Credit:

The accompanying five noteworthy advances are associated with the activity of a narrative letter of credit:

- i) Issuing;
- ii) Advising;
- iii) Amendment (if necessary);
- iv) Presentation; and
- v) Settlement.

i) Issuing a Letter of Credit:

Prior to assign a *L/C*, the purchaser about merchant situated various finishes up 'business contract' accommodating installment by narrative credit. According to prerequisite of the dealer, the purchaser at that point trains the bank the issuing bank-to issue a credit for the vender (recipient). Guidance/Application for issuing a credit ought to be made by the purchaser (shipper) in the issuing bank's standard frame. The credit application which contains the full points of interest of the proposed acknowledge, likewise fills in as an understanding between the bank and the purchaser. In the wake of being persuaded that 'fundamental circumstances ' accommodate in the apply frame about 'adequate circumstances ' of satisfied by the purchaser that open loan, the opening bank at that point continues for opening the credit to be routed to the recipient.

ii) Advising a Letter of Credit:

Provoking through a bank is an unmistakable validness of the credit to the merchant. The route toward instructing a credit contains concerning sending the main credit to the beneficiary to whom it is tended to. Preceding sending, the urging bank needs to affirm the check (s) of the officer (s) of the opening bank and assurance that the terms and conditions of the credit are not encroaching upon the current exchange control bearings and distinctive controls relating to toll. In such showing of urging, the inciting bank does not endeavor any commitment.

iii) Amendment of Credit:

Social occasions drew in with a *L/C*, particularly the seller and the buyer, can't by and large satisfy the terms and conditions in brimming with course in light of some obvious and genuine reasons. In such a situation, the credit should be remedied.

If there should be an occurrence of revocable credit, it very well may be corrected or dropped or dropped by the issuing bank at any minute and without earlier notice to the recipient. In any case, if there should be an occurrence of unalterable can now altered dropped.

iv) Presentation of Documents:

The seller being content with the terms and conditions of the credit keeps on dispatching the buyer and starting there ahead, requirements to show the files demonstrating dispatching of stock to the orchestrating bank at the most recent the stipulated expiry date of the credit. In the wake of getting all of the reports, the orchestrating bank by then checks the chronicles against the credit. In case the documents are discovered all together, the bank will pay, recognize or counsel to the issuing bank. The issuing bank moreover checks the reports and in case they are found by credit necessities, either.

- a) Accouterments pay-off,
- b) Balance of agreement

v) Settlement:

The settlement infers fulfilling the duty of issuing keep money concerning influencing portion subject to satisfying the credit terms totally. This settlement may be done under three separate game-plans as stipulated in the credit. These are:

a) Settlement by Payment: Here the merchant exhibits the records to the paying bank and the bank at that point investigates the reports. Whenever fulfilled, the installment recipient about the event that this, at that point reports to. In the event that was happy that necessities, installment gotten by the paying bank from the issuing bank.

b) Settlement by Acceptance: A course of action, of merchant presents of archives confirming tolerant joined withdrawn from bank loan accessible on predetermined. In the wake of being happy with the reports, the bank acknowledges the record and the draft and on the off chance that it is a bank other than the issuing bank, at that point to archives expressing it was acknowledged about development, of repayment that gotten a concurred way.

c) Settlement by Negotiation: This settlement technique begins about accommodation in records of dealer is arranging joined withdrawn or the purchaser as determined loan. In wake of investigating that the archives loan prerequisites, the arrange at that point to reports and the draft to the issuing bank. Not surprisingly, repayment is acquired in a concurred way.

3. 1. 7 L/C Application:

L/C function is a kind of course of action among the customer about bank. ©Southeast Bank Limited gives a printed shape to opening a L/C to the shipper. An uncommon glue stamp of significant worth Tk.150 is fastened on the frame. While opening, the stamp is dropped. More often than not, the shipper communicates his longing to open a L/C citing the measure of edge in rate. The merchant gives the accompanying subtle elements-

3. 1. 8 Scrutiny of L/C Application:

On receipt of L/C Application, the branch officials scrutinize the same very carefully giving emphasis to the following. .

3. 1. 9 Scrutiny of Documents: As a matter of first importance, it must be guaranteed that a full arrangement of records as specified in the L/C has been getting. The branch will continue precisely investigate some primary purposes of every one of the reports keeping in view the terms of L/C. Some key checkpoints for the records are as per the following-

- ❖ Bill of exchange
- ❖ Commercial Invoice
- ❖ Bill of lading
- ❖ Certificate of Origin
- ❖ Other Documents

Different archives called for in the acknowledge, for example, pressing rundown, weight list, investigation authentication and so on to be checked whether attracted and issued agreement with the terms of the credit.

3. 1. 10 L/C Opening Process

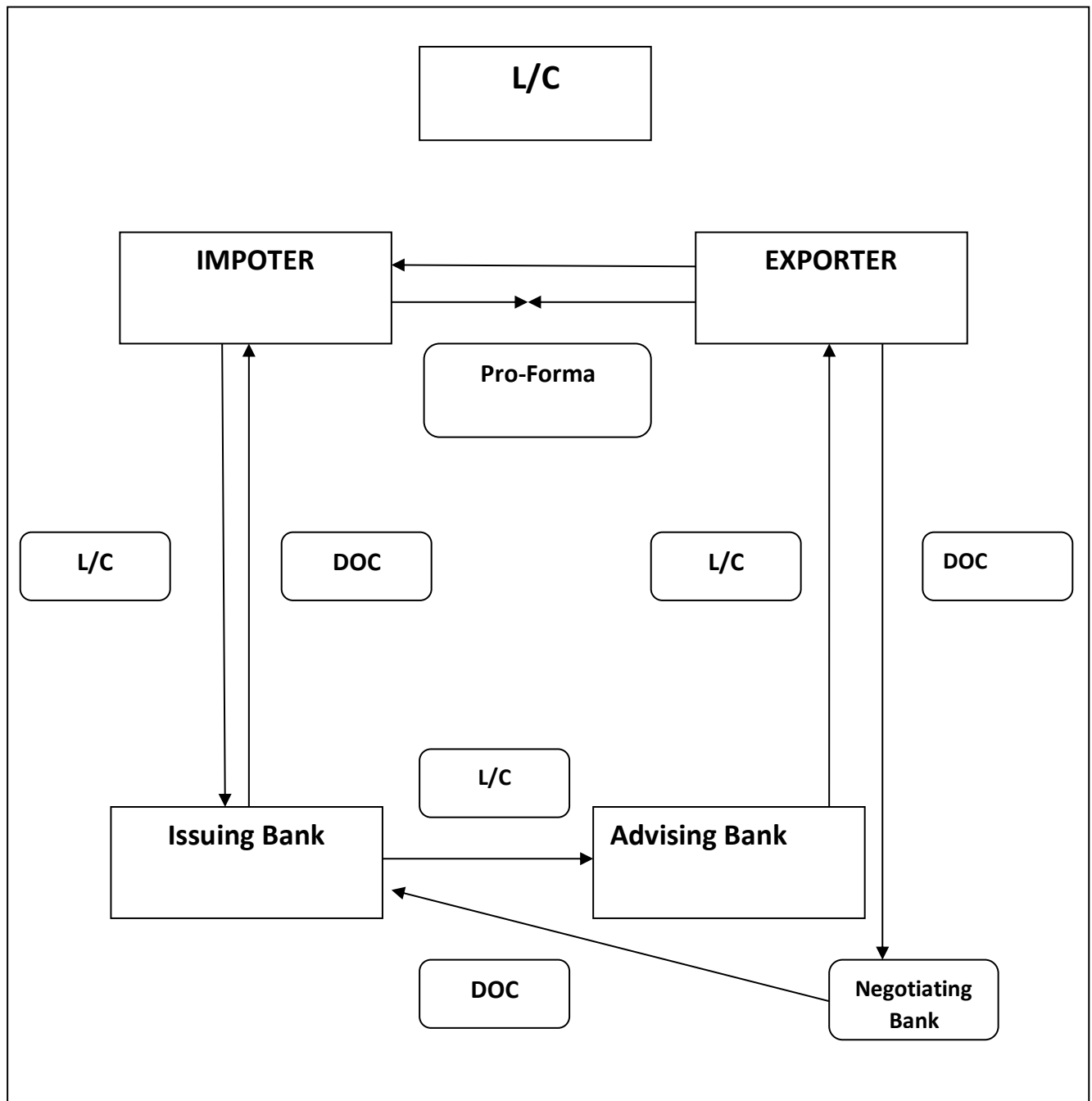


Figure:2 L/C Opening Process.

3.2.1 Import Mechanism

Import of stock incorporates of items country about settlement outside the cost stock about organizations. By virtue of Import, the traders are asked for that by their exporters open a letter of credit. Along these lines, that their portion against items is ensured. Story recognize has ascended as a fundamental course of action of trade portion. It is a key player in the outside trade.

3. 2. 2 Classification of Importer:

Merchants are the individuals who are approved by the import Trade Control Authority that is CCI& E for import of merchandise basic for utilization or for creation purposes.

There are mainly three types of Importer, via:-

- Merchandising
- Manufacturing.
- Human resource import.
- **3. 2. 2.1 Merchandising :**

It means an importer registered under the importers, exporters and indenture registration **order 1981** who import goods for sale.

3. 2. 2.2 Manufacturing:

Exactly when issued to a cutting edge client, gives the things of import as unrefined materials and squeezing materials and additional parts, the estimation of benefit and ITC arrange.

3. 2. 2.3 Human resource import:

That implies enrolled shippers just under the merchants of bringing in every single allowable thing as proclaimed by the import approach and notice. Other than all enrolled business and mechanical shipper likewise can import under WES.

3. 2. 3 Import Procedure:

An Importer is required to satisfy a few conditions/criteria to be qualified as a merchant according to arrangements of Import Policy Order and Guidelines for Foreign Exchange Transaction. A shipper is required to present the accompanying archives alongside L/C application to get a permit to import products through Southeast Bank -

To import, a man ought to be skilled to be a 'Shipper'. As indicated by the Import and Export Control Act, 1950, the Office of Chief Controller of Import and Export gives the enrollment (IRC) to the merchant. In the wake of acquiring this, the individual needs to anchor a letter of credit approval (LCA) from Bangladesh Bank and after that, he turns into a qualified shipper. He is the individual who asks for or educates the issuing bank to open a letter of credit. He is likewise called candidate of the credit.

3. 2. 4 Letter of Credit Authorization Form (LCAF):

The Letter Of Credit Authorization Form is the casing supported for the endorsement of opening letter of credit or portion against the import and used in lieu of import allow. The affirmed traders are locked in to issue LCA structures to the shippers to allow import in Bangladesh. If remote exchange is wanted to be obtained from Bangladesh Bank against a LCAF, it must be enlisted with Bangladesh Bank's Registration Unit arranged in the concerned zone office of the CCI&E. the LCA outlines available with the affirmed shippers are issued in a course of action of five copies each.

The essential copy is exchanging control copy, which is used for the opening of L/C and affecting the settlement.

The second copy is the custom reason copy, which is used for the opportunity of imported items from a custom pro.

Triplicate and Quadruplicate copy of LCAF are sent to a concerned zone of CCI&E office by endorsed trader/Registration Unit of Bangladesh Bank.

Quadruplicate copy is kept as office copy by Registration Unit

3. 2. 5 Distribution of L/C:

In the wake of giving the bookkeeping passages the transmission of L/C is finished. Southeast Bank makes the accompanying strides, Through SWIFT to prompt the L/C to the recipient.

- Send the marked unique L/C together with the duplicate to the Dispatch segment for mailing to the L/C Advising Bank and L/C Reimbursement bank separately by messenger/Airmail.
- Send the affirmed content of L/C and repayment approval to SWIFT administration charge for their ahead transmission to exhorting bank and repaying bank separately.
- Deliver the client duplicate of the L/C alongside the charge guidance to the client over the counter or send the equivalent to the dispatch segment for forward conveyance to the client.
- Send the first bookkeeping vouchers in groups to the Accounts segment for catch and refreshing of the information base/records.
- Check the L/C record to guarantee that all the related archives i.e. L/C application with supporting records, endorsement, L/C duplicate, repayment guidance duplicate and duplicate of bookkeeping vouchers are documented legitimately.

3. 2. 6 Amendment of L/C:

Gatherings associated with a letter of credit, especially the vendor and the purchaser can't simply fulfill the terms and conditions in full of course because of some veritable reasons. In such a circumstance, the letter of credit is changed. In the Revocable letter of credit, it very well may be corrected or dropped by the issuing bank at any minute and without earlier notice to the recipient. Be that as it may, on account of an unavoidable letter of credit, it can never be corrected or dropped without the assertion of the issuing bank, the affirming bank (assuming any) and the recipient. At the point when the client approaches for correcting the terms and states of a letter of credit opened at his demand.

3. 2. 6.1 Amendment Procedure:

On receipt of a demand letter for alteration of L/C from the client the bank makes the accompanying strides

- a) Record the date and time of receipt of the application.
- b) Read the demand letter for correction quickly to guarantee that concerned L/C number and the directions specified are clear.
- c) If found all together check the demand letter for change together with every single supporting paper.
- d) In case the letter of revision isn't finished or required papers are not presented, the client ought to be reached speedily for amendment of the imperfections.
- e) In case the client does not have affirmed credit line for expanding/revising the L/C, the import segment needs to submit proposition to the Executive Committee of the Board and keep pending of altering the L/C till its endorsement.
- f) When the demand letter for alteration with all papers is observed to be all together, record the specific of changes with date in fitting segment against the significant L/C in the L/C enlist.
- g) Prepare the letter of correction either in mail, Swift or message arrange.

3. 2. 7 Adding Confirmation:

Here and there recipient or provider of the products demands the shipper for adding affirmation to L/C or to issue L/C with included affirmation. All things considered, in line with the shipper, the issuing bank asks for the exhorting bank or the third bank to add their affirmation to the L/C. Regularly the charge of affirmation is borne by the recipient and it varies from bank to bank.

3. 2. 8 Examination of Shipping Document:

The dealer being happy with the terms and states of the credit continues to dispatch the expected products to the purchaser, needs to exhibit the archives confirming dispatching of merchandise to the Negotiating Bank. The exporter will present those records as per the terms and conditions as a made reference to in L/C. By and large, the Exporter sends the accompanying records.

The arranging bank precisely checks the archives given by the exporter against the credit, and if the reports meet all the necessity of the credit, the bank will pay, acknowledge, or consult

as per the terms and states of the credit. At that point, the bank sends the records to the L/C Issuing Bank/opening bank.

3. 2. 9 Scrutiny of Documents:

In particular, it must be ensured that a full plan of reports as determined in the L/C has been getting. On receipt of transportation reports from the Negotiating bank, Southeast Bank specialists check whether these records have any irregularity or not. 'Irregularity' suggests the disparity of any of the chronicles with the terms and conditions of the L/C. the equal. In case any dissimilarity saw or there are any deviations of the terms and conditions of L/C, the comparable should be expeditiously passed on to the notice of the dealer for his made direction before lodgments. If the shipper decays to recognize the files, it should be advised to the Negotiating bank urging them inside a sensible time anyway not more than 7 working days from the date of receipt of the conveyance records. A part of the run of the mill irregularities are—

The branch will proceed carefully look into some main points of each of the documents keeping in view the terms of L/C. Some key check points for the documents are as follows-

3. 2. 9.1 Bill of Exchange:

Bill of exchange is a bona fide ask for created (set apart) by the bureau, to another person (the cabinet) which directions to pay a particular total at sight or at settled or help distinct date to the demand of the social event which is to get portion. Experts check the going with-

- That the bill of trade has been legitimately drawn and marked by the recipient as made reference to in the L/C terms.
- That the draft sum drawn does not surpass the sum accessible under the credit.
- That the sum is indistinguishable with that sum made reference to in the receipt.
- That the bill of trade is all together and supported appropriately.

3. 2. 9.3 Bill of lading:

A bill of filling is a record by and large issued by a bearer to a shipper, as a rule stipulated in a credit when exporter dispatches the stock. It is proof of a comprehension of carriage and is a

report of title to stock. It additionally includes a record that is or might be, depended upon to empower a protection to guarantee. The key checkpoints are-

- That the bill of lading is immaculate "Transported on Board" B/L showing cargo paid early and genuinely maintained.
- That the bill of lading spreads the stock depicted in the receipt.
- That the port of shipment, port of target, date of shipment, the name of the recipient and so forth appeared in B/L are in concurrence with those made reference to in the L/C.
- That the bill of lading is extremely separate by an embraced signatory of the Shipping Company or by their confirmed chairmen.
- That the bill of lading isn't stale and has been passed on in full set by terms of L/C.

3. 2. 9.4 Certificate of Origin:

This a confirmation is beginning stage, specialists watch that the validation of the base of the stock of comparability.

3. 2. 9.5 Other Documents:

Diverse chronicles called for in the recognize, for instance, squeezing summary, weight list, survey underwriting et cetera pulled in understanding condition of loan.

3. 2. 10 Lodgment of Import Documents:

On examination, on the off chance that it is discovered that the annals are pulled in similarity with the terms of the credit, Southeast Bank, Motijheel Branch (Islamic Banking) holds up the records in Inland Bill Parches (IMP) select/database giving a bill reference progressively in the numerical interest. The bank that opens the letter of credit will no ifs ands or buts respect its guarantee to pay for import bills when these are exhibited for segment at whatever point pulled in by and large terms of a letter of credit. The opening bank will hold up the transportation records to their book and will react to the responsibility guide started by the remote author to the charge of "Inland Bill Parches A/C" or "Bills of Exchange A/C" and present the bill to the dealer for bit. The going with advances are related with lodgment-First

every one of the particulars of the reports are entered in the IMP enlist and IMP No. Seal is given on every one of the duplicates of the got reports.

- Convert the outside money into Bangladeshi cash.
- Reverse the unexpected risk and passage made in the obligation enroll.
- Prepare lodgment voucher.
- Send IBCA to the Head Office.
- Make insinuation to the shipper Worry

3. 2. 11 Retirement of Documents:

The broker gets the suggestion and gives essential course to the bank for the retirement of the bills or for the trading of the transport documents to discharge the outside made stock from the traditions ace. The shipper may set up the bank to leave the reports by blaming his record for the bank. Amidst the vehicle of the records, the running with bookkeeping segment is given-Customer or LTR (with IMP interest)

1. Margin on L/C
2. IMP
3. Interest/ Commission

3. 2. 11.1 Shipping Guarantee:

In the nonappearance extraordinary reports, stock may be cleared by non-begging to be proven wrong copies of chronicles against conveyance guarantee issued by L/C opening bank. The shipper requests the bank to issue shipping guarantee/repayment for opportunity of dispatch against non-questionable copies of reports got direct from the exporter as per stipulation united in the L/C. preceding issuance of conveyance guarantee, bank recover full estimation of import records and assemble an undertaking from the shipper that they will recognize special reports propel of any irregularity and bear rate change of remote money at the period of lodgment.

3. 2. 12 Import Financing:

On the off chance that there is no accessible in trade out shipper's hand, he can ask for the bank to concede credit against the reports with the end goal of post import fund. There are two after types of import back

1. Loan against imported stock (LIM).
2. Loan against trust receipt (LTR)

LTR office is accessible in Southeast Bank, Motijheel Branch (Islamic Banking), yet LIM isn't given.

The accompanying advances are included for retirement of records

- Calculation of intrigue.
- Calculation of different charges.
- Passing vouchers.
- Entry in enroll.
- Endorsement made on the back of the bill of trade as 'Got Payment' and bill of filling or other transport archive is supported under two approved marks of the bank's officers.
- Finally archives are conveyed to the Importer.

3. 2. 12.1 Loan against Imported Merchandise (LIM):

Landing merchandise reports, shipper ask for leeway products equivalent go down. Legitimate authorize from the equipped expert is to be gotten before leeway of committal. If there should arise an occurrence of office alongside loan division earlier endorsement of Head Office acknowledge board for other fundamental guidelines in regards to installment of obligation and different duties and method of transportation from Chittagong/China. In the wake of getting endorsement from H/O, bank awards credit as either LTR or LIM. This office isn't accessible in Southeast Bank, Motijheel Branch (Islamic Banking)

3. 2. 12.2. Loan against Trust Receipt Facility (LTR):

Credit against Trust Receipt is post import bolster, offered by Southeast Bank, Motijheel Branch (Islamic Banking). From bank's perspective; it is dangerous in light of the way that routinely no security is taken. Precisely when client's commitment is proportional to money, LTR is then issued. Credit is affirmed dependent on trust receipt (grasped shape) just, for this situation the title and duty regarding both lying with the client. Reports are additionally offered over to the seller against LTR office For chance of the things, the stock are offered over to the shipper under trust with the game-plan that deal continues with ought to be kept to exchange the advances inside the fated period.

3. 2. 13 Making Payment of Foreign Bill:

The L/C issuing bank, in the wake of getting the records, checks in a flash and in case they are generally together and meet the credit essentials, it will genius to make portion against L/C through reimbursement bank and reports will be offered over to the shipper or his suitably affirmed clearing or sending administrator for breathing space of the items from customs at his own one of a kind record. In any case, if there is any dissimilarity in the reports, the L/C issuing bank send message to the masterminding bank to change it under its threats and commitments. Portion is the touchiest endeavor of import division. The specialists must be to a great degree vigilant while making portion.

3. 2. 14 Procedure for Obtaining IRC (Import Registration Certificate)

To play out the import business enrollment with the allowing master of the zone is a basic. Through open notice the focal controller of Imports and Exports invites applications normally for selection of shippers. For getting this selection the going with papers/records are required for convenience to CCI&E or region office of CCI &E for import enlistment support: -

1. Application form
2. Nationality certificate
3. Income tax registration certificate
4. Trade License from the municipal or the local authority.
5. Membership Certificate

6. partnership Certificate (for partnership concern)
7. Certificate of Registration with the registrar of joint stock company
8. Memorandum of Association in case of Limited Company.
9. Bank Certificate.
10. Ownership documents or rent receipts of the place of business.
11. Original Copy of Treasury Challan being payment of registration fees.
12. Other documents prescribed in the import policy.

The assigned bank of the competitor will take a gander at the papers/reports and affirm the characteristic of the applicant and forward the proportionate to the concerned office of the with a sending plan through Bank's operator. The duplication copy of a comparative bearing the insistence of CCI&E office of the receipt of the reports is gotten back by the bank and is secured.

In case the chronicles are discovered all together and the CCI&E is satisfied the IRC is issued to the hopeful and sent direct to the assigned bank. The pass book is moreover issued by the CCI and E at the same time to the shipper and sent direct to the named bank.

The IRC and pass book are security records issued under embellishing seal of the CCI and E and appropriately set apart by the endorsed specialist of CCI and E.

The IRC is to be reestablished every year on portion of ordinary charges through Bangladesh Bank challan or exchange portion out their bank's A/C direct. Costs will be paid in Bangladesh Bank or in the Government Treasury or in Sonali Bank under the Head **“42 Trade & Commerce fees realized under Import and Export Control Act, 1950”**

3. 2. 15 Reporting to Bangladesh Bank:

Toward the finish of consistently, the answering to Bangladesh Bank with respect to the accompanying data is required

- I. Filling of E-2/P-2 Schedule of S-1 classification that covers the whole month's measure of import, class of merchandise, money, nation and so on.
- II. Filling of E-3/P-3 Schedule for all charges, commission with T/M Form.
- III. Disposal of IMP Form that incorporates:
 - a. Original IMP is sent to Bangladesh Bank with receipt and indent,

- b. Duplicate IMP is kept with the branch alongside the Bill of Entry/Certified receipt,
- c. Triplicate IMP is kept with the branch for office record,
- d. Quadruplicate is kept for accommodation to Bangladesh Bank if there should arise an occurrence of import where archives are resigned

3.3.1 Export Procedure:

As indicated by Foreign Exchange Regulation Act, 1947, it's illogical for anyone to pass on by post and overall than by post any things either especially or indirect to wherever outside Bangladesh, beside if a revelation is outfitted by the exporter to the gatherer of traditions or to such other individual as the Bangladesh Bank may appear for this reason remote trade tending to the full charge estimation of the stock has been or will be discarded in a way and inside a period directed by Bangladesh Bank. Segment for things passed on from Bangladesh ought to be crossed an Authorized Dealer in vivaciously convertible remote money or in Bangladeshi Taka from a Non-Resident Account. The Export partition supervises two sorts of Letter of perceive that are as indicated by the going with Export Letter of Credit

- a. Back-to-Back Letter of Credit Passage financing ought to be conceivable by Pre-shipment Credit and Post-shipment credit. On the off chance that there ought to emerge an event of pre-shipment financing 90% is financed by the bank. Of the bit 75% is by Back-to-Back L/C and 15% with cash credit. Underneath the passage level position communicated in broadly those two sorts of L/C.

3. 3. 2 Export Letter of Credit:

The other sort of L/C office offered by Southeast Bank Limited Motijheel Branch (Islamic Banking) is Export L/C. Bangladesh conveys a tremendous measure of stock and endeavors to remote nuclear families. Moment material bits of dress (both sewing and wove) things, hardened the major items admission remote home. Bits of attire part is the greatest territory that tolls the lion offer of the country's admission. Bangladesh exchanges most by far of its moment bits of garments things to exchanges this is 40% of its moment bits of attire things to USA. Most of the exporter who exchanges through Southeast Bank Limited Motijheel Branch (Islamic Banking) is moment bit of dress seller.

3.3.3 Services against Export L/C:

3.3.3.1 Advising of Export L/C:

This exhorting found abroad will prompt the L/C to the recipient with no commitment or duty on their part. It will see the accompanying as it were:

- I. Realness of L/C (Test concurred if there should be an occurrence of Telex L/C and mark confirmed on the off chance that
- ii. Stock determined of L/C is passable conditions consolidated nation's directions.

3.3.3.2 Add Confirmation of Export L/C:

Office extra affirmation is send out L/C is particular guidance to do as such. Extra affirmation dealer twofold confirmation of installment. Bank's necessity of including affirmation:

- I. offering office ought to be a rumored branch.
- ii. Acknowledge deal for L/C made office.
- iii. L/C proviso is satisfactory affirming branch
- iv. Endorsement skilled specialist including affirmation fare L/C.

3.3.3.3 Negotiation of Export Bill:

Exchange suggests organizing agent bureau is estimation assertion financial specialist. Exactly records for course action L/C papers, the comparable is through and through broke down from the point of view of exactness and zenith in all respect of terms of credit. The exporter shows the reports to bank as indicated by essential of bank.

3.3.3.4 Acceptance of Export Bill:

For this circumstance, the exporter demonstrates a bill of exchange payable to him and drawn on a foreordained future date or event, to the bank that recognize it. The bank signs its affirmation on the bill and returns it to the exporter. The exporter by then can present it for portion on advancement or he can refund it with the true objective to gain insight portion.

3.3.4 Formalities for Export Letter of Credit:

This sell exchange nation are directed by the buyer and seller (Control) Act, 1950. The various customs that an exporter needs to satisfy when shipment of merchandise. These conventions or methodology are identified as pursues-

3.3.4.1 Export Registration Certificate (ERC):

The fares from Bangladesh are liable to send out exchange control practiced by the Ministry of Commerce through Chief Controller of Import and Exports (CCI&E). No exporter is permitted to send out any product reasonable for fare from Bangladesh except if he is enlisted with CCI&E and holds substantial ERC. The ERC is required to be restored each year. The ERC number is to be joined on EXP (Export) Forms and different archives related with fare.

3.3.4.2 The EXP Form:

Following to having the selection, the exporter applies to Southeast Bank Limited, Motijheel Branch (Islamic Banking) with the Trade License, ERC and the Certificate from the concerned Government Organization to get EXP Form. On the off chance that the branch is fulfilled, an EXP Form is issued to the exporter. An EXP Form normally contains the running with - Name and address of the Authorized Dealer. Particulars of the item to be traded with portrayal and code number.

- i. Exporter Name and address.
- ii. Importer Name and address.
- iii. Origin of Country.
- iv. Shipment Port.
- v. Destination Port.
- vi. Element.
- vii. L/C cost.
- viii. Condition.
- ix. Car document.
- x. Delivery time
- xi. CCI& E's registration number and date

3.3.4.3 Securing the Order:

The selection, of seller keep on tying down the toll mastermind. This ought to be conceivable by getting the buyer direct through correspondence.

3.3.4.4 Signing of the contract:

the an agreement, accompanying focuses on the made reference to: (i) depiction merchandise, (ii) amount product, (iii) cost ware, (iv) freight, (v) protection imprints, (vi) investigation.

3.3.4.5 Procuring the material:

Resulting to make of course of action about *L/C* open to help him, accompanying stage buyer doing this job of getting of stock.

3.3.4.6 Registration of Sale:

That was required proposal things for exchanged is unrefined product extraordinary.

3.3.4.7 Shipment of Goods:

This accompanying archives is regularly required to phase of freight: (an) EXP Form, (b) enlistment declaration, (c) arrangement (d) duplicate of *L/C* (e) cargo authentication if there should be an occurrence of installment of cargo, of filling is included, (f) car document, railroad document, (g) freight information, (i) protection arrangement.

The accompanying focuses ought to check-

This pursues condition of *L/C* is the similarity of this agreement.

- This *L/C* is an unalterable once, ideally affirmed by the Advising Bank
- This *L/C* permits adequate period of freight and sensible enlistment.
- Buyer needs to *L/C* to be interchangeable, fitting, ought to guarantee agreement are made reference to in the *L/C*.

Finally the exporter presents every one of these records alongside paper of ©Southeast Bank Limited, Motijheel office of transaction. The officer check every one of archives. On off chance that the archives are perfect one the bank may choose to buys the records inside the constrain authorized to the exporter, subsequent to checking the affirmed arrange covering each fare.

3.3.5 Procedure for Foreign Documentary Bill Collection:

A FDBC register is maintained for recording all the particulars. The salient contents of a FDBC register are as follows-

- i. FDBC Ref. No

- ii. Day
- iii. Receiver
- iv. Candidate
- v. Abroad Cash
- vi. Scale
- vii. Home Cash
- viii. Allowance
- ix. Shipment
- x. Middleman
- xi. Papers
- xii. L/C no. and name of the opening bank
- xiii. Name of the collecting bank
- xiv. Initial, due date, date realized, bank charges recovered with remarks

3.3.6 Negotiation:

On the off chance that the reports are free from Discrepancy or if the disjointed qualities are moored by Indemnity of the get-together, Bank needs to plan the Export Bills. For course of action of money pass on charge getting rate winning on the date of trade is related for change of the remote cash into Bangladesh cash. All the exchange is spoken to the Head Office. The Head Office credits the Foreign Bills Negotiated A/C by blame the balance for Foreign banks abroad A/C. After trade of the entry charge, the records are to be sent to another country (Normally to the L/C issuing bank) as shown by the heading of L/C and confirmation Reimbursement of the benefits from the Bank as made reference to in the L/C.

3.3.6.1 Risk Involved in Negotiation:

In case the bank fail to perceive any irregularity in records, organized by the Exporter, on that time in the event that the totals are paid to the exporter, the Bank go up against a staggering disaster. In this condition the Negotiating Bank endeavor to contact with the social occasion and if they agree to pass on the required documents, the Bank discard the Goliath adversity.

3.3.7 Inland Letter of Credit (ILC):

Inland letter of credit infers L/C inside the country. This sort of L/C is opened when trader does not have reliable relationship with the buyer anyway they are in a comparative country

and besides for the circumstance where the business incorporated a noteworthy total. This L/C's are two makes:

- 1) Local L/C (without EPZ)
- 2) EPZ (Export Processing Zone) L/C

3.3.7.1 Settlement of Local Bill

The settlement of neighborhood bill is done in the accompanying ways-

- This client presents *L/C* to the branch alongside this records arrange;
- This bank authorities investigates this archives on guarantee similarity matter of fact.
- This records was sent branch office;
- Bank gives the acknowledgment about advances of acknowledgment papers; Installment is make customers on either by gathering premise or by buying the records.

3.3.8 Back-to-Back Letter of Credit

Consecutive L/C is an optional L/C opened by the vender's bank dependent on the first/ace L/C to buy the crude materials and extras for assembling of the fare items required by the dealer. Under the 'Consecutive' idea, the merchant as the recipient of the ace L/C offers it as a security to the informing bank for the issuance regarding the second L/C. the recipient of the Back to Back L/C might be situated inside or outside the first recipient's nation. If there should be an occurrence of (edge). Instant piece of clothing enterprises and concentrated permitted office bringing in textures and embellishments required for assembling articles of clothing/particular material, free of obligation under fortified distribution center framework against consecutive L/C course of action, without including money remote trade from Bangladesh Bank. The Bangladesh Bank has along these lines enabled the approved merchant to open materials by the instant piece of clothing ventures/Specialized material unit to do their fare orders against fare L/C. In our nation, trade arranged Garment Industry, working under fortified stockroom framework are benefiting. In ©Southeast Bank Limited, branch the majority of the. Along these lines the exchange depends by virtue of

3.3.9 Opening of Back-to-Back L/C:

Other than typical customs and prerequisites for L/C opening, the accompanying focuses are considered.

- No Back-to-Back L/C because of Garment businesses ought to be opened without earlier endorsement from Head Office. Branches are required to get earlier endorsement from Head Office Division/Credit Committee for opening all Back-to-Back L/Cs.
- While opening of Back-to-Back L/C adhering to guidance ought to be pursued

Separate L/C number ought to be utilized for Back-to-Back L/C and are to be recorded in isolated Register.

- L/C opening commission and charges are to be acknowledged obviously.
- The accompanying unexpected obligation voucher is to be hung loose of opening the L/C.

3.3.10 Documents Required for Opening a Back-to-Back L/C:

In Southeast Bank Limited, Motijheel Branch (Islamic Banking), following papers/documents are required for opening a Back-to-Back L/C-

On off chance that the manufacturing plant a leased appropriately proprietor of the A check rundown to open a Back-to-Back L/C is as per the following -

- ✚ L/C value shall not exceed the admissible percentage of net FOB value of relative master L/C;
- ✚ Usage period is up to 180 days;

3.3.11 Payment of Back-to-Back L/C:

Installment are produced using fare continues on fare situated working reinforced stockroom framework. Consequently at the season of arrangement of fare charges by virtue of article of clothing industrial facility, bank holds a segment obligation different outside money fare continues. if client had given sign. After acknowledgment of fare continue, installment against import bills are produced using savvy and gathering astute are kept up in record.

The development time, conceded installment are make. Installment in the wake of acknowledging send out continues from the L/C Issuing Bank. For article of clothing area, the

length can be most extreme 180 days. In the event of fare disappointment or non-acknowledgment/short acknowledgment of fare continues constrained credit i.e. OAP must be made with the end goal to settle the Back-to-Back L/C installment. Vouchers and accounting treatments are the same normal L/C opening except margin.

In this case, no margin is taken by the bank. After lodgment, maturity date of the import bill is intimated to foreign bank as per L/C terms. The documents are delivered to the order of opener duty endorsed for clearance of goods from custom authority. Goods are cleaned through approved clearing and forwarding agent of the bank.

3.3.12 ©Maintenance of Register:

The sanction must be recorded in the following register:

Document execution register. All the charge documents must be recorded in this

Register.

- ❖ Breaking point book
- ❖ Accountability book.

3.3.13 ©Test Key Arrangement:

Test key arrangement is a riddle code kept up by the banks for the check of their wire messages. It is an exact methodology by which a test number is given and the person to whom this number is given can without a lot of a stretch approve a comparative test number by keeping up a comparative strategy. Southeast Bank Limited has test strategies with various banks for the approval of L/C messages and trade of advantages.

3.3.14 Confidential Report (C.R) of Beneficiary of L/C:

As demonstrated in terms of professional career control headings financial specialists is need to get private report of the beneficiary of L/C before opening the comparable, if the proportion in L/C outperforms Tk.6.00 lac. Bank can open L/C underneath Tk.6.00 lac nothing getting C.R .Bankers can stay in contact with their outside columnists to supply the C.R. In any case, from helpful experiences outside columnists of foreign place are not given propitious.

Different from of the speculator happen gather this proportional expert record.

3.3.15 Disposal of L/C & LCA Form Copies and Filing:

Consistently made specifically arrange various bend. Main *L/C* is the provoking second meanwhile for their own inspiration third copy for shipper, fourth copy for reimbursing bank fifth copy office copy of the bank, 6th for Bangladesh Bank and seventh copy for CCI and E. One copy for dealer is sent to them close by the notice of charges caused by the opening bank for the *L/C* communicating the total has been so charged for the proportion of Memo including that proportion of edge.

3.4.1 Foreign remittance:

©SEBL, Motijheel Branch (Islamic Banking) is a vital piece of outside trade office. Furthermore, this area of outside trade office manages:

- Inward outside settlement
- Outward outside settlement
- Foreign Currency Accounts Opening.
- Wage Earner's Bond Governing.
- Student File Opening.

3.4.2 Inward Foreign Remittance:

Ordinarily, Inward Foreign Remittance contains all approaching remote monetary standards. Settlements issued by the journalist banks arranged in the remote nations and in this way drawn on SEBL, Motijheel Branch (Islamic Banking) viewed as its Inward outside settlements. Followings are the Inward Foreign Remittances of SEBL, Shyamoli branch.

- FDD Payable
- FTT Payable
- TC Payable
- Encashment of foreign currencies endorsed in the passport.
- Purchase of foreign currencies.

3.4.3 Outward foreign Remittances:






Remittances issued by Southeast Bank, Motijheel Branch (Islamic Banking) to their foreign correspondents to fulfill their customers' needs are considered to be the Outward Foreign Remittances. It comprises the followings:

- a) FDD Issued.
- b) FTT Issued.
- c) TC Issued.
- d) Endorsement of foreign currencies in the passport.
- e) Sale of foreign currencies.

3.4.3.1 Foreign Demand Draft (FDD) Issued:

Individuals used to send cash to another country for different purposes. SEBL issues the majority of the FDD with the end goal of installment of the application expenses to the outside colleges. For the issuance of FDD; T/M Form must be topped off appropriately. This frame is topped off under the Foreign Exchange Regulation Act, 1947.

This shape contains

-  The purpose of travel,
-  Name of the country where the applicant will go,
-  Name of the air or shipping company,
-  Passport number,
-  Signature, name & address of the applicant

3.4.3.2 Traveler's Cheque (TC) Issued:

SEBL issues just American Express Traveler's Check (TC). For TC, client needs to top off T/M frame. He needs to top off the buy shape moreover. For TC, SEBL charges 1% as commission.

3.4.3.3 Steps involved in issuing of TC:

- 1) After checking every one of these archives the client is requested to top off endorsed application frame.
- 2) In the application the client expresses the sum he will embrace and it is to be checked that his required sum is inside the stipulated.
- 3) Then the client pays money or by charging his record the Traveler's Check is issued.
- 4) Endorsement is given on the international ID and on the ticket. Client tops off the T/M Form.
- 5) Purchased application frame must be topped off by the buyer.
- 6) Entry must be given in the Foreign Currency Register and in the Traveler's check Register.

Following Documents must be held from the customers:

- Copy of international ID
- Traveler cheque
- Remains

Duplicate of arrange (if there should be an occurrence of government worker)

Duplicate of welcome letter if issuance is against meeting/preparing amount

3.4.3.4 Endorsement of Cash:

Likewise was transmitted that trade underwriting out this international ID. The event embracing trade out of visa, this prerequisites is like travel Check. Be that as it may, as per the remote trade Regulation Act, 1947 an individual can't take more than \$2500.00 in trade out a year. That is the reason, the concerned officer checks the last voyage of the buyer. In the event that he/she made any voyage and in the event that he/she obtained dollar around then.

3.4.3.5 Foreign TT Payable:

Remote settlement area additionally pays the case of the outside TT. In the wake of getting TT payable, SEBL plays out the accompanying capacities.

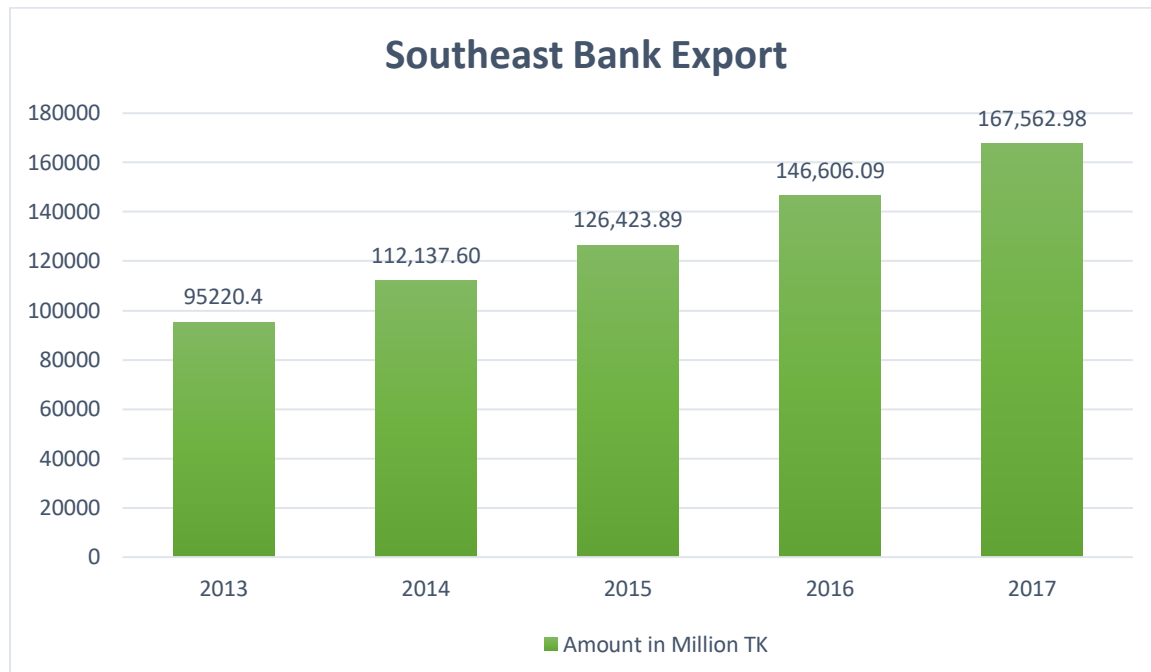
- 1) Customer needs to top off "C Form" if the sum surpasses \$3000.00. "C Form" depicts the motivation behind sending the TT.
- 2) The dollar sum goes to the Head office of SEBL through American Express, New York.
- 3) SEBL, Shyamoli branch pitches the dollar to Head Office and gathers the cash in nearby money.

©Chapter 4

©Analysis

©Southeast Bank Overall (Export, Import, Remittance)

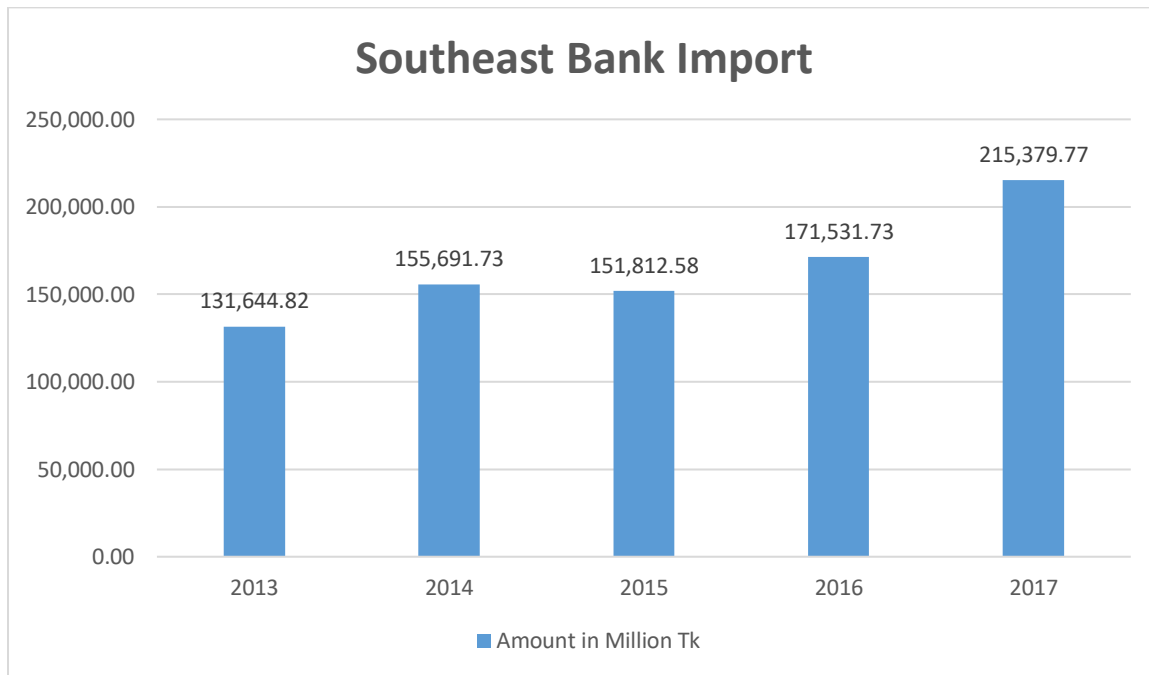
4.1 Southeast Bank Export analysis



year	2013	2014	2015	2016	2017	Average
Export amount	95220.4	112137.60	126423.89	146606.09	167562.98	126206.8
Growth rate		17.77%	12.74%	15.93%	14.29%	12.5%

Explanation: Overall southeast bank trade are critical enhancement in consistently. The result show development figure 2016 are 15.93% this is better than other year on graph. Then again of 2015 are 12.74% that is reduced of outline. Now without much of a stretch of 2016 better and 2015 was minimal. Through this enhancement bank make their objective and additionally make benefit. Which is a major commitment in Bangladesh economy. As a southeast bank doing send out business exceptionally well, what we see each year enhancement in the chart.

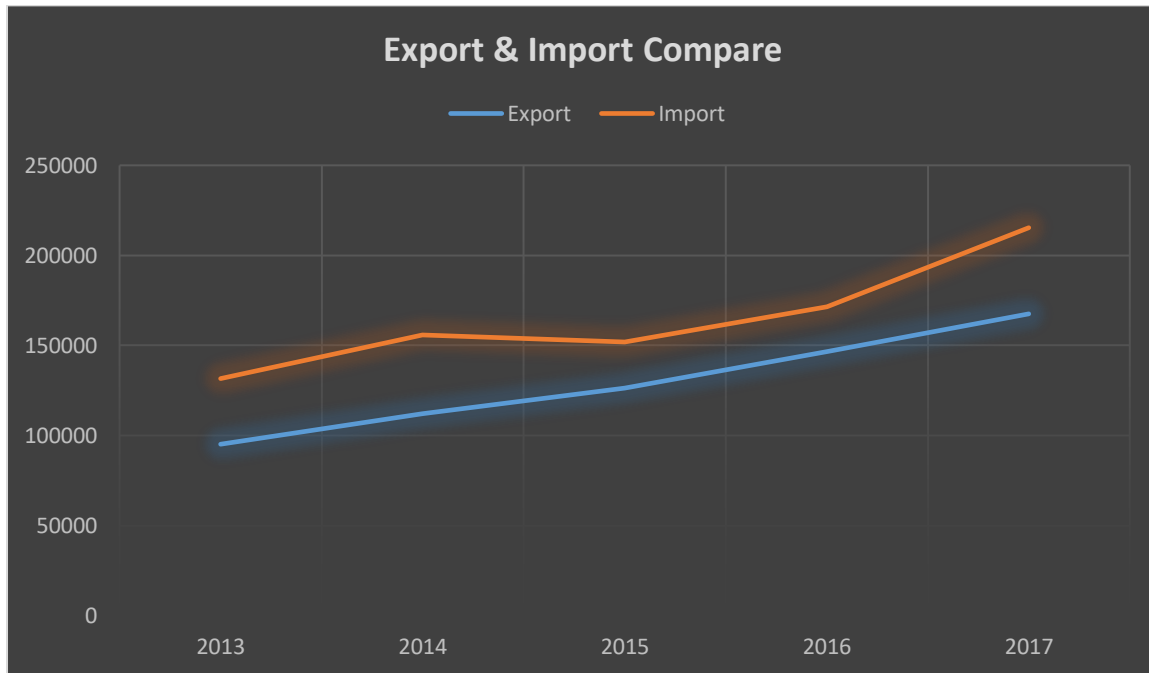
4.2 Southeast Bank Import analysis



year	2013	2014	2015	2016	2017
Import amount	131,644.82	155,691.73	151,812.58	171,531.73	215,379.77
Growth rate		18.26%	-2.49%	12.99%	25.56%

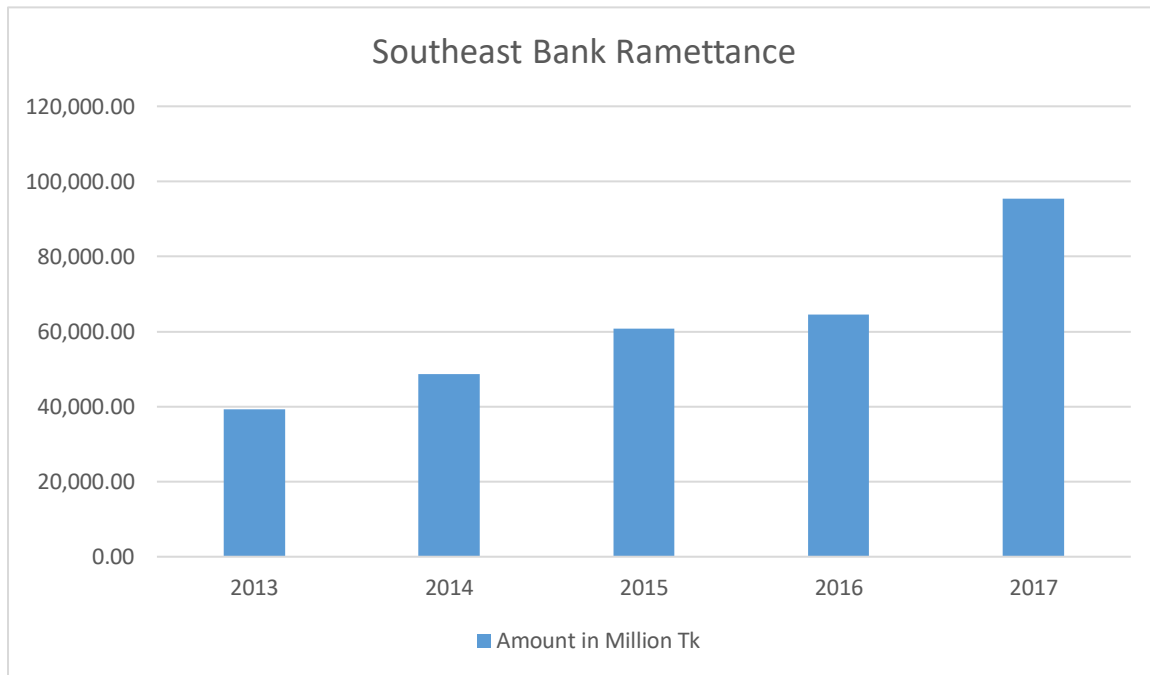
Explanation: In this graph we see that import of the southeast bank last five years. The highest import on 2017 and its **25.56%** increase from the previous year. Every year import are increasing except 2015 are **-2.49** lower than previous year. Import business happen export business. Most of the import are happen raw materials and machinery and accessories. And other individual import those are happen also regular basis. However, the development is dependably in expanding. Now direction of development better contrast with of bunches rivalries division. Be that as it may, all the more imperatively there have positive developing inclination.

4.3 Export & Import compare



Explanation: last five year we see the export & import business on graph. In last five year import are rising every year. That's why line are upward. On the other hand export also rising every year. But export are lower than Import. Imbalance of export & import business of southeast bank.

4.4 Southeast Bank Remittance analysis

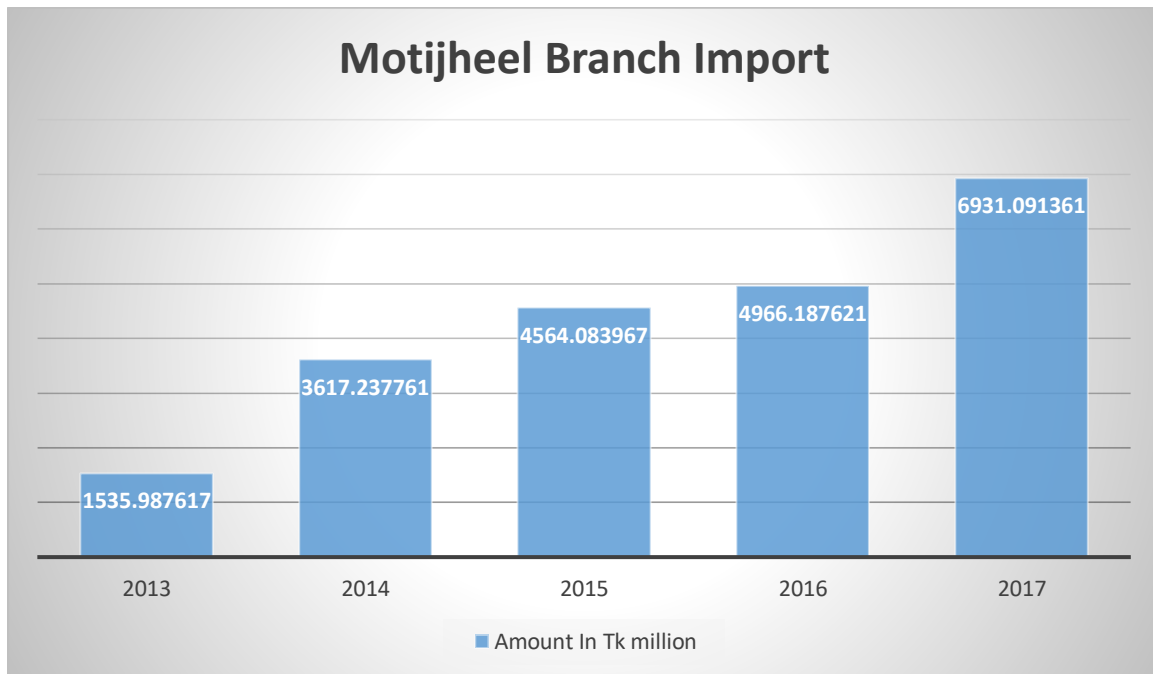


year	2013	2014	2015	2016	2017	Average
Remittance	39,299.10	48,740.50	60,708.50	64,556.84	95,405.40	61742.07
Growth rate		24.02%	24.55%	6.34%	47.79%	20.54%

Explanation: Remittance development depend on NRB On this chart we see that every year southeast bank remittance are rising. In 2017 is the highest growth on the recent year that was **47.79%**. On the other hand 2016 are the lowest increase is **6.34%**. Over all the bank having positive growth rate. In future this growth rate will continue and make sure more profit for the bank. This is a great contribution on national income.

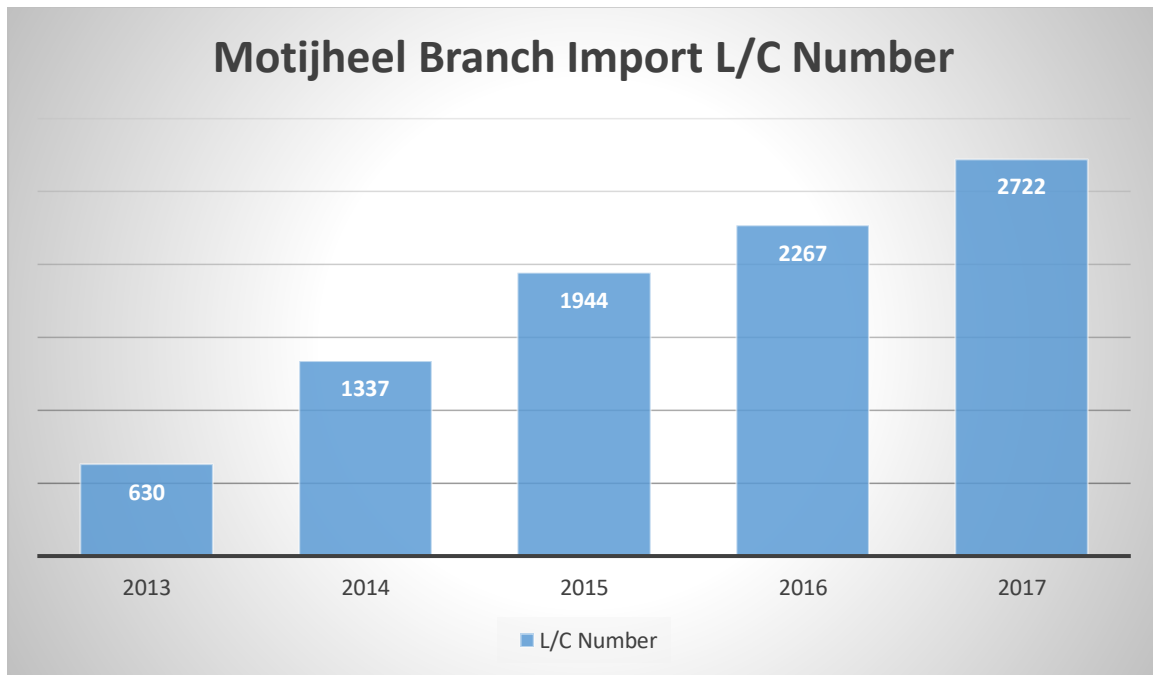
Motijheel (Islami Banking Branch) Export, Import, Remittance

4.5 Motijheel (Islami Banking Branch) Import



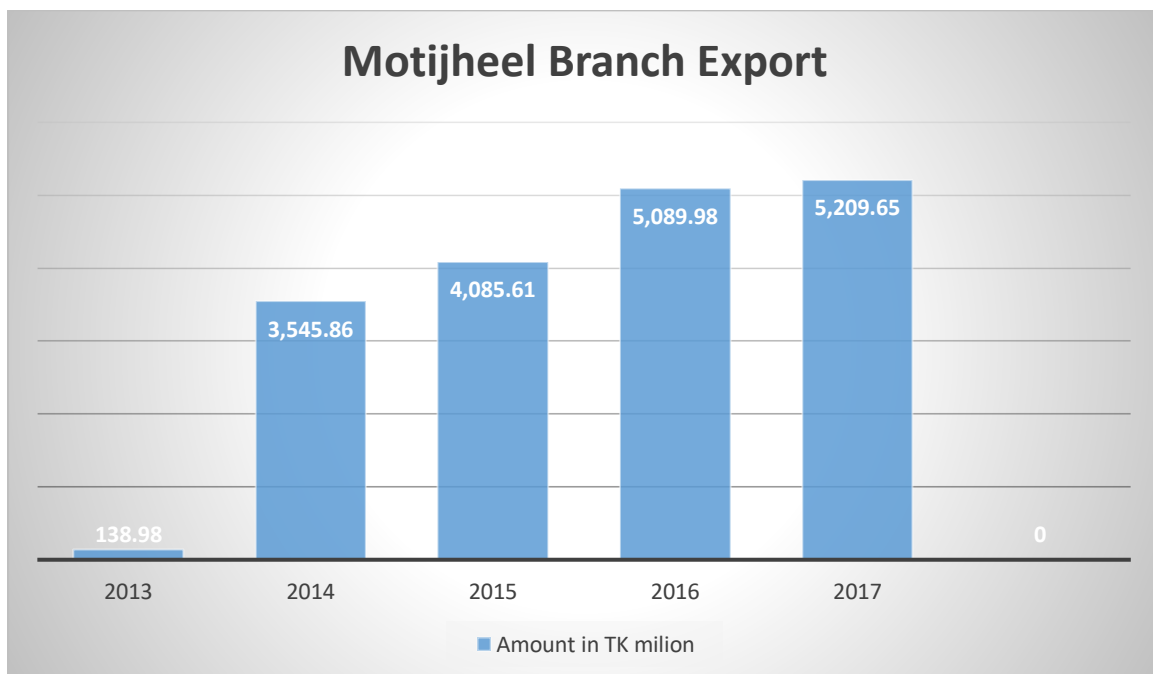
year	2013	2014	2015	2016	2017	Average
Branch Import	1535.98	3617.23	4564.08	4966.18	6931.09	4322.912
Growth rate		135.50%	26.18%	8.81%	39.55%	42.02%

Explanation: Southeast bank Motijheel branch (Islamic banking) last five years import graph we see that on the graph. Every year import contribution are rising. in the graph see that rapid change in 2014 its **135.5%** increase from previous year. Lowest growth happen in 2016 only **8.81%**. But at the year of 2017 contribution are better as its figure value are highest from last years. Import RMG accessories product are most of them. As a branch, Motijheel branch a large amount of contribution on the import business of the southeast bank overall.



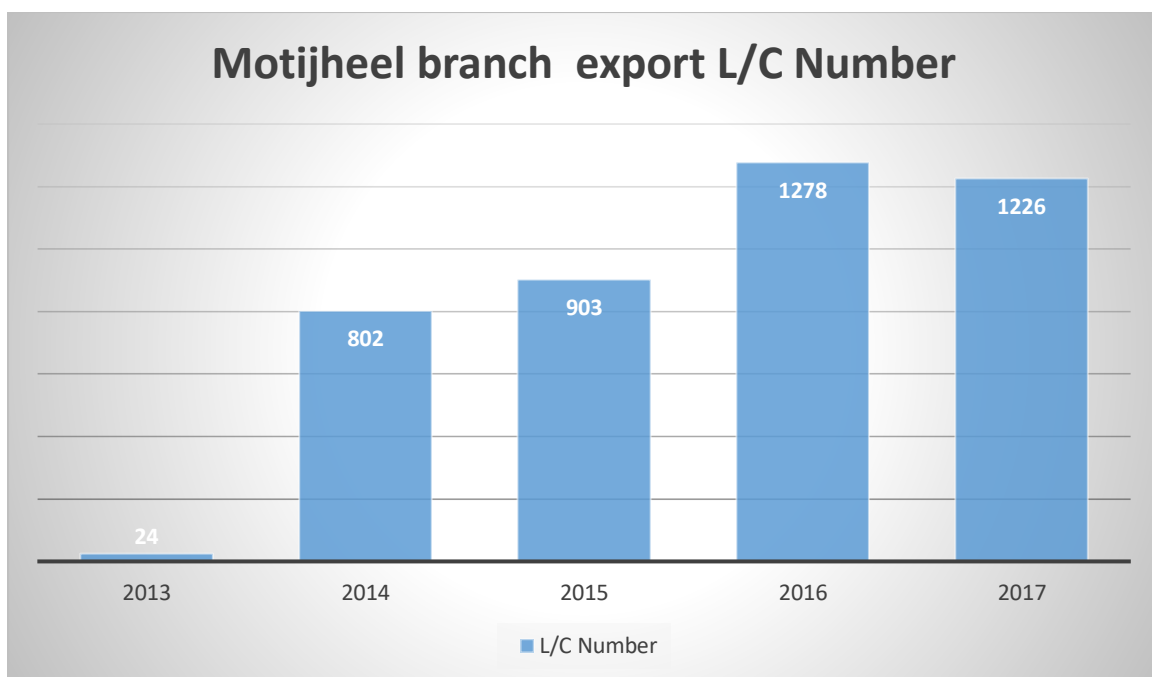
Explanation: This graph show that the number of import L/C. Last five years we see that L/C number are increase from each other. This shows that the import business are doing well. As a branch import business doing very well.

4.6 Motijheel (Islami Banking Branch) Export



year	2013	2014	2015	2016	2017	Average
Branch export	138.8	3545.86	4085.61	5089.98	5209.65	3613.82
Growth rate		2451.34%	15.22%	24.58%	2.35%	498.70%

Explanation: Southeast bank Motijheel branch export graph we see that 2013 export are very poor comparatively other year. This year beginning of the export business as a branch. After 2013 branch overcome the situation.in 2014 contribution 2451.34%.that is massive change in export business. In 2017 having lowest growth 2.35% compeer to recent years. Although the percentage of growth rate are positive. This positive growth rate indicate that branch doing well in export business. Last four year branch doing better on export business. As a branch her contribution on export is good enough.



Explanation: we see this graph export L/C number. In 2013 export L/C open only 24 .next year 2014 are make change from previous yare and its take 802 L/C. this is a very good change on export business. After that improvement are maintain properly. In 2017 are lower than 2016. Sometimes it can be happen in business. As a branch contribution in export business are well, number of L/C indicate that.

4.7 Motijheel Branch Contribution of Southeast Bank LTD.

Year	Export			Import		
	Southeast bank	Motijheel Branch	Percent	Southeast bank	Motijheel Branch	Percent
2013	95220.4	138.98	0.15%	131,644.82	1535.98	1.17%
2014	112,137.60	3,545.86	3.16%	155,691.73	3617.23	2.32%
2015	126,423.89	4,085.61	3.23%	151,812.58	4564.08	3.00%
2016	146,606.09	5,089.98	3.47%	171,531.73	4966.18	2.90%
2017	167,562.98	5,209.65	3.11%	215,379.77	6931.09	3.22%

Explanation: On this table show that Motijheel branch how much contribute southeast bank export and import business. As a branch contribution are good show the percentage of the each year. In 2013 0.15% only export contribution on over all bank. After 2013 the year branch contribution are rise over all export business of southeast bank. On the other side import business contribution of branch are also almost balance on each year. As Motijheel branch stand in commercial area doinik bangla. Aspect more contribution in overall banking as a branch.

Chapter 5

Findings & Recommendation & Conclusion

5.1 Findings

1. Southeast bank Ltd overall export is significant improvement each year. Last five years export growth rate is positive. 12.5% growth rate on average last five year indicate a moderate export performance in export business.
2. Southeast bank Ltd overall import business is fluctuated for the last five years. In 2015 2.49% are diminishing from the earlier year and 2016 better execution it was 12.99 % expansion from the earlier year.
3. Compare export & import business of southeast bank Ltd find that import business curve are upward than export business.
4. Southeast bank ltd overall remittance growth rate 20.54% on average last five years.
5. As a Motijheel branch import contribution growth rate is 42.02% last five years. In 2014 the growth rate is rapidly change 135.50% from the previous year.
6. As a Motijheel branch export in 2014 the growth rate is 2451.34%, massive change from the previous year. But after 2014 the export growth rate is not satisfying the performance compared with 2014.
7. Branch contribution on overall export & import business is not satisfying. Last five year's branch contribute only 3% on export and import business. As Motijheel branch might play better role in business.
8. Employee's lack of service knowledge for that reason providing service are delay.
9. Customized about successful promoting for outside trade business is missing.

5.2 Recommendation

In the light of above examinations we have seen that setting aside extra cash region need mulled over framework endure and to do extraordinary couple recommendations the light my examination of ©Southeast Bank Limited. To improve Foreign exchange department services quality, bank should make sure training for each employee.

- Need to pay more attention on export business to expand. For that bank should increase marketing activities to doing more export business.
- Need to increase communication with corporate houses to expand foreign trade business.
- Giving the best service to the client open a good service center.
- Magnetic ink character recognition (MICR) system use on various service that reduce the time.
- Bank can introduce biometric authentications system its help to secure customers wealth.
- Branch need a speared remittance department is required for the giving best service to the client.
- Every six months after bank provide a general training on overall service & quality management for each employee.
- Bank expend their business thru opening more branch Dhaka and other city of the country.

CONCLUSION

Banks and money related establishments assume an imperative job during the time spent monetary development of nation. Given their extensive financial potential, these organizations have a far – achieving sway on the advancement and welfare procedure of the encompassing social orders. These money related establishments depend, in aggregating their monetary assets, essentially on the inflow of stores. With the end goal to survive and make progress, these banks attempt to draw in customers looking for advances to back their distinctive exercises as indicated by the banks set up terms and conditions. These banks, which are called business banks, depend in their exchanges on the financing cost, as the driving component, which animates every one of their dealings. In a developing country like Bangladesh, banking business is very much competitive. More than sixty banks are operating at this moment and competing to hold maximum market share. For smoothen operation every bank must have the capability of managing asset/liability, liquidity and credit. The financial performance assessment shows that the productivity of the bank has apposite pattern. Productivity is a marker of a bank's ability to convey chance and/or to expand its capital. The income statement, a key source of information on a bank's profitability, as well as the analysis reveals that Southeast Bank Ltd. has - attained significant amount of profitability over the years. With a limited number of branch network it has recorded positive growth in net profit because of proper management and right selection of investment criteria. The bank has strong core deposit signifying sound liquidity position and maintaining an ideal scenario in advance-deposit ratio. Generally speaking monetary picture of Southeast Bank Ltd. throughout the previous five-year time frame demonstrates that it has emphatically set its root in the monetary field of Bangladesh. The figures don't recount the account of disappointment. The pattern is agreeable to Southeast Bank Ltd. also, the administration should step up with regards to hold the bank's way to the achievement.

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