

Bank Company Act 1991

- **Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972)**
- **Bank Company Act 1991**
- **Bank Company (amendment) Act, 2013**
- Negotiable Instruments Act, 1891
- **Banker's Book of Evidence Act, 1891**
- Foreign Exchange Regulations (Amendment) Act, 2015
- Foreign Exchange Regulations Act, 1947
- **Financial Institutions Act, 1993**
- Financial Reporting Act, 2015
- **Bank Deposit Insurance Act, 2000**
- **Money Loan Court Act, 2003**
- Micro Credit Regulatory Authority Act, 2006
- Money Laundering Prevention (Amendment) Act, 2015
- Money Laundering Prevention Act, 2012

- A set of acts, laws, regulations, and guidelines have been enacted and promulgated time to time since establishment of BB's
- Those laws and regulations helped BB to perform its role as a central bank particularly, to control and regulate country's monetary and financial system.

Bangladesh Bank Order 1972, Bank Companies Act 1991, and Financial Institutions Act 1993

- BB Order 1972 set up Bangladesh Bank, which regulates the banking activities of bank companies that operate under the Bank Companies Act 1991.
 - The provisions of the Bank Companies Act 1991 are in addition to the provisions of the Companies Act 1994.
 - Also, non-banking financial institutions are governed by BB based on the provisions of the Financial Institutions Act 1993.
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- The Bank Company Act came into **force on 14th February, 1991**
 - It makes provisions for banking companies.
 - This Act shall not apply to co-operative banks or any other financial institution registered under the Cooperative Societies Ordinance.

These two Acts set the scope of activities of bank companies and non-banking financial institutions.

- These two Acts provide the regulatory steps that may be taken by BB, including powers to license and give directions to such companies in public interest or in the interest of monetary and banking policy.
- These Acts ensure their proper management

What is Scheduled Bank?

Scheduled Banks: The banks which get license to operate are termed as Scheduled Banks.

Non-Scheduled Banks: The banks which are established for special and definite objective and operate under the Acts that are enacted for meeting up those objectives, are termed as Non-Scheduled Banks. These banks cannot perform all functions of scheduled banks.

Criteria for a Scheduled Bank:

Scheduled banks are licensed under the Bank Company Act, 1991 (Amended up to 2013) and BB order 37 of BB Order, 1972 .Currently, there are **61 scheduled banks** in Bangladesh.

BB may declare any bank to be a scheduled bank under Article 37 of BB Order, 1972 that is carrying banking business in Bangladesh.

- **Application of other Acts** - The provisions of this Act shall be applicable in addition to the Companies Act, 1994 , and any other Act for the time being in force.

Limited application of this Act to co-operative banks and other financial institutions.

- However, BB may carry out inspections of and issue directions to co-operative banks as prescribed for banking companies under section 44 and 45 of this Act.

- **Power to suspend operation of this Act-**

1. The Government , on a representation made by the BB, may by notification in the official Gazette suspend for at most **60 days the operation of all or any of the provisions of this Act in relation to any specified banking company.**
2. The Government may, by notification in the official Gazette, extend from time to time, the period of any suspension not exceeding 60 days at one time.

Business of Banking Companies

(1) In addition to banking business, a bank may engage in all or any of the following forms of business-

- a) the borrowing, raising or taking up of money;
- b) the lending or advancing of money with or without security;
- c) the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, participation term certificates, term finance, musharika, and modaraba certificates, and such other instruments as approved by BB;
- d) the granting and issuing of LC, traveler's checks, and circular notes;
- e) the buying, selling, dealing, holding of gold and silver coins and coins of other metals; foreign exchange including foreign bank notes;
- f) the acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds, shares, debenture stock, obligations, participation term certificates, term finance certificates as approved by the BB;

- g) the negotiating of loans and advances;
- h) the receiving of all kinds of bonds or other valuables on deposit or for safe custody or otherwise;
- i) providing vaults for the safety of the deposits;
- j) the collecting and transmitting of money against securities;
- k) acting as agents for the Government, local authorities, or any other person;
- l) the carrying on of agency business including the clearing and forwarding of goods;
- m) contracting for public and private loans and negotiating and issuing the same;
- o) the effecting, insuring and underwriting of shares, stocks, debentures of company, corporation or association and the lending of money for the purpose of any such issue;
- p) the carrying on and transacting of every kind of guarantee and indemnity business;
- q) the buying and acquiring of any kind of property including merchandise, patents, trademarks and copyrights;

