The following notification has been received from the delegation of Bangladesh in response to the Questionnaire on Import Licensing Procedures annexed to document L/5106/Rev.2

Outline of system

1. "Give a brief description of each licensing system as a whole and, with respect to each, reply to the following questions as relevant, placing all of the material with respect to a given system in sequence together, and using cross references as appropriate when elements which have already been described are also present in another system."

Import of goods and commodities into Bangladesh are subject to certain regulations and controls prescribed by the Imports and Exports Control Act, 1950, and the rules framed thereunder. The controls were initially envisaged during the Second World War to conserve shipping space. Subsequently, with the increase of exchange difficulties and in the interest of economic development, the extent and scope of regulations and controls were widened. Bangladesh inherited the licensing system which was prevalent in Pakistan up to 1971. Subsequently, there have been many changes in the Import Control Regulations. For example, the system of licence for import of finished commodities by the commercial importers was abolished from 1 January 1976 and was replaced by a system of Letter of Credit Authorization Forms. Similarly, the system of licence for import of industrial raw materials and spares by the recognized industrial consumers was abolished from 1 July 1983 and was also replaced by Letter of Credit Authorization Form.

The categories of importers are:

(i) Registered commercial importers;
(ii) Registered industrial importers;
(iii) Registered importers under Wage Earners' Scheme;
(iv) Other casual importers like actual users and importers under Passengers' Baggage Rules.
Commercial importers are selected on the basis of certain criteria for specific items. They are issued with import registration certificate and passbook in which their item(s) is recorded. Commercial importers are allowed to import their respective items at official exchange rates in accordance with a flat rate per annum. Industrial consumers, after sanction, are issued with import registration certificates and passbooks in which the required items of raw and packing materials, spares and their entitlement for each item on one shift operation basis are recorded. They are allowed to import at a certain percentage of their entitlement every year. Import under Wage Earners' Scheme is generally open to all importers registered under the Scheme and all registered commercial and industrial importers. There is no value or quantitative restriction for import under this Scheme, except for a few commercial items in which case a value restriction for each letter of credit has been provided in order to enable small importers to compete with big importing houses. Importers under Wage Earners' Scheme (WES) are not required to obtain import authorization. They can directly open letters of credit and on receipt of shipping documents obtain import permits from the import control authority for release of goods from the customs authorities at the point of entry.

Import also takes place under Export Performance Licence (XPL). All items eligible for import under WES are also permissible for import under XPL. The scheme is designed as an incentive to exporters who get Import Entitlement Certificate (IEC) at a certain proportion of their export earnings. These IECs issued in foreign currency are freely transferable in the market. The ultimate buyer applies for issue of import authorization against IECs. The exporter can also utilize the IECs for import of raw materials or any other permissible items for his own use.

Purposes and coverage of the licensing

2. "Identify each licensing system maintained and state what products, appropriately grouped, are covered."

The licensing system has been detailed above. The products importable by each group of importers vary from year to year. Generally speaking, commercial importers are allowed to import finished consumer items and a separate list of such items is included in the Import Policy Order. The items importable by the commercial importers during 1983-84 are in Annex A. Industrial consumers are allowed to import raw and packing materials and maintenance spares. The sponsoring authority for the industry concerned recommends the items of raw and packing materials in respect of each sector of industry. This is then incorporated in the Import Policy Order (Annex B). There is a separate list of items (Annex G) which are permissible for import under WES. Importers under WES can also import any commercial items or industrial raw and packing materials and spares unless any item is specifically restricted for import under the Scheme. In actual practice there is very little restriction, except for procedural reasons, in the import of any permissible items under WES.

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3. "The system applies to goods originating in and coming from which countries?"

Goods originating from all countries of the world except South Africa and Israel are permissible for import. No import of goods is permissible on the flag vessels of Taiwan, South Africa and Israel.

4. "Is the licensing intended to restrict the quantity or value of imports, and if not, what are its purposes? Have alternative methods of accomplishing the purposes been considered and if so which? Why have they not been adopted?"

Import authorization for each item at the official exchange rate is intended to restrict imports to the quantity required in the country. The quantities are then converted into values at the prevailing international price. Import for each item is authorized in value in accordance with national requirement thus estimated. There is, in general, no quantity or value restriction on imports under WES, except for a few items, in which case the value of each letter of credit is restricted to a certain amount.

Import authorization is issued to commercial importers at a flat rate arrived at by dividing the value to be imported equally among the importers. Import authorization to industrial consumers is issued on a percentage basis of the entitlement of each unit. These systems, while providing an orderly and predictable basis for importing various items, allow the government to maintain a rational control on imports.

5. "Cite the law, regulation and/or administrative order under which the licensing is maintained. Is the licensing statutorily required? Does the legislation leave designation of products to be subjected to licensing to administrative discretion? Is it possible for the government (or the executive branch) to abolish the system without legislative approval?"

Import and administration of import control régimes are regulated by the Imports and Exports Control Act, 1950 (Annex I)¹ and the Orders framed under this Act. These are:

(a) Importers, Exporters and Indentors (Registration) Order, 1981, Annex D¹;
(b) Licences and Permits Fees Order, 1958, Annex E¹;
(c) Review, Appeal and Revision Order, 1977, Annex F.¹

As mentioned earlier, licensing is not required for import of any commercial or industrial items. A simpler form of import authorization has been introduced. The Imports and Exports Control Act, 1950, provides for control of imports in such a flexible way that imports can be authorized

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either under the licensing system or under any form of authorization. Since the switch from licence to import authorization did not call for an amendment of the provisions of the Imports and Exports Control Act, there was no necessity for legislative approval for such modification of the import authorization system. However, such modifications required approval of the Cabinet. If any provision of the Imports and Exports Control Act requires amendment it would need approval of the legislature.

Procedures

6. "For products under restriction as to the quantity or value of imports (whether applicable globally or to a limited number of countries or whether established bilaterally or unilaterally):

(a) "Is information published, and where, concerning allocation of quotas and formalities of filing applications for licences? If not, how is it brought to the attention of possible importers, of governments and export promotion bodies of exporting countries and their trade representative; is the overall amount published; the amount allocated to each country; the maximum amount allocated to each importer?"

The Import Policy Order published through a government gazette with effect from 1 July each year contains the basis of import authorization for both commercial importers and industrial consumers. All other formalities involved for issue of import authorization are detailed in the Import Policy Order. In addition, the Chief Controller of Imports and Exports issues public notices announcing further basis and/or amending any basis and import formalities announced earlier. The public notices are published in all important newspapers. These are also sent to all relevant government departments, Chambers of Commerce and Industries and registered trade associations.

The Import Policy Order and the public notices are not sent to the governments and export promotion bodies of the exporting countries. The Import Policy Order is, however, a publication and trade representatives of exporting countries stationed in Bangladesh can procure copies of the Import Policy Order and public notices issued from time to time without difficulty.

The amount involved in the overall programme is not published. However, the import requirements of all the sectors are worked out in consultation with all concerned agencies. Release of foreign exchange or issue of import authorization is made on the basis of the approved programme.

As mentioned earlier commercial importers are provided with foreign exchange for import of their respective category items at a flat rate. For instance, during 1983–84 all commercial importers, except those of finished drugs and medicines, have been provided foreign exchange at the official exchange rate equal to Tk 50,000 each. Importers of drugs and medicines
have been provided with foreign exchange equal to Tk 150,000 each. Industrial consumers are provided foreign exchange at a certain percentage of their entitlements fixed by the sponsoring authority. During 1983-84 various sectors of industries are being issued authorizations as shown below:

(i) Pharmaceutical industry 150% of entitlement
(ii) Selected export-oriented industries 150% of entitlement
(iii) Handloom units 100% of entitlement
(iv) Other industrial sectors in priority List A (List in Annex C) 60% of entitlement
(v) Industries in priority List B (List in Annex H) Raw materials must be imported exclusively under WES/XPL; no amount at official exchange rate is to be provided to these sectors

Import under WES/XPL, except for a few commercial items, can be made without value or quantity restriction.

Public sector industrial units do not have any fixed entitlements. Their requirements of raw materials and spares are assessed on the basis of their actual production programme. Once this programme has been approved, necessary foreign exchange is released in their favour to import essential items.

The Trading Corporation of Bangladesh is also allowed to import a pre-determined portion of the national requirement of some items like cement, milk-food and drugs and medicines.

(b) "How is the size of the quotas determined: on a yearly, six-monthly or quarterly basis? Are there cases where the size of quota is determined on a yearly basis (but licences are issued for import on a six-monthly or quarterly basis)? In the latter case is it necessary for importers to apply for fresh licence on a six-monthly or quarterly basis?"

Import quotas are determined on a yearly basis, but import authorizations are generally issued on a half-yearly basis. Industrial units with small entitlements are issued import authorizations on a yearly basis at a time. Importers are required to submit Letter of Credit Authorization Forms for each half-yearly share.

(c) "Are licences allotted for certain goods partly or only to domestic producers of like goods? What steps are taken to ensure that licences allocated are actually used for imports? Are unused allocations added to quotas for a succeeding period? Are the names of importers to whom

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1 Not reproduced. These documents are on file in the secretariat (Room 1059, Centre William Rappard).
licences have been allocated made known to governments and export promotion bodies of exporting countries upon request? If not, for what reason? (Indicate products to which replies relate.)"

Commercial importers are selected by inviting applications from traders. Applicants who fulfil required conditions are accepted as importers for the item for which they submitted application. A commercial importer accepted for a certain item need not be a previous dealer in or producer of the item for which he has been accepted as an importer. In fact, industrial units are not allowed to apply as commercial importers. Industrial importers are allowed to import required raw and packing materials and spares for production of goods. They are not allowed to import finished goods of which they are producers within the country. However, all commercial and industrial importers, and those registered under WES may import permissible commercial items under WES/XPL. The items selected for import under the Scheme at a particular time depends on demand and supply in the local market and may not necessarily be the item in which an importer generally deals.

Before 1981-82, an importer who did not utilize his import authorization for import in any of the two shipping periods in a financial year was not allowed to obtain authorization in the following year. Importers were required to submit proof of opening a letter of credit to be issued a fresh import authorization. If an importer did not utilize his share during two successive shipping periods his import registration certificate was liable to be suspended/cancelled. At present there is no punitive measure for non-utilization or part-utilization of a share. This system has been made flexible and importers decide themselves whether or not to utilize their respective shares in a year. Unused allocations of each individual importer lapse with the termination of the financial year.

Names of importers issued with import authorization are made known to the governments and export promotion bodies of the exporting countries on request. There are also local agents (known as indentors) representing various foreign companies and manufacturers. Local importers are required to obtain indents/pro forma invoices from the local agents before opening letters of credit. Therefore, the foreign suppliers are automatically informed through their local agents about the particulars of interested and authorized importers.

(d) "From the time of announcing the opening of quotas, as indicated in (a) above, what is the period of time allowed for the submission of applications for licences?"

Authorization forms are generally to be submitted twice during a financial year. Each financial year is divided into two shipping periods. In the first shipping period (July-December) letter of credit authorization forms are to be submitted latest by the last week of November and in the second shipping period (January-June) the latest date for submission of letter of credit authorization forms is generally the last week of April.
(e) "What are the minimum and maximum lengths of time for processing applications?"

There is no minimum and maximum length of time imposed by governments for processing letter of credit authorization forms. Usually, banks complete all formalities and open a letter of credit within a period of fifteen days from the date of submission of the letter of credit authorization forms by the importer to the bank.

(f) "How much time remains, at a minimum, between the granting of licences and the date of opening of the period of importation?"

Different periods of time are allowed for opening of letters of credit and shipment for different authorization forms. They are:

(i) For commercial authorization forms under cash foreign exchange and XPL
   Six months for openings letters of credit and making shipment

(ii) Industrial raw materials and spares under cash foreign exchange
    Nine months for opening of letters of credit and shipment

(iii) Import of any item under WES
     No time limit

(iv) Commercial and industrial authorization under commodity aid/barter
     As per provisions of relevant Agreement.

Time for shipment ((i) and (ii) above) may be extended up to a maximum period of eleven months for commercial items and industrial raw materials and seventeen months for replacement machineries and spares if the shipment could not be effected earlier for no fault of the importer.

(g) "Is consideration of licence applications effected by a single administrative organ or must the application be passed on to other organs for visa, note or approval? If so, which? Does the importer have to approach more than one administrative organ?"

The system of import authorization has been considerably simplified in recent years. At present importers are no longer required to approach the office of the Chief Controller of Imports and Exports for issue of import authorizations. Importers go to their respective banks directly and submit their letter of credit authorization forms. The banks process the letter of credit authorization forms in accordance with general authorization given in the Import Policy Order and get them registered with a Bangladesh bank and open a letter of credit. The importers are not required to approach any other organization in the matter. However, in the case of industrial import, specific recommendation of the sponsoring authority in certain cases is necessary. By and large, import authorizations are now processed by one agency, i.e. the bank of the individual importers.
(h) "If the demand for licences can not be fully satisfied, on what basis is the allocation to applicants made? First come, first served? Past performance? Is there a maximum amount to be allocated per applicant and if so, on what basis is it determined? What provision is made for new importers? Are applications examined simultaneously or on receipt?"

Efforts are made to accommodate all importers within the available allocation. As mentioned earlier, commercial basis of authorization is announced at a flat rate and industrial basis on a percentage basis. In case of limited availability of foreign exchange against a certain source (cash foreign exchange or commodity aid) authorizations are at times issued on a first-come-first-served basis. Those who are left out are however accommodated against other sources of financing.

Information regarding the maximum amount allocated to different kinds of importers has been given in the preceding paragraphs. New commercial importers are inducted occasionally after receipt of all applications within the prescribed time. Permission for submitting a letter of credit authorization form is generally given in the next financial year. The cases of new industrial importers are considered from time to time. After approval, new industrial units are allowed import authorization at 50 per cent of recommended entitlement for trial run. Eventually, the entitlements of the new industrial importers are finalized by the Licensing Board and the units are allowed to obtain authorizations at normal percentage.

(i) "In the case of bilateral quotas or export restraint arrangements, where export permits are issued by exporting countries, are import licences also required? If so, are licences issued automatically?"

The answer is "yes". Licences are issued to entitlement holders in accordance with the basis announced by the CCI&E.

(j) "In cases where imports are allowed on the basis of export permits only, how is the importing country informed of the effect given by the exporting country to the understanding between the two countries?"

No export permit is generally required for export of any Bangladeshi product. However, export of restricted items takes place either on the basis of general exemption or against export permit issued by the CCI&E. Export permit or special authorization is very seldom necessary. Even if an export permit is issued, it is designed to monitor quantum of export, rather than impose any additional restrictive condition of export. As such, so far as the importer is concerned, he is not put to any additional disability for shipment of his consignment when an export permit has been issued to the Bangladeshi exporter.

Since the condition of export permit for export of any product is imposed in the light of the import and export policies in force, such
condition also does not come into conflict with bilateral agreement with any country. No flow of information is, therefore, required for facilitating such exports.

(k) "Are there products for which licences are issued on condition that goods should be exported and not sold on the domestic market?"

Some items of raw materials are imported for exclusive processing for exports. The imported items are generally kept in the customs bonded warehouse from where importers take desired quantity of raw materials in instalments for processing and eventual export. Import authorization is issued in such cases with the condition of re-export after processing of the raw material. However, in some cases, like the garment sector, no import authorization is necessary for import of raw materials. Import takes place against back-to-back letter of credit system under which the local exporting unit can open letters of credit for import of raw materials up to 75 per cent of the value of the irrevocable letter of credit received by it from the foreign importer.

7. "Where there is no quantitative limit on importation of a product or on imports from a particular country:

(a) "How far in advance of importation must application for a licence be made? Can licences be obtained within a shorter time limit or for goods arriving at the port without a licence (for example, owing to inadvertency)?"

The necessary information has been provided at 6(e) and (f). Import of all goods must be made by opening a letter of credit. If, however, goods are imported inadvertently without the cover of a letter of credit the goods are detained by the customs and the importer concerned is to apply to the office of the Chief Controller of Imports and Exports for permission for clearance of the consignment. Such requests are considered on merit of each case. If the importation is adjudged as a gross contravention and against the socio-economic objectives of the government, the goods are confiscated by the customs and the Customs Act, otherwise such goods may be released, without or with some punishment, for domestic consumption.

(b) "Can a licence be granted immediately on request?"

An eligible importer can get import authorization immediately if a basis for his item or his sector of industry has already been announced. Announcement of a basis depends on the availability of funds.

(c) "Are there any limitations as to the period of the year during which application for licence and/or importation may be made? If so, explain."

The necessary information has been supplied in 6(f).
(d) "Is consideration of licence applications effected by a single administrative organ or must the application be passed on to other organs for visa, note or approval? If so, which? Does the importer have to approach more than one administrative organ?"

The information has been supplied in 6(g).

8. "Under what circumstances may an application for a licence be refused other than failure to meet the ordinary criteria? Are the reasons for any refusal given to the applicant? Have applicants a right of appeal in the event of refusal to issue a licence and, if so, to what bodies and under what procedures?"

Letters of credit authorization submitted by an importer may be refused on the following grounds:

(i) If his import registration certificate has not been renewed for the year in question;

(ii) If his import registration certificate has been suspended/cancelled;

(iii) If basis for the item or his sector of industry has not been announced;

(iv) If the sponsoring authority of the importer (in the case of industrial importer) has recommended suspension of import facility for any reason.

The importer concerned is informed in writing of the decision of the government suspending licensing facility. The importer concerned has a right to refer a review to the Regional Office of the Chief Controller of Imports and Exports within one month from the date of issue of the refusal/suspension letter. If the importer is not satisfied with the decision of the Review Authority he may file an appeal with the Chief Controller of Imports and Exports. If the importer is still not satisfied with the decision of the Chief Controller of Imports and Exports he may file a Revision Application with the Secretary, Commerce Division. The procedures in this regard are provided in the Review, Appeal and Revision Order framed under the Imports and Exports (Control) Act, Annex I.¹

Eligibility of importers to apply for licence

9. "Are all persons, firms and institutions eligible to apply for licence:

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(a) "Under restrictive licensing system?"

As explained earlier commercial importers are selected by inviting applications from trading houses throughout the country on the basis of certain predetermined criteria. When selected for the item for which he applied, the importer is granted an Import Registration Certificate and a passbook giving details of the item of his import. Only such importers can import commercial items as and when basis is announced. An importer, in order to be eligible to import, has to pay an annual registration fee.

Recognized industrial units are provided with an entitlement with breakup of items of raw and packing materials they can import. Industrial importers are also issued import registration certificates and passbooks giving details of items of imports and their value. These importers are also required to renew their import registration certificate by paying a prescribed registration renewal fee.

(b) "Under non-restrictive system?"

Import under WES/XPL can be made without value or quantity restriction (only a few commercial items are subjected to value restriction under the Scheme). Any person, firm or institution can undertake import under WES/XPL. Importers under WES are also required to obtain an import registration certificate on payment of prescribed registration fee and these certificates are also to be renewed every year. However, any Bangladeshi firm or individual can obtain registration and no criteria other than nationality is required to be fulfilled, e.g. income tax payment, business experience, etc. Government departments, corporations and actual user-importers are allowed to import under the scheme without import registration certificate.

Documentational and other requirements for application of licence

10. "What information is required in applications? Submit a sample form. What documents is the importer required to supply with the application?"

Importers are required to submit to the nominated bank the following documents for import against a letter of credit authorization form:

(i) Letter of credit authorization form duly filled in and signed by the importer;

(ii) Letter of credit application form duly signed by the importer;

(iii) Indents for goods issued by an indentor having valid indenting registration certificate or a proforma invoice issued by the foreign supplier where there is no local agent of such suppliers;
(iv) Insurance cover note;

(v) Valid membership certificate from the concerned Chamber of Commerce and Industry or from the concerned registered Trade Association (in the case of private importers);

(vi) Proof of payment of renewal fees for the import registration certificate for the respective year (for private importers);

(vii) In case of import under XPL Scheme, valid Import Entitlement Certificate for the amount applied for, duly endorsed in favour of the applicant;

(viii) In case of import of drugs and medicines (allopathic), valid drug licence (for private sector importers);

(ix) In case of pharmaceutical raw and packing materials, approval of the list of items with corresponding amounts from the Director, Drug Administration;

(x) In case of new ad hoc industrial units, specific authorization letters in duplicate from the concerned licensing authority;

(xi) Any other document as may be required by the licensing authority in specific cases.

Importers under WES can open a letter of credit through their banks by showing valid registration certificates and on the basis of an indent/proforma invoice.

11. "What documents are required upon actual importation?"

Items imported by commercial importers and industrial consumers against letter of credit authorization form are cleared from the customs point on submission of shipping documents received from the supplier and Bill of Entry duly filled in. No further clearance from the import control authority or from the bank is necessary. In the case of import under WES importers are required to submit shipping documents to the Import Control Authority for issue of import permit. Thereafter, the importer releases the imported consignments from the customs bond on submission of shipping documents, including bill of entry and a copy of the import permit.

12. "Is there any licensing fee or administrative charge? If so, what is the amount of the fee or charge?"

Licence/permit fee is charged on all imports, except government imports, imports by charitable institutions specifically exempted as such and a few sensitive raw materials like raw cotton, POL, fertilizer, clinker and raw phosphate. The rate of licence/permit fee is as under:
(i) Value of imports up to Tk 20,000.00 No fee.

(ii) Value of imports exceeding: Tk 20,000.00 but up to Tk 100,000.00 2%

(iii) Value of imports exceeding Tk 100,000.00 3%

13. "Is there any deposit or advance payment requirement associated with the issue of licences? If so, state the amount or rate, whether it is refundable, the period of retention and the purpose of the requirement."

No deposit or advance payment is required for issue of import authorization. However, in the case of authorization under Export Performance Licence (XPL) the importer is required to surrender Import Entitlement Certificate (IEC) covering the full value of the authorization. In the case of imports under WES the importers are required to place the full amount of foreign exchange with their banks before opening of letter of credit. The importer's bank provides credit accommodation to importers under XPL and WES to enable them to buy the foreign exchange and the actual amount of credit for each letter of credit depends on bank-client relationship. Therefore, in almost all cases of import, banks offer credit in local currency to the importers under WES/XPL, which finances part of the cost for purchase of foreign exchange from the wage earners' market or for purchase of IEC. A maximum credit accommodation up to 90 per cent of the value of each letter of credit for such import is permissible unless credit control is considered desirable to restrict monetary expansion or unless qualitative credit control is resorted to by the control bank in pursuance of a specific national objective.

In such cases commercial and industrial importers who have been issued import authorization at official exchange rate are required to deposit letter of credit margin in local currency ranging from 5 per cent to 75 per cent of the value of each letter of credit, depending on the nature of merchandise. The remaining amount is realised from the importer at the time of retirement of document from the bank.

Conditions of licensing:


The necessary information has been provided at 6(f).

15. "Is there any penalty for the non-utilization of a licence or a portion of a licence?"
The necessary information has been provided at 6(c).

16. "Are licences transferable between importers? If so, are any limitations or conditions attached to such transfer?"

Import authorizations are not transferable.

17. "Are any other conditions attached to the issue of a licence?"

(a) For products subject to quantitative restrictions?

(b) For products not subject to quantitative restrictions?

The very system of issue authorization to commercial importers and industrial consumers generally presupposes quantitative restrictions on import of commercial items and industrial raw and packing materials. If any quantitative restriction is envisaged on the import of any item under WES/XPL (an otherwise free system of import), government announces special procedure for import of that item within the value restriction.

Other procedural requirements:

18. "Are there any other administrative procedures, apart from import licensing and similar administrative procedures, required prior to importation?"

The various procedures for import have been detailed in the preceding paragraphs.

For import by the private sector, no further formalities, apart from the ones mentioned earlier, are required. However, public sector agencies are required to float international tenders for procurement of various items from abroad. In addition, public sector agencies are required to obtain block approval of their items of import for the whole year from the Industries Division.

19. "Is foreign exchange automatically provided by the banking authorities for goods to be imported? Is a licence required as a condition for obtaining foreign exchange? Is foreign exchange always available to cover licences issued? What formalities must be fulfilled for obtaining the foreign exchange?"

Import authorizations are issued after announcement of basis by the Chief Controller of Imports and Exports. As such, foreign exchange is generally available for import of goods against authorizations issued and registered by the Bangladesh Bank. There may be occasions when foreign exchange against a certain source cannot meet requirement of all the authorizations. In such cases, funds from other available sources are provided to honour the pending authorizations.
Import Authorizations Form is required as a condition for obtaining foreign exchange at official rate.

Once the letter of credit Authorization Form has been registered by Bangladesh Bank, the importer's bank is assured of the availability of foreign exchange and can proceed to process the letter of credit. However, there are prescribed forms which the importer and his bank are to complete before opening letter of credit. A copy of each of these forms is required to be sent eventually to the Exchange Control Department of Bangladesh Bank for record. In the case of letter of credit against commodity aid, letters of credit are required to be transmitted through the designated bank of each credit/grant for ensuring that foreign exchange is available to honour the particular letter of credit.
## ANNEX A

### Commercial List

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of item</th>
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<tbody>
<tr>
<td>1. (i)</td>
<td>Books - College/University/Madrasa/Toll, text and standard reference books</td>
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<tr>
<td></td>
<td>(ii) Maps, charts and geographical globes</td>
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<tr>
<td>2. (i)</td>
<td>Chemicals, all sorts</td>
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<td></td>
<td>(ii) Dyes, all sorts</td>
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<td></td>
<td>(iii) Pigments and dry colours</td>
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<tr>
<td>3.</td>
<td>Drugs and medicines (allopathic)</td>
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<tr>
<td>4.</td>
<td>Electro-medical apparatus and appliances</td>
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<td>5.</td>
<td>Gas in cylinder</td>
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<tr>
<td>6. (i)</td>
<td>Hardware ironmongery, all sorts</td>
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<td></td>
<td>(ii) Needles, all sorts</td>
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<tr>
<td>7.</td>
<td>Homeopathic and Biochemic medicines</td>
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<tr>
<td>8.</td>
<td>Medicinal herbs and crude drugs</td>
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<tr>
<td>9.</td>
<td>Milk food</td>
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<tr>
<td>10.</td>
<td>Medicinal, surgical and dental apparatus and equipment</td>
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<tr>
<td>11. (i)</td>
<td>Machinery, mill work, parts and accessories thereof</td>
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<tr>
<td></td>
<td>(ii) Tools and workshop equipment</td>
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<td></td>
<td>(iii) Ball, roller and taper bearings</td>
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<td></td>
<td>(iv) Non-ferrous metals</td>
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<td>12.</td>
<td>Photographic film, plate and paper</td>
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<tr>
<td>13. (i)</td>
<td>Scientific instruments, apparatus and appliances</td>
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<td></td>
<td>(ii) Drawing and survey instruments and geometry box</td>
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<td></td>
<td>(iii) Laboratory glassware, graduated and ungraduated</td>
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<tr>
<td>14.</td>
<td>Slate and slate pencil</td>
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<tr>
<td>15.</td>
<td>X-ray films and plates</td>
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<tr>
<td>16.</td>
<td>Spare parts for engines, power tillers, tractors and low lift pumps</td>
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<tr>
<td>17.</td>
<td>Artificial eyes and limbs</td>
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<tr>
<td>Sl. No.</td>
<td>Description of item</td>
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<tr>
<td>18.</td>
<td>Daily newspapers, periodicals and journals</td>
</tr>
<tr>
<td>19.</td>
<td>Domestic sewing machines and parts thereof</td>
</tr>
<tr>
<td>20.</td>
<td>Dry fruits</td>
</tr>
<tr>
<td>21.</td>
<td>Electroplating polishes and composition</td>
</tr>
<tr>
<td>22.</td>
<td>Fish hooks</td>
</tr>
<tr>
<td>23.</td>
<td>Milk, condensed and powdered</td>
</tr>
<tr>
<td>24.</td>
<td>Office machines and equipment including cash registers</td>
</tr>
<tr>
<td>25.</td>
<td>Typewriters and parts thereof</td>
</tr>
<tr>
<td>26.</td>
<td>Duplicating stencils</td>
</tr>
<tr>
<td>27.</td>
<td>Special types of ink for office machine like franking machines, cheque writer machines etc.</td>
</tr>
<tr>
<td>28.</td>
<td>Typewriter machines</td>
</tr>
<tr>
<td>29.</td>
<td>Optical instruments</td>
</tr>
<tr>
<td>30.</td>
<td>Optical frames</td>
</tr>
<tr>
<td>31.</td>
<td>Unframed optical lenses and rough blanks</td>
</tr>
<tr>
<td>32.</td>
<td>Patent and farineceous food</td>
</tr>
<tr>
<td>33.</td>
<td>Painters' materials</td>
</tr>
<tr>
<td>34.</td>
<td>Prussian blue</td>
</tr>
<tr>
<td>35.</td>
<td>Requisites for games and sports</td>
</tr>
<tr>
<td>36.</td>
<td>Rubber contraceptives</td>
</tr>
<tr>
<td>37.</td>
<td>Spares for T.V. sets</td>
</tr>
<tr>
<td>38.</td>
<td>Spares for wireless reception instruments</td>
</tr>
<tr>
<td>39.</td>
<td>Coconut oil</td>
</tr>
<tr>
<td>40.</td>
<td>Parts and accessories of bicycles</td>
</tr>
<tr>
<td>41.</td>
<td>Brake fluid</td>
</tr>
<tr>
<td>42.</td>
<td>Parts and accessories of automotive vehicles</td>
</tr>
<tr>
<td>43.</td>
<td>Marine diesel engine spares</td>
</tr>
<tr>
<td>44.</td>
<td>Tyres and tubes, excluding cycle tyres and tubes banned for protection to domestic industry</td>
</tr>
<tr>
<td>45.</td>
<td>Vegetable and flower seeds</td>
</tr>
</tbody>
</table>