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ANAB. Kufus
WASH TAKE N/A

BANGLADESH BANK

(Central Bank of Bangladesh)

Head Office

Motijheel, Dhaka-1000
Bangladesh

Banking Regulation &
Policy Department

30/3/10
EVP

Ref.BRPD(P-3)744(111)/2010-1032

Managing Director
Islami Bank Bangladesh Limited
Head Office
Dhaka-1000

ISLAMI BANK BANGLADESH LTD Managing Director's Secretariat Head Office, Dhaka	EVP (TD) SVP (ERSB) VP (FTD) VP (OB) VP (D.Room) / AVP (FTPD) / AVP (Est) PA
RECEIVED 29 MAR 2010 Initial	DEPUTY MANAGING DIRECTOR 29-83-10
For necessary action/disposal DMD (IBBL) MD	

Dear Sir,

Permission to operate Off-shore Banking Unit (OBU)

With reference to your application dated 03-3-2010 forwarded by the Bangladesh Export Processing Zones Authority (BEPZA) vide their letter No.IP:P-38/112 dated 08-3-2010 on the captioned subject, we are pleased to accord our permission to operate three Off-shore Banking Units (OBUs) at Head Office Complex Branch-Dhaka, Uttara Branch-Dhaka and Agrabad Branch-Chittagong subject to the following terms and conditions:-

1. The OBUs, though located in your Head Office Complex Branch-Dhaka, Uttara Branch-Dhaka and Agrabad Branch-Chittagong, will operate through completely separate counters and maintain its own accounts relating to Off-shore banking business separately.
2. The operations of the Units shall be subject to the relevant laws of Bangladesh except those in respect of which exemptions are provided.
3. The OBUs will be free to accept deposit from or to borrow from persons/institutions not resident in Bangladesh including Bangladesh nationals working abroad. The OBUs will also be free to accept deposits from or to borrow from Type-A (wholly foreign owned) units in the Export Processing Zones in Bangladesh. The OBUs **shall not** accept deposits from persons/institutions resident in Bangladesh including Type-B (Joint Venture) and Type-C (wholly local owned) units in the Export Processing Zones in Bangladesh.
4. The OBUs shall carry on transactions in freely convertible foreign currencies i.e. US Dollar, Pound Sterling, Japanese Yen, Swiss Franc, Canadian Dollar, Swedish Kroner, Singapore Dollar, South Korean Won and Euro.
5. (a) The OBUs shall be free to make loans/advances to persons institutions not resident in Bangladesh and also to make loans/advances to Type-A (wholly foreign owned) units in the Export Processing Zones in Bangladesh.
(b) Industrial units outside the Export Processing Zones and Type-B and Type-C industrial units within the Export Processing Zones in Bangladesh may avail term loans in foreign currencies from the OBUs subject to compliance with the guidelines issued by the Board of Investment for borrowing abroad by industrial units in Bangladesh.
6. Banks functioning in Bangladesh may also maintain correspondent relation with OBUs in the manner they maintain such accounts with their foreign correspondents.

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7. The OBUs will submit reports/returns to Bangladesh Bank as and when asked for. The books and records of OBUs shall have to be kept ready for inspection at any time by Bangladesh Bank.
8. The OBUs will be free to take out insurance abroad and not be subject to local insurance laws.
9. The OBUs, regardless of its locations in Bangladesh, would get coverage under EPZ Act,1980.
10. Islami Bank Bangladesh Limited, Head Office, Islami Bank Tower, 40-Dilkusha C/A, Dhaka-1000 will be held liable to make payment of any liability created by the OBUs.
11. The OBUs have been allowed exemptions from the purview of provisions of the Banking Companies Act,1991 except those of Sections 31, 32, 36(2), 37, 44, 45, 49, 109(2), 109(4), 109(7), 113, 121 and 122. The OBUs have been allowed exemption from Article 36(1) of Bangladesh Bank Order, 1972.
12. Date of commencement of OBUs operations should be communicated to the Bangladesh Bank within 7 (seven) days of such commencement.
13. The operations of OBUs shall not be closed without prior permission of the Bangladesh Bank.

Yours Sincerely,

(Md. Sohrawardy)
General Manager
Phone-7117825