



INSTRUCTION CIRCULARS

ISSUED

FROM 1-6-1979 TO 28-2-1982

INDEX OF INSTRUCTION CIRCULARS

ISSUED FROM JUNE 1, 1979 TO FEBRUARY 28, 1982

<u>CIRCULAR NO.</u>	<u>DATE</u>	<u>SUBJECT</u>
<u>1979</u>		
050	June 1	Half yearly closing on 30.6.1979
051	June 7	Numbers for LC to be issued - Marble Arch/Alexandria
052	July 5	Stationery used by branches
053	Oct 31	Introduction to VISA Travellers' Cheques
054	Nov 12	Annual closing on 31.12.1979
055	Dec 21	Travel Regulations/Baggage Rules
<u>1980</u>		
056	April 14	Amendment to Section 3.04.2 (iii) of Advances Manual
057	April 14	Passage facility for home travel
058	May 6	Number for LC to be issued - Bahrain, Heliopolis Branches
059	May 28	Payment of US\$, LStg Term Deposits before maturity
060	June 9	Half Yearly closing on 30.6.80
061	July 18	Numbers for LC to be issued - Togo, Panama Branches
062	July 27	Compliance of warranties under Bankers' Blanket Bond
063	Oct 23	Reimbursing bank charges against a documentary credit
064	Oct 29	Drawing of Foreign currency drafts on banks/branches - introduction of new forms
065	Nov 5	Annual closing on 31.12.1980
066	Nov 17	Drawing of Foreign Currency drafts
067	Dec 29	Numbers for LC to be issued - Dakar, Kasr-El-Aini, Safia Zaghloul Street, Deira Dubai Branches
<u>1980</u>		
068	Feb 9	Education Subsidy Scheme
069	Feb 20	SCR Deposits
070	June 1	Half yearly closing on 30.6.1981
071	June 3	Education Subsidy Scheme
072	June 12	Charging of higher rates of interest on accounts having excess over sanction/drawing limits.
073	June 19	Numbers for L/C to be issued 1) Khartoum Branch, 2) Mouki-Al Azhar, 3) Marseille, 4) Main Branch
074	July 27	Subscription to equity participation certs. issued by Dar Al Maal Al Islam
075	Aug 14	Procedure for use of test key
076	Aug 17	Travel regulations / Baggage rules
077	Aug 24	Numbers for LC to be issued - Branches of BCC (Misr) SAE

Contd...Instruction Circulars

<u>CIRCULAR NO.</u>	<u>DATE</u>	<u>SUBJECT</u>
	<u>1981</u>	
078	Sep 18	Fixed Assets - Minimum Capitalisation Limit
079	Sep 21	Advising L/C Branches close to beneficiaries address.
080	Oct 16	Numbers for L/C to be issued: Manzini, Mbabane, Port Gentil
081	Oct 21	Letters of Credit
082	Oct 27	Precautions against late return of cheques & bank drafts drawer banks in U.S.A.
083	Oct 27	Introduction and use of revised test key
084	Oct 28	Letter of credit for import of capital goods
085	Nov 5	Annual closing on 31.12.1981
086	Nov 17	Fixed Assetts - Minimum capitalisation limit
087	Dec 11	Numbers for LC to be issued: Station Rd Branch Amman, Lusaka, Branch.
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088	Jan 6	Numbers for LC to be issued: BCC (Misr) / BCC Manila
089	Jan 21	Passing Liability Vouchers for Letters of Guarantee & Letters of Credit issued - Revision of Passing Vouchers
090	Jan 22	Revision of Irrevocable documentary Credit (form EXCH-F-6)
091	Jan 22	Payment against Documents (PAD)
092	Jan 22	Disaster/Contingency plan for Mini-Falcon
093	Feb 22	Reporting of frauds and forgeries noticed by branches.

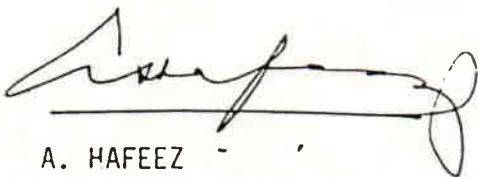


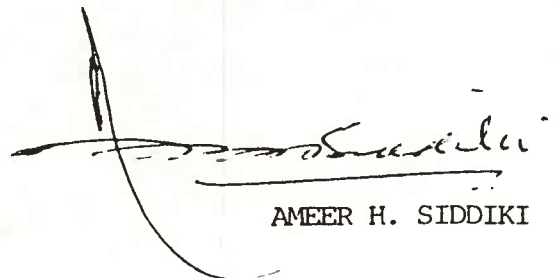
INSTRUCTION CIRCULAR
NUMBER.....093

SUBJECT REPORTING OF FRAUD AND FORGERIES NOTICED BY BRANCHES	PAGE: 220
	DATE February 22, 1982
	QUERIES TO: Systems & Operations Division - C.S.O.

It has been decided that branches should submit a detailed Report of the instances of fraud and forgeries noticed by them to their respective Regional Offices. On copy of each of the said report should invariably be sent to Central Audit Division and Systems and Operations Division in the C.S.O. The Report should describe in detail the nature of event noticed and the modus operandi of the fraud. Branches are welcome to also suggest ways and means to avoid recurrence. C.S.O. will study the details and wherever necessary, suitable instructions will be issued modifying the existing system or tightening the procedural control.

Branches of all affiliates in the Group should furnish the details to their Head Offices with copies to Central Audit Division and Systems and Operations Division.


A. HAFEEZ


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....092.....

SUBJECT Contingency plans for mini-FALCON installation.	PAGE: 219
	DATE 22/1/82
	QUERIES TO: Computer Division London

Please refer to miniFALCON circular No.1 dated 29 January 1981. We enclose details of procedures that must be introduced in case of disturbances in your area of operation.

You are advised to read and understand the details of this procedure so as to avoid loss of information/data due to any disaster and facilitate recreation of the Branch's Accounts and records in case of total loss due to Arson etc.

PESI SORAB

AMEER H SIDDIKI

CONTINGENCY PLANS FOR miniFALCON INSTALLATION

The following plan will be put into operation in case of civil commotion, war and/or natural calamity.

Emergency procedures will be implemented in phases as the situation deteriorates.

1. Branches Using NCR 8140 or 9010 machines:

1.1 Standard Procedure:

Standard security procedure, as per miniFALCON Circular No. 1, require:

- 1.1.1 Copy of the following master files will be made of the "End of day" position and stored in a location outside the building in which the computer is installed:

ACCOUNTS FILE, TRANSACTION HISTORY FILE, ACCOUNTS AUXILIARY FILE AND NAME & ADDRESS FILE.

- 1.1.2 Copy of the afore mentioned master files MUST be flown to LONDON by SPECIAL COURIER/AIR MAIL service on a WEEKLY basis for every WEDNESDAY close of day position.
- 1.1.3 All despatches will be documented as defined in the said-circular.
- 1.1.4 LONDON will maintain TWO weekly copies at any given point in time.
- 1.1.5 LONDON will return one copy (which is over two weeks old) when a new copy is received for safe keeping.

1.2 PHASE I:

This procedure will be put into operation as soon as the Country/ Branch Manager feels that disturbances are expected.

- 1.2.1 Standard procedures defined in paragraph 1.1 will continue.
- 1.2.2. In addition, a copy of the TRANSACTION LOG FILE for each day MUST be despatched by SPECIAL COURIER/AIR MAIL SERVICES on a DAILY BASIS.
- 1.2.3 TRANSACTION JOURNAL - Report No. will be printed and retained in a special file marked TRANSACTION JOURNALS. Reports more than TWO weeks old will be removed from this file and destroyed. This file will be held with the Officer in Charge Accounts Department.

1.3 PHASE II:

This phase of the Emergency procedures will be put into operation when the disturbances actually start.

- 1.3.1 The standard procedure and the Phase I of Contingency plan will be already in force as defined in paragraphs 1.1 and 1.2 respectively.
- 1.3.2 Back-up copies, for off site storage, will be handed over to the Branch Manager every day to be held in his custody, outside the branch premises preferably at his residence.
- 1.3.3. Branch Manager must make sure that the said master file copies are stored in a safe place, away from magnetic influences e.g. fluorescent tubes, high tension power distribution etc.

1.4 PHASE III

The final phase of the Emergency procedures will be implemented when it is no longer possible for the branch to function at all.

The Branch Manager MUST take the following items in his charge:

- 1.4.1 Latest copy of the following master files:

ACCOUNTS FILE, TRANSACTION HISTORY FILE, AUXILIARY ACCOUNTS FILE AND NAME AND ADDRESS FILE.

- 1.4.2 Any TRANSACTION LOG files that may have been subsequently generated.
- 1.4.3 TRANSACTION JOURNAL file containing all the TRANSACTION JOURNALS for the LAST TWO WEEKS.

In case the Branch Manager is leaving the country, the afore noted items MUST be taken along by him. The Branch Manager must ensure that all the master files are not X-RAYED at air/sea ports as this may damage their contents.

2. Branches Using NCR 8250 or 9020 Machines

2.1 Standard Procedure:

Standard Security procedures for miniFALCON require:

- 2.2.1 Copy of the following master files will be made of the "End of Day" position and stored in a location outside the building in which the computer is installed:

ACCOUNTS FILE, TRANSACTION HISTORY FILE, ACCOUNTS AUXILIARY FILE AND NAME AND ADDRESS FILE.

- 2.1.2 Copy of the afore noted master files MUST be flown to LONDON by a SPECIAL COURIER/AIR MAIL service on a MONTHLY basis for the LAST WORKING DAY of the month.
- 2.1.3 All despatches will be documented as defined in the said procedures.
- 2.1.4 LONDON will return one copy (which is over TWO months old) when a new copy is received for safe keeping.
- 2.2 Phases I, II, and III will be implemented as already explained in paragraphs 1.2, 1.3 and 1.4 above.



INSTRUCTION CIRCULAR
NUMBER.....091

SUBJECT PAYMENT AGAINST DOCUMENTS (PAD)	PAGE 216
	DATE January 22, 1982
	QUERIES TO: Central Credit Division

On receipt of documents from the negotiating bank under our sight import letters of credit, this account is used for either providing reimbursement or responding to the amount already claimed by them from our correspondents. In order to obtain uniformity in the procedure in this regard, we give below a set of guidelines to be followed by the branches hereafter:-

1. Import documents should be entered in the inward mail register and passed on to the Officer In Charge or an authorised officer of Import L.C. Department against his acknowledgement. The concerned officer should ensure that all the documents as listed in the relative covering schedule of the Negotiating Bank are correctly received. The documents may thereafter, be date stamped.

Scrutiny of Documents

2. The dealing officer of PAD Section should scrutinize the documents (as per Bank's checking sheet in respect of Documentary Credits' specimen enclosed). He should ensure that documents are in strict conformity with the terms of the relative letter of credit and list discrepancies, if any, on this sheet. Documents over an amount laid down by respective Regional Office, should also be checked by Asst. Manager/Manager of the Branch.

3. In their covering schedule, the negotiating bank may list the details of discrepancies noted by them. If such discrepancies are minor in their nature, the negotiating bank may have still negotiated the documents against a guarantee received from the beneficiaries/beneficiaries' bankers. Despite the list of discrepancies provided by the negotiating bank, branches should scrutinize the documents against the terms of the letters of credit issued by them.

Advice to the Openers

4. Branches should immediately advise the openers of the receipt of the documents and the details of all the discrepancies noted by them and by the negotiating bank. The openers should be called upon to accept the documents within a reasonable time.

Acknowledgement to Negotiating Bank

5. Branches should send an acknowledgement to the negotiating bank with details of the discrepancies and advise the negotiating bank that due to the discrepancies the documents are held and presented to the openers at their risk. In the event of openers failing to retire the documents, the Bank reserves the right to claim refund of the amount of reimbursement received by the negotiating bank, plus interest.

Documents with Discrepancies

6. If branches are unable to contact the openers and obtain their acceptance within the stipulated time, immediate claims should be lodged with the negotiating bank by telex/cable listing the discrepancies and asking them to refund the amount debited/claimed together with interest at the ruling rate from the date of negotiation to the date of receipt of refund. In cases where the negotiating bank has

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INSTRUCTION CIRCULAR
NUMBER.....091

SUBJECT PAYMENT AGAINST DOCUMENTS (PAD)	PAGE 217
	DATE January 22, 1982
	QUERIES TO: Central Credit Division

asked to remit the funds, their claims should not be honoured. Documents in such cases should be treated on collection basis under advice to negotiating bank until disposal instructions are received from them.

Documents in Order

7. When the documents are in order, these should be superscribed with a PAD number and listed in the prescribed PAD Register.

Reimbursement provided to the negotiating bank should be responded by passing the following entry:

DR Payment Against Documents
CR Negotiating bank/foreign correspondent

Intimation should be sent to the openers advising receipt of the documents along with the request for their retirement immediately.

8. A reasonable period may be allowed to the openers to retire the documents and to adjust the outstanding PAD. The maximum period which may be allowed would depend on the circumstances of each case but in any case should not be later than the date on which the goods covered in the letter of credit reach the destination. It may be added that a sight bill is normally payable with a maximum of seven days.

Overdue PADs

9. If the PAD continues to remain outstanding even after the arrival of goods at the destination, reference should be made by telex to the Regional Office explaining the reasons for non-retirement. Noting and protesting of bill for non-payment with the notary public should be made only after the receipt of instructions from the Regional Office. Branches should not issue fresh letters of credit at the request of the said openers without prior approval of the Regional Office even if the limit originally sanctioned is not fully utilised and consider suspension of all credit facilities to the client. Arrangements should also be made forthwith to have the goods cleared through Bank's approved agents and stored in a warehouse to Bank's order. It should be ensured that the goods remain duly insured against usual risks until payment.

Insurance Cover

10. Insurance cover normally expires after 60 days of the discharge of goods at the port of destination. This period of 60 days may differ from country to country and branches are required to ascertain the correct position locally. Branches must make a note either to get the consignment cleared before the expiry of the insurance cover or if they decide not to clear the goods for any particular reason, to get the insurance cover extended by giving a notice to the insurance company under advice to the importers. In case of C.I.F. shipments, cover for the extended period may be locally obtained, again under advice to the importer.

11. All additional expenses (e.g. dock dues, insurance premium, warehouse rent, duties etc.) incurred for clearance and storage of the goods should be on the opener's account.



INSTRUCTION CIRCULAR
NUMBER.....091

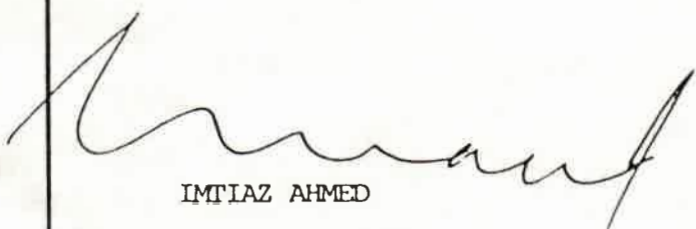
SUBJECT PAYMENT AGAINST DOCUMENTS (PAD)	PAGE: 218
	DATE January 22, 1982
	QUERIES TO: Central Credit Division

12. All cases of default should be immediately reported to the respective Regional Offices and copies of correspondence should also be sent to the Central Credit Division for information.

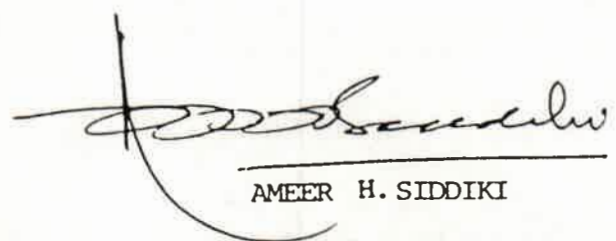
Custody of Documents

13. The custody of documents until delivered against payment to the customer should remain with an authorised officer during the day and kept in a fire-proof cabinet in dual control overnight.

On payment of the bill, customer's or his authorised representative's acknowledgement should be obtained against the delivery of the documents.



IMTIAZ AHMED



AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER..... 090

SUBJECT REVISION OF 1. IRREVOCABLE DOCUMENTARY CREDIT (FORM EXCH-F-6) 2. APPLICATION TO ISSUE IRREVOC- ABLE DOCUMENTARY CREDIT (FORM EXCH-F-12)	PAGE: 215
	DATE January 22, 1982
	QUERIES TO: Systems & Operating Division

Irrevocable Documentary Credit form (Exch-F-6-) and Application to issue Irrevocable Documentary Credit form (Exch-F-12) have been revised. Attempts have been made to ensure that the new forms (specimens attached) should, besides satisfying the needs of the applicants, also be in line with the latest development in IC format as evolved by the International Chamber of Commerce.

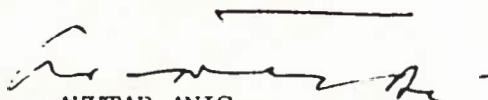
The revised forms have the following distinctive features:


1. The number of the credit, date of issue, date and place of expiry, beneficiary's name and address, the amount of the credit etc. are placed together for easy identification.
2. Space for date of shipment and description of goods covered have also been prominently provided.
3. Application to issue Letters of Credit (Exch-F-12) has also been revised. Attempts have been made to bring in as much uniformity as possible in both these forms. This uniformity will save time and effort of the issuing branch and minimise errors while transforming the information from the 'Application' to original Irrevocable Documentary Credit.

Detailed instructions to complete Irrevocable Documentary Credit Form are given in the sheets attached to this circular. An explanatory brochure prepared by International Chamber of Commerce on Application to Documentary Credit is also enclosed.

This circular does not confer authority to branches which are not already authorised, to issue Letters of Credit. Specific written authority to issue Letters of Credit must be obtained from respective regional office by such branches.

If any further clarification is needed, reference may be made to the respective regional office.


AKHTAR ANIS


AMEER H. SIDDIKI



BANK OF CREDIT AND COMMERCE INTERNATIONAL
 SOCIÉTÉ ANONYME LICENSÉ DÉPÔSITAIRE
 100 LEADENHALL STREET, LONDON, EC3A 7AD

IRREVOCABLE DOCUMENTARY CREDIT

1

Date of issue 2

Date of expiry 3
(for negotiation in the country of beneficiary)

4a This credit is sent to the advising bank by airmail

4b This credit confirms the cabled advice of date

Applicant 5		Beneficiary 6	
Advising Bank 7		Amount 8	
Reference No.		Partial Shipments allowed / not allowed 9	
Transshipments allowed / not allowed			
Shipment from 10a		to 10b not later than 10c	

Dear Sir(s)

We hereby issue in your favour this Irrevocable Documentary Credit as per details stated above, available by negotiation of your drafts at 11 sight drawn on the applicant/ 12 for full invoice value of shipment purporting to be

13

accompanied by the following signed documents marked

- 16 Commercial Invoice in 14 copies certifying goods to be of 15 origin.
- 18 Full set of clean 'shipped on board' marine Bill(s) of Lading made out or endorsed to our order showing 'Freight prepaid/ 17 and marked notify the applicant and us.
- 21 Airway Bill bearing this Credit number showing the goods consigned to 19 and showing 'Freight prepaid/ 20 and marked notify the applicant and us.
- 24 Insurance policy/certificate in duplicate issued to your order and blank endorsed covering goods for the invoice value plus 10% covering marine and war risks including Institute Cargo Clauses (All risks) and Institute Strike Riots and Civil Commotion. Claims Payable in 22 Additional Risks: 23
- 28 Insurance covered by the applicant. Details of the shipment under this Credit must be advised by you immediately after shipment direct to the applicant and to 25 referring cover note number 26 of 27. Two copies of this advice should accompany the original set of documents.
- 29 Certificate of origin issued by a Chamber of Commerce.
- 31 Packing list in 30 copies.
- 32 Additional conditions: 1 short form of Bills of Lading not acceptable.

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Advising and Negotiating Bank charges are for account of the applicant beneficiary.

Documents to be presented within 34 days after the date of issuance of the Bills of Lading but within the validity of the credit.

This Irrevocable Documentary Credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision, International Chamber of Commerce, Publication No. 290) and engages us in accordance with the terms thereof and especially in accordance with the terms of Article 3 thereof. The number and the date of this credit and our name must be quoted on all drafts required. Each negotiation must be noted on the reverse of this advice by the negotiating bank.

Authorized Signature
 No. 35

Authorized Signature
 No. 35

Date of presentation	Amount in figures and words.	Name, stamp and signature of the bank

GUIDELINES FOR COMPLETING NEW LC FORMS

1. Number Assign a number out of the block of serial numbers allocated to your branch by Systems & Operations Division. Blocks of serial numbers allocated to each branch are also advised under Instruction Circulars. If during any calendar year all numbers of the block have been used, the block may be reused starting with the first number of the serial.

2. Date of Issue Write date of issue of the credit. The date should be written as under

 5 JANUARY 1981 (i.e. date in numbers, followed by month in alphabets, and year in numbers)

3. Date of Expiry Write date of expiry of the credit as mentioned by the applicant in Letter of Credit Application Form. The date should be written in same style as explained in paragraph (2) above.

4. Mode of Advising a) If the credit is to constitute the original operative Credit instrument, and is being advised by air mail, mark X in the box.

 b) If the credit is in confirmation of cable/telex sent earlier, mark X in the box.

5. Applicant Write name and full postal address of the applicant as mentioned by him in Letter of Credit Application Form.

6. Beneficiary Write name and full postal address of the beneficiary as mentioned by the applicant in Letter of Credit Application Form.

7. Advising Bank Write full name and address of the advising bank. In countries, where a branch of BCC Group bank exists, letters of credit should be advised through that branch. In other countries, they should be advised through our correspondents bank. Names and complete addresses of our correspondent banks are given in the Agency Arrangement Manual.

 Space for "Reference No." is for the use of the "Advising Bank". Leave this space blank.

8. Amount The amount of the credit should be written in figures and words. e.g. US \$ 2,450,000 (US Dollars Two Million Four Hundred Fifty Thousand only). The currency of the amount should invariably be mentioned while writing the amount in words, and figures.

9. Partial Shipments/ Delete the alternative which is not applicable. Transshipments

10. Port of Shipment a) Write port of loading
 b) Write port of destination
 c) Write the date by which the shipment must be made. The date should be written in the same style as explained in paragraph (2) above.

11. Tenor Write the tenor or usance of the draft (i.e. 30 days, 60 days etc) in the space between 'at' and 'sight' If the draft is to be drawn at sight, issue this space blank.
12. Name of the Drawee If the draft is to be drawn on the applicant of the credit, leave this space blank. If the draft is to be drawn on any other person, or on a bank, then cross the words 'the applicant', and write name of the drawee or our bank as the case maybe in the blank space.
13. Description of Goods Write full description of the goods as mentioned in Letter of Credit Application Form. If the space provided in the credit proves insufficient to accomodate the full description use the additional sheet, especially printed as enclosure to the Credit advice.*
14. Invoices Write number of copies of invoice required.
15. Counry of Origin Write the name of the country of origin of goods covered.
16. Shipment by sea Mark X in the box if goods are to be despatched by ship.
17. Terms of Shipment Where goods are imported on CIF basis, do not make any change. In case of any other alternative term, like goods imported on FOB basis, delete the word 'prepaid' and write 'payable at destination'.
18. Shipment by Air Where goods are despatched by Airfreight, mark X in the box.
19. Consignee's Name write the name of consignee.
20. Terms of Airfreight Where freight is not prepaid, delete 'prepaid' and write applicable terms, such as 'payable at destination'.
21. Insurance by the beneficiary Mark X in the box provided if insurance is covered by the beneficiary.
22. Place where claims payable Write name of the place where insurance claim is payable.
23. Additional risks The applicant may some time desire that insurance cover should include certain additional risks. Such risks should then be specified by the applicant and should be written in the space provided.
24. Insurance by the applicant Write X in the box provided if insurance is covered by the applicant.
25. Notification of Insurance cover Write name and address of the insurance company or any other person to whom the details of shipment is to be advised for arranging insurance cover.
26. Cover note Number Write number of insurance cover note.

27. Name of Insurance Company Write name of the insurance company which issued the cover note.
28. Certificate of Origin Write X in the box provided, if applicable.
29. Packing List Write X in the box provided, if applicable.
30. Copies of Packing list Write number of copies required.
31. Additional Documents Write details of any other documents required.
32. Other conditions Write any other conditions, desired by the applicant.
33. Negotiating Bank's Charges Mark X in the appropriate box as per the applicant's instructions.
34. Days for Presentation of Documents. Write number of days indicated by the applicant.
35. Authorised signatories only should sign the credit indicating their signature numbers as given in 'Authorised Signatures Book' against their names.

Reimbursement Clauses

It is important to indicate the manner in which reimbursement has been arranged by the letters of credit issuing branch. One of the following three alternatives given in the form on second copy should be selected and appropriately marked:

1. Authorising negotiating bank to claim reimbursement. Name of the branch/ correspondent should be indicated.
2. Authorising negotiating bank to claim reimbursement by debiting the issuing branch account or any other branch account with them. Regional Office will specifically permit the issuing branch to authorise debit to any other branch account.
3. Arranging remittance to negotiating bank on receipt of documents.

DISTRIBUTION OF SET

Irrevocable Documentary Credit (EXCH-F-6) is a six-part set.
The parts are as under:

1. 1st Part

It is a security paper with background printing. It is the original letter of credit for beneficiary. Authorised Signatories should sign in full and indicate their separate number.

2. 2nd Part

It is a copy for the applicant.

3. 3rd Part

It is a copy for 'Advising Bank'. When mailing the documentary letter of credit to beneficiary through an advising bank, place this copy on the top of the 1st part. Mail both the parts to advising bank.

4. This copy is for reimbursing Bank. If the negotiating bank has been authorised to claim reimbursement either from:

- a) Leadenhall Street Branch, London or
- b) A correspondent Bank

this copy should be sent either to a) or b) above as the case may be.

5. 5th Part

This copy is a Register copy, and should be filed in serial number order of Irrevocable Documentary Credit.

6. 6th Part

This is an office copy.

This copy should be retained in the customer's file along with the Application to Issue Letter of Credit and copies of other relevant correspondence.

ICC Publication on Documentary Credit Application

- . If the beneficiary is to have a choice of transport documents, give him that choice by stipulating, e.g.: Marine Bills of Lading and/or Combined Transport Documents and/or Air Waybills.
- . If, in addition to the original(s) of the transport document, so-called non-negotiable copies are to be presented, stipulate this specifically and state the number of non-negotiable copies to be presented.
- . If the transport document is to show that the goods have been received for delivery to a named address (e.g. Air Waybill, Sea Waybill and the like), give the name and address details.
- . Before including any provision that the transport document is to indicate that the freight is to be payable at destination, make sure that the beneficiary is able to find carriers or transport operators prepared to issue such transport documents for the destination indicated in the credit.
- . Where appropriate, state what specific clauses a transport document may or must contain, especially in the light of:
 - . UCP Article 18, stating what will be accepted as a clean transport document under a documentary credit, and stressing the need for the credit to specify any superimposed clauses or notations which are to be accepted ;
- . If the transport is to be effected by a named carrier or transport operator, or by a named group of carriers or transport operators, state the name(s) of such carrier(s) or transport operator(s).

.../...

Explanatory Brochure prepared by International Chamber of Commerce

Applicant

- . Give : your full name and full address with postal code (if available) to enable the beneficiary of the credit to quote them correctly in those documents where they are to appear, especially in the invoice.
- . Mention your account number in this space (unless it is to be mentioned elsewhere in the form).

Issuing Bank

- . If not pre-printed, type in the name and the address of your bank.

Application date

- . Indicate the date on which the form is completed, signed and sent to your bank.

Date and place of expiry

Date

- . Always fill in the date of expiry; this is mandatory under UCP Article 37. If not extended to the first following business day by virtue of UCP Article 39 a, it is the last date on which the documents may be presented to the bank where the credit is available.
- . Choose the date of expiry with care: if the time of validity of the credit is too short, it will be an impediment to the beneficiary and if it is too long, it will not serve any useful purpose.

Place

- . Indicate as place of expiry, the city or the country of the bank(s) where the credit is to be available and where, accordingly, the documents must be presented.
- . Indicate a country (instead of a city):
 - (a) if the bank where the credit is to be available has several offices or branches in that country (unless a specific branch or office is to be used) ;
 - (b) if a credit available by negotiation is to be freely negotiable by any bank in that country.
- . Keep in mind that if no city or country is indicated, a freely negotiable credit will be considered freely negotiable by any bank anywhere in the world.

5. Beneficiary

. State beneficiary's full name and full address (with postal code if available).

. Pay special attention to spelling and to numerical details.

. If there is any danger of confusion between different cities with identical or similar names, indicate details to avoid confusion.

. Pay attention to such address details as P.O.B. (Post Office Box), P.M.B. (Private Mail Bag), names of buildings, room numbers etc.

. Especially if a credit is to be issued (or briefly pre-advised) by telegram, telex or other tele-transmission method, include the telephone number (with area code) and/or the telex number of the beneficiary, and/or other identifying reference.

. Unless absolutely essential, avoid giving "c/o XYZ Bank ..." etc. as beneficiary's address. It may result in confusing situations.

6. By (air)mail

. X-mark if the credit is to be issued by (air)mail, whether with or without brief advice by telegram or telex (or other tele-transmission method).

7. Brief advice

. X-mark in combination with box (6) if you want your bank to send a brief advice with the main elements of the credit by telegram, telex or other tele-transmission method.

8. By telegram, telex or other tele-transmission method

. X-mark if the credit is to be issued in full by telegram, telex or other tele-transmitted message, resulting, by virtue of UCP Article 4, in an operative credit instrument, which need not be followed by the issuing bank's written confirmation.

. If the message is not to be the operative credit instrument, say so under Additional Conditions.

9. Transferable credit

. First, read UCP Article 46.

. X-mark only if and when a transferable documentary credit has been agreed upon with the beneficiary.

. If the credit is to be transferable to second beneficiaries in one or more specific countries, state this under Additional conditions.

. Do not instruct a credit to be made both transferable and freely negotiable.

10. Confirmation of credit

X-mark "not requested" if the credit is not to be confirmed by the bank where it is to be available.

X-mark "requested" if the bank where the credit is to be available is to be requested to confirm it to the beneficiary and thereby enter into an undertaking as referred to in UCP Article 3 b.

11. Amount

Express both in figures and in words.

Indicate the currency unit and where necessary the country of that currency unit. (There are several kinds of dollars, pounds, francs, crowns and other currencies).

Where applicable, say "about", "circa" or "approximately" to indicate that in accordance with UCP Article 34 a, this is to mean "10% more or 10% less" than the amount stated. If the tolerance is to other than 10 %, indicate that percentage.

If the need is felt, especially in the case of a credit that does not allow part shipments, designate the amount as a maximum amount by using such expressions as "maximum", "up to" or "not exceeding".

If the amount is not the (full) invoice value of the goods, state under Additional conditions what percentage of the invoice value it covers.

12. Credit available (with)

Insert the name of a bank only if the beneficiary has explicitly indicated the bank where the credit is to be available.

By payment

X-mark "by payment" if the credit is to be available by payment against either

- (a) beneficiary's documents without draft(s), or
- (b) beneficiary's documents accompanied by beneficiary's sight draft(s) on the bank where the credit is to be available.

If a draft is necessary, stipulate that it is to be drawn on the bank where the credit is to be available

Keep in mind, however, that it has become increasingly customary not to call for draft(s) under credits available by payment at sight.

by acceptance

- . X-mark "by acceptance" if the credit is to be available by acceptance of beneficiary's time or usance draft(s) on yourself or on a bank (e.g. the issuing bank) other than the bank where the credit is to be available.
- . Stipulate beneficiary's draft to be drawn on the bank where the credit is to be available and specify usance at which it is to be drawn.

By negotiation

- . X-mark "by negotiation" if the credit is to be available by negotiation of beneficiary's sight, time or usance draft(s) on a bank (e.g. the issuing bank) or on any party (e.g. yourself) other than the negotiating bank.
- . Specify any party other than the negotiating bank on which, and the usance (sight or other) at which, the beneficiary's draft is to be drawn.

13. Partial shipments

- . X-mark "allowed" or "not allowed" in accordance with any agreement you have made with the beneficiary.
- . Keep in mind that by virtue of UCP Article 35 b, shipments on the same ship and for the same voyage will not be considered partial shipments even if the "on board" bills of lading are issued on different dates and/or indicate different ports of shipment.

14. Transshipment

- . X-mark "allowed" or "not allowed" in accordance with any agreement you have made with the beneficiary.
- . Always allow transshipment if the credit is to stipulate or authorize the presentation of a combined transport document, or if it is to stipulate or authorize combined or multimodal transport.
- . Keep in mind that if transshipment is to be prohibited by the credit:
 - . under UCP Article 21 b, bills of lading incorporating printed clauses stating that the carriers have the right to tranship will be accepted, provided that the bill of lading does not specifically state that the goods will be transhipped.

15. Insurance covered by you . X-mark this box in the case of FOB or C&F shipments and in any other case where you have taken out or will effect the insurance.
- . If you X-mark this box, provide for the insurance and satisfy your bank that you have done so.
16. Transportation details .
- . In the case of shipment or dispatch of goods, indicate under "Shipment/dispatch/taking in charge from/at" and under "for transportation to" from where and to where the goods are to be transported in accordance with the terms of the credit.
 - . In the case of taking in charge of goods, indicate under "Shipment/dispatch/taking in charge" where the goods are to be taken in charge.
 - . Be specific:-indicate names of (air)ports, cities, and countries.
 - . Avoid abbreviations and such loosely defined indications as Main Ports, West European Port, Middle East Port, Scandinavian Port and the like.
 - . If the credit is to stipulate or to allow the presentation of a combined transport document, or to provide for combined transport, do not stipulate a Seaport of Loading except when the combined transport operation is to start in a specific Seaport of Loading.
 - . Indicate a latest date for shipment, dispatch or taking in charge under "not later than" if such date is to be stipulated in the credit.
 - . If shipment, dispatch or taking in charge is to take place during a stated period, or between two dates, use following wording :- "during "... (month or months) ...", or "not earlier than ... and not later than ..."
 - . Keep in mind that the latest date for shipment is the latest date on which the transport documents must have been issued (see UCP Articles 15 and 20), or the latest date on which the bill of lading must have been provided with the notation that the goods have been loaded on board.
 - . In the case of shipment by air, keep in mind that the issuance date of the air waybill will normally be considered to be the date of shipment, but that, if the air waybill also shows a flight number and flight date, the latter date will usually be taken as the date of shipment.
 - . If shipment, dispatch or taking in charge is to be by instalments within stated periods, indicate this in the space for the description of the goods, or under Additional conditions.

- . If shipment etc. by instalments within given periods is to be stipulated and if you do not want the credit to become unavailable by virtue of UCP Article 36, give additional instructions to cover the case where an instalment is not shipped etc. within the appropriate period.

17. Goods description

- . Keep description brief, without excessive details.

- . Do not request your bank to attach pro forma invoices or the like to the credit, and in the goods description to be given in the credit, avoid reference to pro forma invoices and the like whenever possible.

- . State quantities and unit prices where appropriate.

- . Where applicable, say "about", "circa" or "approximately" when, in accordance with Article 34 a tolerance not exceeding 10 % more or 10 % less is to be allowed on the quantity stated. If a tolerance other than 10 % is to be allowed, indicate the percentage.

- . Also, keep in mind that within the maximum amount of the credit, UCP Article 34 b allows a tolerance of 3% more or 3% less on the quantities indicated unless the credit stipulates otherwise, or specifies the quantity in terms of a stated number of packing units, or individual items.

18. Terms of delivery

- . In stating the applicable delivery term indicate the place to which the term is to apply, e.g. FOB Hamburg, C&F Marseille, CIF Rotterdam.

- . Consult "Incoterms", 1980 Edition (ICC Publication N° 350) and Guide to Incoterms (ICC Publication N° 354). These have been adapted to changing trends in international trade, particularly with regard to transport, and in addition to the well-known traditional terms, have been supplemented by new trade terms, specifically adapted to combined and multi-modal transport.

9. Documents stipulations

- . Be specific, clear, and accurate, so as to avoid misunderstandings and disputes.

- . Determine what and how many documents are to be stipulated in the credit on the basis of what has been agreed upon with the beneficiary (well before you request your bank to issue the credit).

- . Avoid such terms as "first class", "well known", "qualified" and the like to describe the issuers of documents since, by virtue of UCP Article 14, they cannot be taken into account when the documents are examined by banks.

- . Indicate any specific clause or statement which a document must or may contain.

If your application form carries no pre-printed documents stipulations (for your guidance), give them in your own wording in the following standard sequence:

- Commercial Invoice
- Transport Document(s)
- Insurance Document(s)
- Such other documents as may be required.

20. Commercial Invoice

- If the commercial invoice is to be on a form other than the beneficiary's own invoice form, indicate this specifically and specify the form on which the invoice is to be issued.
- If an invoice is to be certified or legalized in any way, indicate specifically in what respect and nominate the organisation or party who is to legalize or certify the invoice.
- If the invoice is to show any details and/or bear any statements apart from the description of the goods, specify such details and give the text of such statements.
- If the invoice must or may be issued by a party other than the beneficiary, indicate this specifically and state the name of the party or who may issue the invoice.
- If the invoice must or may be issued in a name other than your own, indicate specifically in what other name it is to or may be issued because of UCP Article 32 a).
- If the credit is to be issued for less than the invoice value, pay attention to section 11 above and to UCP Article 32 b which allows but does not oblige banks to refuse commercial invoices issued in excess of the amounts permitted by the credit.

21. Transport documents

- First, read the UCP sections dealing with this subject under the title "Shipping Documents".
- Specify what type(s) of transport documents must or may be presented under the credit.
- Depending on the type of transport document, state to whose order it is to be issued or endorsed, which notify-address, if any is to show.

22. Marine Bills of Lading

(i) General

Stipulate Marine Bills of Lading if

(a) transport is to be effected between seaports of loading (whether with or without pre-carriage) and Seaports of Discharge, or between Seaports of Loading and Places of Delivery.

and

(b) the beneficiary is to present a bill of lading which meets the "on board" requirement of UCP Article 20 and which is not prohibited by virtue of UCP Article 19.

The following, amongst others, may be accepted as Marine Bills of Lading :-

- Short Form Bills of Lading (indicating some or all of the conditions of carriage by reference to a source or document other than the Bill of Lading itself),
- Bills of Lading covering unitized cargoes, such as those on pallets or in containers.
- Combined Transport Bills of Lading if they are issued by companies (including consortia of shipping companies) operating as carriers in their own right and not as freight forwarders.
- Combined Transport Bills of Lading if, as determined by their data contents, they in fact provide for a Port-to-Port Shipment where the credit requires such a shipment.
- Bills of Lading entitled "Port-to-Port Bill of Lading" or "Bills of Lading for Port-to-Port Shipment".
- Dual Purpose Documents, e.g. headed "Bill of Lading for Combined Transport or Port-to-Port Shipment" (or similar wording),
 - if the credit specifies shipment from a named port of loading to a named port of discharge,
 - provided that the named ports and the carrying vessel are shown on the bill of lading without addition of the qualifying word "intended".

.../...

(ii) charter-parties

- . If the credit is to allow, or to stipulate, the presentation of bills of lading issued under and subject to the conditions of a Charter-Party, say this specifically as such bills of lading will otherwise have to be refused by virtue of UCP Article 19 a (ii).

23. Sea Waybill

- . Stipulate the presentation of the Sea Waybill if this is to be acceptable instead of a negotiable Marine Bill of Lading.

The Sea Waybill is a document :-

- . by which the transport operator declares to the shipper or his agent that the goods have been received for shipment;
- . which cannot be issued or endorsed "to order";
- . which, as a non-negotiable document need not be presented at the port of destination as a condition for receiving the goods;
- . whose arrival at destination will not be necessary for the goods to be released by the shipowner or his agent to the consignee named in the Sea Waybill against the receipted notice of arrival or against proof of the identity of the consignee ;
- . which allows the procedure to be simple and especially advisable when buyer and seller are well established trading partners.
- . Since the Sea Waybill is not dealt with in UCP, if you stipulate or allow its presentation under the credit, also state your requirements, if any, in respect of its form and issuer, loading on board, loading on deck etc.

24. Combined Transport Document

- . Stipulate the presentation of a Combined Transport Document for a transport between a Place of Receipt and a Place of Delivery. Specify in what form and by whom it is to be issued, if banks are not to accept it as tendered by virtue of UCP Article 23 a.
- . Observe that at least some of the bills of lading listed above in section 22 are likely to be used as Combined Transport Documents too.

.../...

25. Air Waybill

- . For air cargo stipulate the presentation of an Air Waybill or Air Consignment Note and specify:
 - . the form, e.g. IATA Air Waybill, issued by the air carrier or his agent,
 - . the copy number, e.g. original Number 3 (for shipper)
 - . the address details of the goods.
- . Keep in mind that essentially an Air Waybill or Air Consignment Note is a taking in charge document and that it will not usually confirm that the goods are on board the aircraft even though it may indicate a flight number and (sometimes) a flight date.
- . Do not require an original (which the beneficiary will not be able to obtain as it travels with the goods), nor a full set (which does not exist).

26. Railway Consignment Note

- . For transports by rail, stipulate the presentation of a

Duplicate of Railway Consignment Note.

- . Do not require an original (which the beneficiary will not be able to obtain as it travels with the goods) nor a full set (which does not exist).

27. Other transport documents

- . Stipulate the presentation of such other transport documents as may be required, e.g.:

- . Inland Waterway Bill of Lading or Consignment Note, Counterfoil Waybill, Postal Receipt, Certificate of Mailing, Air Mail Receipt, Air Receipt, Road Consignment Note, Trucking Company Bill of Lading etc,

- . Forwarder's Certificate of Receipt (FCR),

- . Forwarder's Certificate of Transport (FCT),

in compliance with UCP Article 24 where applicable. Accordingly specify such address and other details as are appropriate in the circumstances.

28. Insurance Document

- . If to be presented under the credit, stipulate exactly what type of insurance document the beneficiary is to present, e.g. insurance policy or certificate, insurance declaration, insurance cover note etc.

- . In view of UCP Article 26 a, if insurance documents must or may be issued and/or signed other than by insurance companies, their agents, or underwriters, indicate by whom they must or may be issued and/or signed.

- . If the insurance document is to be an insurance declaration or similar document, specify whom it must show as the addressee and what details it must contain.
- . If the insurance document is to show that the insurance cover is effective from an earlier date than that referred to in UCP Article 27, state from what point of time the insurance cover is to be effective.
- . If the insurance is to be effected in a currency other than that of the credit, stipulate in what currency it is to be effected. Otherwise by virtue of UCP Article 28 a, insurance must be expressed in the same currency as the credit.
- . In view of UCP Article 28 b, indicate for what minimum amount, or for what minimum percentage of the invoice value, insurance must be effected, if this is to be in excess of the CIF value of the goods, or if it is to be expected that the CIF value will not be determinable from the face of the documents when presented under the credit.
- . As required by UCP Article 29 a, state expressly the type of insurance to be effected and, if any, the additional risks to be covered, avoiding such imprecise terms as "usual risks" or "customary risks".
- . State that the insurance must be issued irrespective of percentage if banks are not to accept the insurance document, by virtue of UCP Article 31, if it shows that the cover is subject to a franchise or an excess (deductible).

29. Other documents

- . Keep in mind that by virtue of UCP Article 33, any document which is not a commercial invoice, a transport document, or an insurance document, falls under the heading of "other documents" and will be accepted as tendered if no further definition of such document is given in the credit.
- . Therefore, carefully define the type of document wanted and where appropriate, indicate what details it is to show, and when it is to be issued.
- . For the same reason, specify, with names, the persons, bodies, institutions, or authorities by which the document in question must be issued and/or signed.

.../...

- If, in the case of a transport other than by sea, an attestation or certificate of weight is to be called for and if it is to be a separate document, stipulate this specifically since, by virtue of UCP Article 25, in the absence of such stipulation, banks will accept, instead of a separate document, a weight stamp or declaration of weight superimposed by the carrier on the transport document.

30. Presentation period

- Insert the number of days to be accorded to the beneficiary for the presentation of the documents to the bank where the credit is to be available.
- Note that UCP Article 41 requires every credit to stipulate, in addition to the expiry date as referred to in UCP Article 37, the period of time after the date of issuance of the transport document, within which the presentation of documents for payment, acceptance or negotiation must be made.
- When determining how many days to allow for the presentation, pay attention to the time which the beneficiary may be expected to need to collect the various documents from their issuers, to process them and to present them under the credit.
- Avoid such expressions as "stale documents acceptable" and the like when specifying the presentation period.
- If documents may be presented irrespective of the date of issuance of the transport document, say so under Additional conditions.
- Observe that if no specific presentation period is stipulated in a credit, a presentation period of 21 days will be applied by virtue of UCP Article 41.

31. Additional conditions

- Use this space for the purposes indicated in various sections above.
- Use it too for such other additional conditions as may be appropriate in the circumstances.
- If there is any point in the printed text of the application form from which you might want to deviate in your instructions, use this space to say so. Never change anything in the printed text as this could be overlooked by your bank.



INSTRUCTION CIRCULAR
NUMBER.....089

SUBJECT

PASSING LIABILITY VOUCHERS FOR
LETTERS OF GUARANTEE AND LETTERS
OF CREDIT ISSUED - REVISION OF
PROCEDURE

PAGE 211

DATE
January 21, 1982

QUERIES TO:
Systems & Operations
Division - C.S.O.

1. When a letter of guarantee/letter of credit is issued, the Bank incurs a liability. A branch which issues a letter of guarantee/letter of credit records the liability by passing the following vouchers:-

For Letter of Guarantee

Debit: Customers' Liabilities for Letter of Guarantee

Credit: Bankers' Liabilities for Letter of Guarantee

For Letter of Credit

Debit: Customers' Liabilities for Letter of Credit

Credit: Bankers' Liabilities for Letter of Credit

2. All branches are not authorised to issue letters of guarantee/letters of credit. Unauthorised branches therefore requests other authorised branches to issue letter of guarantee/letter of credit for them. This situation sometimes results in duplication of liability at the Group level as both the branches pass liability vouchers. The duplication occurs even when the branch not authorised to issue letter of guarantee/letter of credit and the branch which issues them belong to different subsidiary/affiliated banks in the Group.

3. For an authorised branch the following situation arises: It issues a letter of guarantee/letter of credit on behalf of:-

- (i) its own customers;
- (ii) another branch of the same bank to which it belongs;
- (iii) a branch of another subsidiary/affiliated bank in the BCC Group

4. Revision of Procedure

With retrospective effect from January 1, 1982, the procedure for recording liability is revised. The revision will achieve the following two objectives:-

- 1) Record correct amount of the net liability incurred collectively by all Group banks towards letters of guarantee/letters of credit issued by them.
- 2) Segregate the amounts of letters of guarantee/letters of credit issued by the authorised branch on behalf of the customers, on behalf of branches and on behalf of subsidiary/affiliated banks.

For the purpose of explanation in the examples given in this circular, an authorised branch will be called an Issuing branch and an unauthorised branch will be called Requesting branch.

5. Accounting Entries

1. When an Issuing branch issues a letter of guarantee/letter of credit on behalf of its own customers it will pass liability vouchers as described in para 1 above.



INSTRUCTION CIRCULAR
NUMBER.....089

SUBJECT PASSING LIABILITY VOUCHERS FOR LETTERS OF GUARANTEE AND LETTERS OF CREDIT ISSUED - REVISION OF PROCEDURE	PAGE 212
	DATE January 21, 1982
	QUERIES TO: Systems & Operations Division - C.S.O.

2. When an Issuing branch issues a letter of guarantee/letter of credit at the request of requesting branch of the same bank in the Group, only the Issuing branch should pass liability vouchers. Requesting branch should only maintain a memorandum register to record customer-wise details. Requesting branch should not pass liability vouchers.

Example - 1

Requesting branch: Station Road branch, Amman
Issuing branch: Main branch, Amman

Station Road Branch, Amman should not pass any liability voucher, but should only record in memorandum register customer-wise details.

Main Branch, Amman should record the liability by passing the following vouchers:-

Debit: Customers' Liabilities for Letter of Credit
Credit: Banker's Liabilities for Letter of Credit

3. As in case of branches of the same bank, when a branch of one subsidiary/affiliated bank requests a branch of another subsidiary/affiliated bank to issue a Letter of Guarantee/Letter of Credit on its clients behalf, requesting branch should not pass any liability vouchers but should record this in a Memorandum Register. The procedure so far followed by such requesting branches therefore stands revised.

The branch of subsidiary/affiliated bank which actually issues the Letter of Guarantee/Letter of Credit on behalf of requesting branch should record the liability by passing the necessary vouchers.

Example 2

(Requesting branch: Al Sabaka branch, Dubai of BCCI SA
(Issuing branch: Deira Dubai branch, Dubai of BCCI (overseas))

Al Sabaka Branch, Dubai of BCCI SA requests Deira Dubai Branch of BCCI (Overseas) Ltd to issue a letter of credit for US \$500,000-

Al Sabaka Branch, Dubai of BCCI SA should not pass liability vouchers, but should only record in memorandum register customer-wise details.

Deira Dubai Branch of BCCI (Overseas) should pass liability vouchers as indicated in Example 1 above.

Thus, for a letter of credit of US \$500,000 - one liability will be considered at the Group level when the accounts are consolidated.

6. Register Maintenance

As advised above the second objective is to segregate amounts of Letters of Guarantee/Letters of Credit issued on behalf of the customers, branches and subsidiary/affiliated banks.



INSTRUCTION CIRCULAR
NUMBER..... 089

SUBJECT PASSING LIABILITY VOUCHERS FOR LETTERS OF GUARANTEE AND LETTERS OF CREDIT ISSUED - REVISION OF PROCEDURE	PAGE 213
	DATE January 21, 1982
	QUERIES TO: Systems & Operations Division - C.S.O.

Branches which issue Letters of Guarantee/Letters of Credit, on behalf of other branches of the same bank or subsidiaries/ affiliated banks have so far been recording details in the relative register in the serial number order of the Letters of Guarantee/Letters of Credit. They should now split these two registers into:

Letters of Guarantees/Letter of Credit issued on account of:-

- Section:1 Customers (of the branch itself)
- Section:2 Branches (of the same bank)
- Section:3 Subsidiaries and Affiliates (of the BCC Group)

The number of folios allotted to the above three categories in these registers will depend on the number of Letters of Guarantees/Letter of Credit issued on their behalf in the past with a provision for future increase in number of transactions.

Main Branch, Amman, of BCCI SA should record the transaction in example 1 above in Letters of Credit issued Register under section allocated for - 'Branches'

Deira Dubai branch of BCCI (Overseas) Ltd should record the details of Letter of Credit for US \$500,000 in example 2 in the section allocated for - 'Subsidiaries and Affiliates'.

Station Road branch, Amman and Al Sabaka branch, Dubai should record the transactions in Letters of Credit Issued Register as usual. If these branches do not issue Letters of Guarantee/Letters of Credit on behalf of other branches they should not provide for three different sections.

7. Periodical Reporting

When submitting periodical statement of affairs branches are reporting the amounts of Letters of Guarantee/Letters of Credit issued by them and outstanding as on the date of report against the relative General Ledger heads. The amounts so reported are the aggregates of all Letters of Guarantee/Letter of Credit issued by them and outstanding on behalf of customers, branches and subsidiaries/affiliates.

Segregation of the Registers as suggested in Section 6 above will now permit branches to report the amounts of Letters of Guarantee/Letters of Credit issued and outstanding under the above three categories. While submitting Statement of Affairs, branches should accordingly give supplementary details on a separate page marked 'Classification of Letters of Credit/Letters Guarantee', as under:-

Classification of Letters of Credit outstanding as on :

	Amount
(i) On behalf of customers	X X X X X
(ii) On behalf of branches	X X X X X
(iii) On behalf of subsidiaries/Affiliates	<u>X X X X X</u>
Total as per General Ledger	X X X X X



INSTRUCTION CIRCULAR
NUMBER.....089

SUBJECT PASSING LIABILITY VOUCHERS FOR LETTERS OF GUARANTEE AND LETTERS OF CREDIT ISSUED - REVISION OF PROCEDURE	PAGE 214
	DATE January 21, 1982
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8. Letters of Guarantees

Procedure as described in the three examples above for passing liability vouchers and recording details should also be followed for letters of guarantee issued on behalf of the customers, branches, subsidiaries and affiliates.

9. Confirmation of Letters of Credit

Normally, when a letter of credit is issued by one branch of the Group Bank, another branch is not called upon to confirm that letter of credit. In rare instances, when another branch confirms such letters of credit, the following vouchers should be passed:-

Debit: Customer's Liability for confirmation of Letters of Credit
Credit: Banker's Liability for confirmation of Letters of Credit

10. Maintaining Records

While recording the details of letters of credit confirmed by the branch, in the concerned register, the confirming branch should separate the folios to record the details of confirmation of letters of credit issued by branches of:-

- (i) Same bank in the BCC Group
- (ii) Subsidiaries and affiliated bank
- (iii) Correspondents

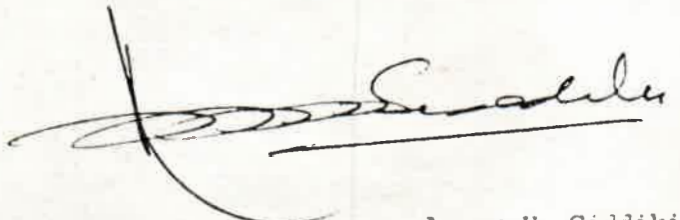
The total amounts of letters of credit confirmed as shown against the above three sub-heads should always agree with the amount appearing under the General Ledger head - Banker's liability for confirmation of letters of credit.

11. Periodical Reporting

As previously explained, the periodical Statement of Affairs should be supported by a supplementary statement showing amounts outstanding under confirmed letters of credit-issued by branches of the same bank, issued by subsidiaries and affiliated banks and correspondents.

12. Branch Managers should acquaint the concerned members of staff with the above revision. In case any clarification is needed, reference may be made to the respective Regional Office or the Systems and Operations Division in the Central Support Office.


Masihur Rahman


Ameer H. Siddiki



INSTRUCTION CIRCULAR
NUMBER..... 088

SUBJECT
NUMBERS OF LETTERS OF CREDIT TO BE
ISSUED BY BRANCHES OF BANK OF
CREDIT AND COMMERCE [MISR] S.A.E.
AND BANK OF CREDIT AND COMMERCE
INTERNATIONAL (OVERSEAS) LIMITED

PAGE
210
DATE
January 6, 1982
QUERIES TO:
Systems & Operations
Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

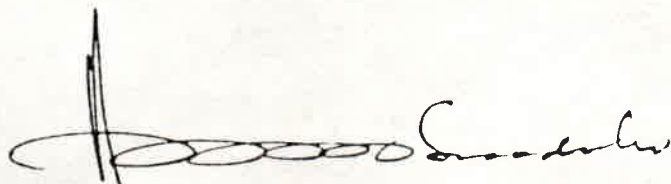
The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:


Bank of Credit and Commerce [Misr] S.A.E.

Abdel Khalik Sarwat Street Branch, Cairo	196001 - 200000
Sherif Street Branch, Cairo	200001 - 205000
Tawfikia Square Branch, Cairo	205001 - 210000
Shubra Branch, Cairo	220001 - 225000

Bank of Credit and Commerce International (Overseas) Limited

Manila Branch, Philippines	225001 - 230000
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AMIR H. SIDDIKI


A. HAFEEZ



INSTRUCTION CIRCULAR
NUMBER.....087

SUBJECT	PAGE
NUMBERS OF LETTERS OF CREDIT TO BE ISSUED BY BRANCH OF BANK OF CREDIT AND COMMERCE (ZAMBIA) LTD AND BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A.	209
	DATE December 11, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce (Zambia) Ltd

Lusaka Branch, Zambia

190001 - 195000

Bank of Credit and Commerce International S.A.

Station Road Branch, Amman

195001 - 196000

A. HAFEEZ -

AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....086.....

SUBJECT

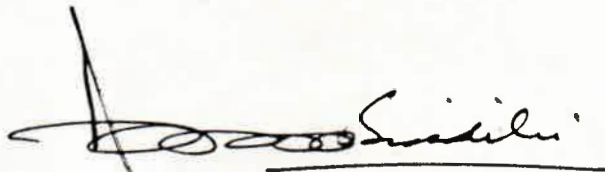
FIXED ASSETS -
MINIMUM CAPITALISATION LIMIT

PAGE: 208


DATE
November 17, 1981

QUERIES TO:
Central Accounts
Division, C.S.O.

In follow-up of our circular number 078 on the above subject it has been decided by Management that certain items of assets which, while being lower in value than US\$ 250 (and therefore requiring to be written off), should still be physically monitored and their custody properly recorded. Accordingly, such items should be taken into the Furniture, Fixtures/ Fixed Assets Register at a carrying value of US\$ 1 (one). These items should continue to be held in the books till physically replaced/scrapped. Regional Offices will have the discretion to determine which items should be so recorded in the Register.



AMEER H. SIDDIKI



MASIHUR RAHMAN



INSTRUCTION CIRCULAR

NUMBER.....025.....

0.1.1981

Annual Closing of Accounts
on December 31, 1981

202

DATE
November 5, 81

QUERIES TO:
CENTRAL ACCOUNTS
DIVISION

- (a) Deposits from customers
- (b) Deposits from banks
- (c) Borrowings from banks
- (d) Borrowings from Central Bank
- (e) Deposits with Banks (Our Placements)
- (f) Borrowings by banks
- (g) Sundry Creditors
- (h) Other Assets
- (i) Total Advances
- (j) Total Letters of Guarantee outstanding
- (k) Total Assets (Excluding Contras)
- (l) (i) Letters of Credit Outstanding
(ii) Acceptances Outstanding
- (m) Total Outstanding - forward Sale Contracts of Foreign Currency
- (n) Total Outstanding - forward Purchase Contracts of Foreign
Currency
- (o) Total number of Current Accounts
- (p) Total number of Savings Bank Accounts
- (q) Profit/Loss position (cumulative)
- (r) (i) No. of Loan Accounts
(ii) No. of O.D. Accounts
- (s) No. of Officers & staff (separately)

Month and figures under 17 columns should be reported to the
Special Cell, Regional Office as usual.

NOTE:The following are attached with the circulars for use
of the branches and subsidiaries.

- (1) List of statements to be submitted as on
December 31, 1981
- (2) The closing calendar in Annexure "B" for
different regions.

AMEER H. SIDDIKI

MASIHUR RAHMAN



INSTRUCTION CIRCULAR
NUMBER.....084

SUBJECT

LETTERS OF CREDIT FOR IMPORT
OF CAPITAL GOODS

PAGE

191

DATE

October 28, 1981

QUERIES TO:

Central Credit
Division

Letters of credit whether established under the credit sanctioning authority of the branch managers or under approved limits must normally cover import of merchandise/items which are traded by the customers in the normal course of their business. Merchandise/items required for own use or for the use of their enterprise such as capital goods/machinery for installation in their own plant would not fall in this category.

Before establishing letters of credit for import of capital goods required by the customers for their own use, the branch managers must satisfy themselves that adequate resources are available to the customers to retire the documents as and when received and at no stage we will be requested to extend term loan for making payment to the suppliers. In no case, however, letters of credit for import of such items should be opened without reference to the Regional Offices whether or not a letter of credit facility is available to the customers.

It is also essential that before establishing letters of credit the branch managers should satisfy themselves that the goods that are the subject matter of a letter of credit are readily saleable in the market and that the amount of the letter of credit genuinely represents the cost of the goods.


IMTIAZ AHMED


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....083..

SUBJECT

INTRODUCTION AND USE OF REVISED
TEST KEY.

PAGE

187

DATE

October 27, 1981

QUERIES TO:

INTERNATIONAL
DIVISION CSO

Hitherto separate test keys were issued by Bank of Credit and Commerce International S.A. and Bank of Credit and Commerce International (Overseas) Ltd for authorising messages issued by their branches. In view of increase in the net work of branches and correspondent relationship, it has been decided to replace the two test keys with a new test key for authentication of messages issued from all branches of Bank of Credit and Commerce International S.A., Bank of Credit and Commerce International (Overseas) Ltd and other Subsidiaries and Affiliates of BCCI Holdings (Luxembourg) S.A.

The revised test key along with variable tables will be supplied by International Division, Central Support Organisation, shortly. The changes effected in the new test key as against the existing test key are as under:-

1. The revised test key can be used by all offices of BCC Group uniformly. Separate keys for branches of BCCI S.A. and BCCI (OS) Ltd will then become obsolete and reduce confusion and workload at operational level.
2. Revised variable tables are re-usable. Instructions for their use have been given in the Test Key. Introduction of the re-usable variable tables is an improvement over the existing system. Users will not be required to call for fresh variable tables frequently.
3. Fixed Table A to E are arranged in a logical order to bring in ease in their use and to save time and effort of the users. When in use, the tables spread over a single sheet providing overall view. This also reduces the incidence of errors and raise efficiency.
4. Instructions for use of Test Key have also been given in three additional languages - Arabic, French and Spanish. These languages cover almost all the countries in which BCC branches now operate. Addition of the languages enhances the appeal for universal acceptability.
5. In table D, among frequently used currencies, codes for additional currencies of countries in which BCC Group branches operate, have also been included.
6. Special folders have also been made for filing variable tables. The folders to be used by two authorised officers, have been differentiated by use of different colours. Variable tables K & L have light blue and M & N dark blue folders.

Instructions in respect of custody of test key, authentication of inward and outward messages etc., have already been advised to branches under Instruction Circular Number 075 of August 14, 1981. The following additional instructions may also be noted by the branches:-



INSTRUCTION CIRCULAR
NUMBER.....083

SUBJECT

INTRODUCTION AND USE OF REVISED
TEST KEY

PAGE

188

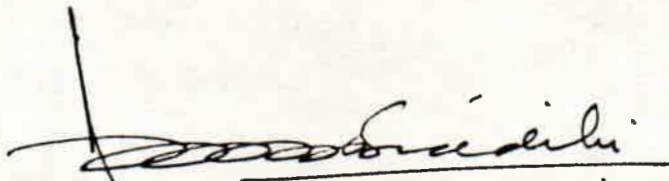
DATE

October 27, 1981

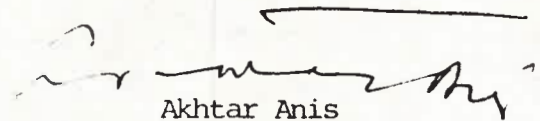
QUERIES TO:

INTERNATIONAL
DIVISION CSO

- 1) While requesting for test keys, branches should advise International Division, C.S.O., names of officers who are authorised by the Regional Offices to use the test keys. This will enable the International Division to send the tables in a confidential envelope marked to the attention of the concerned officer. Acknowledgements for receipt of the test keys should be signed by the concerned officer and returned to the International Division. In case of any change in the authorised officer holding the tables due to his transfer etc., such change should be advised to International Division for updating their records.
- 2) Telex Department/Operator before returning a copy of the transmitted message along with the original to the concerned department, must obliterate the 'test' number on both the original message and the copy.



Ameer H. Siddiki



Akhtar Anis



INSTRUCTION CIRCULAR
NUMBER.....082

SUBJECT PRECAUTIONS AGAINST LATE RETURN OF CHEQUES AND BANK DRAFTS DRAWN ON BANKS IN THE U.S.A.	PAGE 184
	DATE November 4, 1981
	QUERIES TO: International Division, CSO

We have received enquiries from our branches and Regional Offices about Bank's position in cases where drawee banks in the USA have returned cheques and similar instruments unpaid and recovered the amount from us long after the normal process of presentation and payment has been completed. These late returns catch our branches unawares as our New York collecting agents will simply debit the account of our branch and return the unpaid instrument to the branch concerned without notice, in accordance with the law and banking practice in the U.S.A.

We understand that these late returns are distinct and separate from the normal return of unpaid instruments by drawee banks in the U.S.A. The late return is in fact initiated by the drawer of the instrument if and when he discovers that the payment of the cheque debited to his account is irregular for reasons such as the following:-

1. forged or unauthorised endorsement(s)
2. unauthorised alterations
3. stolen or lost instruments collected fraudulently

The drawer can return the cheque to his bank and can claim refund on the grounds of irregular payment. The drawee bank will recover the amount of the cheque from our collecting agent in New York who in turn will debit the amount to the account of our branch which sent the cheque in question for collection.

Under such circumstances our branch will find recourse only against the customer who presented the instrument for collection or purchase. This recourse could be extended to any prior endorsers of the instrument but this cannot be taken for granted. Certain resistance will naturally be expected from the customer when claiming the amount of the returned cheque mainly because the customer himself will be taken by surprise and may be unable to compensate himself at such a late stage.

The following guidelines are given to assist branches in evaluating the whole question of the collection or purchase of cheques and other instruments drawn on Banks in the U.S.A.:-

1. Late return can take place any time within three years from the date of payment of the cheque by the drawee bank. Cheques drawn by the U.S. Treasury Department are not subject to such a limit and can be returned any time.
2. Payment advices received from our New York collecting agents do not afford any protection against the future return of a cheque by the drawee Bank on the grounds of irregularities raised by the drawer. In the payment advices, the collecting agents invariably reserve their rights to recover the amount paid if the cheque is returned by the drawee bank.

While advising credits in the account to the customers, branches should, therefore, affix a rubber stamp on the lines shown on page 186 of this circular.



INSTRUCTION CIRCULAR
NUMBER.....082

SUBJECT

PRECAUTIONS AGAINST LATE
RETURN OF CHEQUES AND
BANK DRAFTS DRAWN ON BANKS
IN THE U.S.A.

PAGE 185

DATE
November 4, 1981

QUERIES TO:
International
Division, CSO

3. No recourse is possible against anyone except the customer who presented the cheque for collection at our branch.
4. It is immaterial whether a cheque is accepted on collection or is purchased by the Bank.
5. Our branches should therefore take the utmost care in accepting cheques drawn on the U.S.A. from customers, even on a collection basis. The financial and business standing of the customer should be commensurate with the amount of the cheque and he should be made aware of the risk of extended recourse to him in the event of a belated return so that he in turn may not be caught unawares.
6. Reference should be made to Regional Office where transactions of very large amounts are being settled by means of cheques drawn on Banks in the U.S.A. even when the customer agrees to wait for the proceeds of the cheque sent on a collection basis.
7. Cheques should not be accepted from new account holders whose identity has not been satisfactorily established and who may tempt a branch with promises to place large funds as deposits.
8. Customers should be encouraged to arrange for interbank airmail or telex transfers of large amount for the credit of his account instead of accepting cheques drawn on banks in the U.S.A.
9. Cheques bearing unknown third party endorsements should be discouraged. Cheques should normally be collected for or purchased only from a customer whose name appears as the payee on the face of the instrument and not as the endorsee. Cheques payable to unknown third parties may be accepted only in exceptional circumstances from well known customers of undisputed standing with the specific approval of the Branch Manager.
10. Cheques accepted for collection or purchase must bear regular endorsements. The regularity and authenticity of such endorsements are the absolute responsibility of collecting branch. Under no circumstances should any irregularity or absence of endorsement be made up by bank certificates such as "absence of endorsement guaranteed" and "payees account credited". New York collecting agents will automatically guarantee all prior endorsements on behalf of our branch when the cheque is received in New York for collection, in accordance with the US Banking practice.

Branch Managers should advise all concerned staff in their branches of the implications of and risks attached to cheques drawn on the banks in the U.S.A. They should also be advised that anticipatory credit advices should not be considered as final payment advices. It is preferable that transactions involving cheques of large amounts, say over Dollars 10,000 are scrutinized by the Branch Manager and referred to Regional Office where necessary before parting with the proceeds of the collection.



INSTRUCTION CIRCULAR
NUMBER.....082

SUBJECT

PRECAUTIONS AGAINST LATE
RETURN OF CHEQUES AND BANK
DRAFTS DRAWN ON BANKS IN
THE U.S.A.

PAGE
186

DATE
November 4, 1981

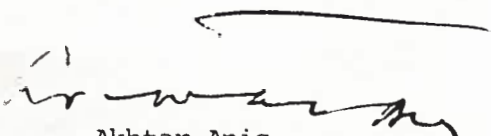
QUERIES TO:
International
Division, CSO

This circular is not intended to discourage the normal business of purchase or collection of cheques drawn on banks in the U.S.A. Our branches should exercise special care in handling such business in accordance with the guidelines above to protect themselves against unexpected losses as well as difficult and unpleasant disputes with their customers.

Conversely, any of our branches which find that a cheque or draft drawn by them on a bank in the U.S.A. has been irregularly paid on the grounds of forged/unauthorised endorsement(s), unauthorised alterations or fraudulent collection because the instrument has been lost or stolen, the right of claiming a refund from the collecting bank in the U.S.A. will be available for a period of three years. This right should however be exercised only under exceptional and bona fide circumstances.

Rubber stamp to be affixed on credit advices reading-

"Please note that collecting banks in the U.S.A. reserve their rights to recover the amount of items included in this advice on account of forged or unauthorised endorsement(s), unauthorised alterations etc. and we in turn look to you for reimbursement".


Akhtar Anis


Ameer H. Siddiki



INSTRUCTION CIRCULAR
NUMBER.....081

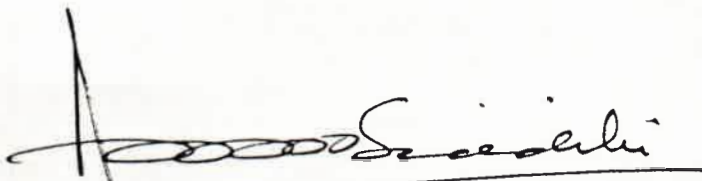
SUBJECT LETTER OF CREDIT	PAGE 183
	DATE October 21, 1981
	QUERIES TO: Central Credit Division


A letter of credit facility is considered to be a contingent facility until such time the documents thereunder are negotiated. After negotiation of the documents it becomes a cash facility secured by title to goods purported to have been shipped. After receipt of documents it becomes necessary that the branches remain aware of the arrival date of the steamer in order to ensure that the documents are retired by the credit openers before the steamer arrives. However, should the documents remain unretired after the arrival of the steamer, the branches should take steps to protect the goods.

Marine Insurance which is taken at the time of opening the letter of credit in case of C & F and FOB contracts or, the insurance policy which accompanies the documents in case of CIF contracts would provide cover for a certain period after discharge of goods at the port of destination. It must be ensured that insurance in respect of goods which have not been cleared is kept valid. Branches should seek guidance in this respect from their Regional Offices on a case to case basis.

Under normal circumstances, a letter of credit should stipulate shipment of goods to the country where the opening branch is located. In such cases where the shipment of goods is to a third country, specific authorisation from the Regional Office must be obtained. Regional Office, while giving permission for shipment of goods to third countries, would satisfy itself about the credit worthiness and the ability of the opener to retire the documents inasmuch as the security of goods in such cases is not fully available to us.

While giving permission for establishment of such letters of credit, the Regional Office will also take care that the goods are imported into such countries which would allow remittance of funds for payment of documents within a reasonable period of time.


AMEER H. SIDDIKI


IMTIAZ AHMED



INSTRUCTION CIRCULAR
NUMBER.....080

SUBJECT NUMBERS OF LETTERS OF CREDIT TO BE ISSUED BY BRANCHES OF BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED AND BANK OF CREDIT AND COMMERCE INTERNATIONAL (SWAZILAND) LIMITED	PAGE 182
	DATE October 16, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

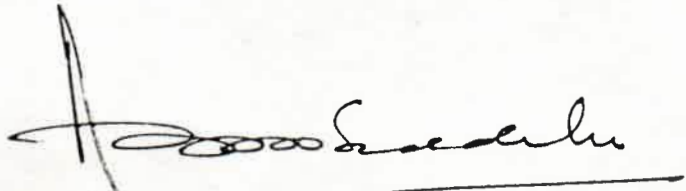
The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce International (Overseas) Limited

Port Gentil Branch, Gabon 175001 - 180000

Bank of Credit and Commerce International (Swaziland) Limited

Manzini Branch, Swaziland 180001 - 185000
Mbabane Branch, Swaziland 185001 - 190000


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER..... 079

SUBJECT

ADVISING LETTERS OF CREDIT THROUGH
BRANCHES CLOSE TO BENEFICIARIES
ADDRESS

PAGE

181

DATE

September 21, 1981

QUERIES TO:

Systems & Operations
Division - C.S.O.

It is advisable that letters of credit are routed through the branches which are authorised to handle foreign exchange transactions and are in close proximity to the beneficiary's address. With expanding network of BCC Group, it is necessary that the letters of credit which were so far advised through the main branch in the country of beneficiary, should now be sent to the new branch closer to the beneficiary's address for onward transmission. For example, letters of credit issued in favour of beneficiaries in Marseille should now be advised through Marseille branch and not through Paris branch.


AMEER H. SIDDIKI


AKHTAR ANIS



INSTRUCTION CIRCULAR
NUMBER.....078

SUBJECT

FIXED ASSETS -
MINIMUM CAPITALISATION LIMIT

PAGE: 180

DATE September 18, 1981

QUERIES TO:
Central Accounts
Division

In order to reduce the work involved in fixed assets accounting and also with a view to following a uniform practice in the BCC Group of Banks, it has been decided in consultation with our external auditors that all items of assets purchased of a value lower than or up to US\$ 250, or equivalent in local currency, should be charged to expenditure account and not capitalised.

All existing items with original expenditure of less than US\$ 250, or equivalent in local currency, should accordingly be written off through the appropriate expenditure account.

This Circular does not confer authority to branches to purchase fixed assets upto US\$ 250/- by debit to expenditure account. Usual procedure of obtaining prior permission from Regional Office for purchase of fixed assets remains unchanged.


AMEER H. SIDDIKI


MASIHUR RAHMAN



INSTRUCTION CIRCULAR
NUMBER.....077

SUBJECT NUMBERS OF LETTERS OF CREDIT TO BE ISSUED BY BRANCHES OF BANK OF CREDIT AND COMMERCE (MISR) S.A.E.	PAGE 179
	DATE August 28, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce (Misr) S.A.E.

Zamalek Branch, Cairo	165001 - 170000
Orabi Square Branch, Cairo	170001 - 173000
Sarwat Branch, Cairo	173001 - 175000

The following branches of Bank of Credit and Commerce (Overseas) Limited now transferred to Bank of Credit and Commerce (Misr) S.A.E., will continue to use the block of numbers already allotted to them. We reproduce the numbers for ease of reference:-

Bank of Credit and Commerce (Misr) S.A.E.

Main Branch, Alexandria	105001 - 110000
Giza Branch, Cairo	78001 - 81000
Heliopolis Branch, Cairo	115001 - 120000
Main Branch, Cairo	160001 - 165000
Moski Al Azhar Branch, Cairo	153001 - 158000
Talat Harb Branch, Cairo	26001 - 28000


ANWAR A. GILLANI


SWALEH NAQVI



INSTRUCTION CIRCULAR
NUMBER.....076

SUBJECT

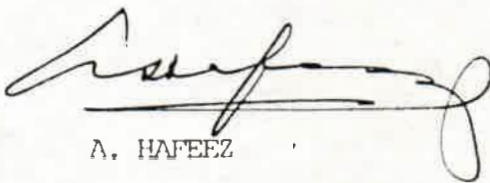
1. TRAVEL REGULATIONS
2. BAGGAGE REGULATIONS

PAGE 178

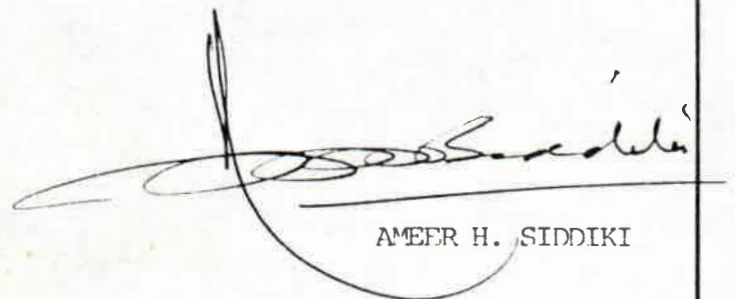
DATE August 17, 1981

QUERIES TO:
Staff &
Establishment Div.

Effective from July 1, 1981, the Travel and Baggage Regulations contained in our Instruction Circular No. 055 dated December 12, 1979 stand amended and the enclosed Regulations come into force.



A. HAFEEZ



AMEER H. SIDDIKI

09

Travel Regulations

09.1 Travel, on official duty must be undertaken in consultation with and the approval in writing of the Regional General Manager. Officers and departmental heads at branches should seek such approval through their managers. Regional General Managers, when giving their approval, will be guided by the usefulness to the institution of the proposed travel. Permission to travel should therefore only be sought subject to these considerations.

At the Central Support Organisation travel will be authorized by the Executive-in-Charge of the division on similar considerations.

09.2 Families accompanying officers travelling on official duty will not be paid for by the Bank. In the case of senior executives who may be required to entertain officially during any visit, however, their wives may accompany them on official account.

09.3 Duration of stay at a station should be limited to the authorized period. Any stay beyond the authorized period must be approved by Regional General Manager, or Executive-in-Charge concerned at the division at Central Support Organisation, or will be at the expense of the officer.

09.4 Only such expenses as are incidental to the official stay would be permitted. Personal or unjustified expenses e.g. personal entertainment and telephone expenses should not be included in the bill.

09.5 Official entertainment should, as far as possible, be paid for and claimed separately and would require the approval of the Regional General Manager, or the Executive-in-Charge concerned at Central Support Organisation.

09.6 Entitlements

09.6.1 Air Travel

09.6.1.1 Officers drawing a basic salary of US\$40,000 per annum and above may travel first class at their discretion.

09.6.1.2 Officers drawing a basic salary below US\$24,000 per annum shall travel by economy class. As far as possible direct routes, without stop-overs, should be resorted to.

09.6.1.3 Officers drawing a basic salary between US\$24,000 per annum and US\$39,999 per annum would be entitled to travel by club class wherever available. If club class travel is not available they shall travel by economy class.

09.6.1.4 All officers who have specifically been permitted to travel by first class at present, will continue to enjoy the facility irrespective of their basic salary.

09.7 Hotel Accommodation

09.7.1 Single room hotel accommodation would be admissible in the following classifications and salary ranges:

Accommodation Classification

<u>Basic Salary Per Annum</u>	<u>Class of Hotel</u>
Upto US\$11,999	3 Star/Second Class
US\$12,000 - US\$32,999	4 Star/First Class
US\$33,000 - Above	5 Star/Deluxe Class

For locations where a classified guide is not available for hotels, Regional General Managers shall have a list prepared of approved hotels, motels or rest houses at which BCCI officers may stay, based on the salary ranges mentioned earlier. This list is to be sent to Staff & Establishment Division, CSO, for information.

09.7.2 Miscellaneous Expenses

Incidental items such as laundry, tips and portorage etc., will be reimbursed at actuals to the extent of US\$5 per day. Claims should be accompanied with receipts wherever possible.

09.8 Per Diem Allowance

09.8.1 Officers on official travel can claim a Per Diem allowance in lieu of hotel, motel or rest house accommodation, food and refreshment expenses, but excluding cost of transportation which will be separately reimbursed at actuals as per Regulation 09.9.1

09.8.2 This allowance for one day would be admissible for journeys above 12 hours. Subsequent entitlements to a further day's allowance will arise on the completion of each subsequent 24 hours.

09.8.3 Where the journey is of less than 12 hours duration the cost of refreshments, food and transport may be claimed at actuals against receipts.

09.8.4 For purposes of the calculation of Per Diem allowance, time spent on travel would not be included, and the admissibility for this allowance would be from the time of arrival to the time of departure. At any location where hotel accommodation is not availed of and the stay exceeds 12 hours, it will be treated as a full day for purposes of Per Diem allowance.

09.8.5 The following allowances are applicable according to country classification (Annexure I) and salary ranges.

Table of Per Diem Allowance

<u>Basic Salary per annum</u>	<u>Country Classification</u>			
	(Annexure I) US\$ per Day			
	A	B	C	D
Upto US\$11,999	60	40	25	20
US\$12,000 - US\$32,999	75	55	30	25
US\$33,000 - Above	90	70	40	30

09.9 Other Expenses

09.9.1 Travel by Car/Taxi

Cost for transportation will be reimbursed at actuals.

Where personal vehicles are used, 50% of the cost of petrol may be added to the actual petrol expenses, as reimbursement towards depreciation.

09.9.2 Railway Travel

Where officers may be required to travel by train, and when more than one class is available, officers with basic salaries of upto US\$5999 per annum will travel by second class, and officers with basic salaries of US\$6000 per annum and above may travel by first/airconditioned class. Receipts issued by railway authorities should be submitted when claiming reimbursement.

09.9.3 Excess Baggage

Excess baggage charges will not be admissible except when officers are carrying documents/books/equipment for official use.

09.9.4 General Provisions

09.9.4.1 These Regulations for overseas travel, will also apply to subsidiaries, affiliates, and companies of the Group managed by us.

09.9.4.2 Travel expenses excluding cost of air ticket which will be paid directly to airlines/travel agencies will be reimbursed on submission of a travel bill by the executive or officer concerned in the prescribed form as per enclosed specimen 'Annexure 2'.

09.9.4.3 Travel bills should be submitted to the prescribed authority by the officer within 10 days of the return from journey.

- 09.9.4.4 Travel advance if required should be taken at the place of posting before undertaking the journey.
- 09.9.4.5 In view of the Bank's world-wide group insurance cover for all staff, no travel insurance is considered necessary. Any flight insurance taken out by an officer is therefore on his own account.
- 09.9.4.6 Regional Inspection and Central Audit Division will pay special attention at the time of the audit of the various units towards adherence to these travel regulations.
- 09.9.4.7 These regulations shall not apply to the home leave facility for which separate rules have been established.
- 09.9.4.8 These regulations would be amended or modified by the Central Management Committee from time to time.
- 09.9.4.9 These regulations shall come into effect from 1st July, 1981.

10. Baggage Regulations

- 10.1 Baggage Allowances as stipulated in these Regulations would be applicable for employees transferred either temporarily or permanently from one country to another.
- 10.1.1 Where distances between countries are not significant and personal effects are required to be moved overland, Regional General Managers would fix the limits to which the Bank would meet these expenses, based on the same cubic footage as allowed for transportation by sea.
- 10.2 Transfers for a period below 1 year is regarded as a temporary transfer for the purposes of these Regulations.
- 10.3 For transfers within the country the Regional General Managers would formulate regulations to cover their local requirements based upon local conditions in consultation with Staff & Establishment Division at the Central Support Organisation.
- 10.4 Each Regional Office and Staff & Establishment Division at CSO must have a list of approved shippers at each location so that estimates can be obtained for the transfer of personal effects of employees from one country to another before approval is given for such expenditure, subject to the limits mentioned in Clause 10.7 of these Regulations.
- 10.5 Employees should arrange to submit an estimate of cost for the transfer of their personal effects from shippers (or their agents) approved by the Bank, on a door-to-door basis.
- 10.6 Quotations for the movement of personal effects by sea or overland should include cost of packing, freight, handling, insurance and clearance of goods. Other expenses including duties and taxes shall not be admissible under the Baggage Regulations.
- 10.6 The import and customs duty regulations of the country to which an employee is transferred would govern whether or not he can take certain personal effects with him,

and it would be for the employee to make sure that he is not contravening the regulations before having his personal effects shipped.

10.7 Entitlement

<u>Basic Salary Range (pm)</u>	<u>Limit per Employee</u>
US\$ 300 - 499	225 cubic feet
US\$ 500 - 999	250 Cubic feet
US\$1,000 - 1,499	300 Cubic feet
US\$1,500 - above	350 Cubic feet

10.7.1 The above baggage limits apply to the transportation of the household goods of an employee from one location to another on permanent transfer.

10.7.2 Employees are entitled to a single shipment on their transfer. Piecemeal shipments must not be made.

10.8 Other allowances related to unaccompanied baggage that may be transported by air are as follows:

10.8.1 Permanent Transfers

10.8.2 Transfer within the Country:

Regulations to be formulated by Regional General Managers based upon local requirements and conditions, in consultation with Staff & Establishment Division, CSO.

10.8.3 Overseas Transfers:

Employees travelling by air when proceeding on permanent transfers:

Entitlement

Employee		40 kilos
Spouse		40 kilos
Children/Dependent/s (maximum of 3)	(each)	10 kilos

10.8.4 Home Leave

No excess baggage is admissible on home leave or personal travel.

10.8.5 If a transfer to a new location immediately follows home leave the entitlement as in Clause 10.8.3 may be availed of.

10.9 Temporary Transfers

All overseas transfers for a period of less than 12 months will be deemed as temporary for the purposes of these Baggage Regulations.

10.9.1 If the duration of the temporary overseas transfer is for more than 1 month and less than 3 months, a maximum of 40 kilos of unaccompanied baggage by air is permissible for each employee.

10.9.2 For transfers of a duration of more than 3 months and less than 12 months, 60 kilos of unaccompanied baggage by air is permissible for individual employees.

10.9.3 Families are not expected to accompany employees on temporary transfers of 3 to 6 months and family members are not entitled to any excess baggage.

10.9.4 Transportation of Car

In principle the Bank accepts no responsibility for the cost of transportation of an employee's car to the new location of his posting. The procedure recommended is for the employee to sell his car and to purchase another at his new location. To this end suitable car loan policies exist at different centres.

Should there however, be an extraordinary loss on a car sold, because of transfer, that is a loss greater than would normally have been expected allowing for normal depreciation, the matter should be specially referred to the Regional General Manager and/or Staff & Establishment Division, CSO giving details

(make and size of car, cost, date purchased, normal local depreciation rate, likely price if sold) so that a decision can be taken at the discretion of the Bank for the course to be followed.

Should it be decided to allow the employee to take his car with him, based on the cost of transportation to the new location and the local import and duty regulations, the Bank would meet expenses pertaining to freight, insurance, and clearance, but not for any other expenses such as duties, taxes, registration, etc., which will be the responsibility of the individual.

- 10.9.5 These Regulations would be subject to amendment as and when required.

- 10.9.6 The Baggage Regulations would be subject to amendment as and when required.

- 10.9.6 The Baggage Regulations would be introduced with effect from 1st July, 1981.

LIST OF COUNTRIES GROUPED AS A,B,C OR D FOR
PURPOSE OF PER DIEM ALLOWANCE AS PER SECTION 09.8.5 OF THE TRAVEL RULES

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
U.A.E.	France	Ivory Coast	Ghana
Kuwait	Hong Kong	Bangladesh	India
Saudi Arabia	Japan	Cameroon	Jordan
U.K.	Lebanon	Canada	Senegal
Oman	Mauritius	Italy	Swaziland
Nigeria	U.S.A.	Kenya	Turkey
Gabon	Seychelles	Liberia	Zambia
Qatar	Sierra Leone	Luxembourg	Zimbabwe
Yemen	Singapore	Pakistan	Morocco
Argentina	Cayman	Panama	
Mexico	W. Germany	Philippines	
	Bahrain	Sri Lanka	
	Brazil	Sudan	
	Iran	Switzerland	
		Togo	
		Venezuela	
		Indonesia	
		Egypt	
		Spain	
		Portugal	
		S. Korea	



INSTRUCTION CIRCULAR
NUMBER.....075

SUBJECT

PROCEDURE FOR USE OF TEST KEY

PAGE 176

DATE August 14, 1981

QUERIES TO:
Systems & Operations
Division - C.S.O.

With immediate effect the following instructions shall govern application and verification of 'Test' on telexes and cables and safe custody of Test Key and related correspondence.

All telexes and cable messages, concerning payment/transfer of money, purchase, sale or delivery of shares and securities and other valuable documents, issue or amendments of letters of credit, advice of letters of guarantee etc., must be authenticated by a Test. While transmitting the message, the Test number should invariably be mentioned before the text of the message.

Test Key Records

Test Keys and related correspondence should be held under joint control of the Manager and the Second Officer. In large branches, the Manager may authorise some other senior officers to hold the test keys.

Wherever Test Keys include two sets of variable tables, as in case of BCC Group Test Keys, one set of variable tables should be held independently by the Manager or another senior officer. Fixed tables and another set of variable tables will, in this case, be held by another officer.

Overnight, the Test Keys and related correspondence should be placed in the vault. Variable tables held independently by the Manager or the Senior Officer should be placed separately from the set of documents held by another officer. At no time both the Variable Tables should be made available to one officer. In small branches where strong room facilities are not available, the records should be kept in fire proof steel cabinets under dual control.

Branches should exercise care to ensure that during working hours or overnight, any person not authorised to hold Test Keys or a set of Variable Tables, should not have access to the records.

Authentication of Inward Messages

All inward tested messages should be received by the authorised officers for verification of Test. Both the officers should compute the Test independently. Messages with correct Test should be stamped, with a rubber stamp reading 'Test Agrees' and signed by both the officers. If Test of any message does not agree, then branch/correspondent which sent the messages should be advised immediately by telex, and the message should be kept pending. A copy of the message as received will be passed on to the department concerned for information so that they may be able to attend to any enquiry if received on the subject of the message. The copy should be boldly marked, preferably in red ink - 'CAUTION: FOR INFORMATION ONLY. TEST DOES NOT AGREE'.

All messages with agreed tests should be entered into a register and delivered to the respective departments against the initial of Officer-in-Charge of the department. While accepting the message he shall ensure that the messages bear stamp "Test Agrees" and have been signed by both the authorised officers and that he is satisfied with the genuineness of their signatures.

f

4



INSTRUCTION CIRCULAR
NUMBER..... 075

SUBJECT PROCEDURE FOR USE OF TEST KEY	PAGE 177
	DATE August 14, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Authentication of Outward Messages

All messages to be sent under a 'Test' should be typed in triplicate and signed by two authorised signatories of the initiating department. If amount involved in a message is in excess of US\$ 50,000 (or its equivalent amount in any other currency) it must be signed by Officer-in-Charge of the department.

Messages over US\$ 500,000 (or its equivalent amount in other currencies) must be signed by the Manager. The above limits can be revised by the Regional General Managers at their discretion.

Messages sent by Regional or other offices through a branch must be counter-signed by a designated Senior Officer of the originating Department/Division.

The officers signing the messages shall ensure that all vouchers in support of the transaction have been passed.

The names and signature numbers of the officers authorised to sign messages to be transmitted under 'test' shall be advised by the Manager to the two authorised officers holding the Test Keys.

Original and duplicate copy of the message shall be sent to officers holding the Test Keys and the third copy shall be retained in the originating department.

On receipt of two copies of the message, the officers shall verify that it has been signed by the authorised persons, and that their signatures agree with specimen signatures provided to them.

They shall compute the 'test' number and write it on the original as well as second copy of the message.

The original copy of the message shall be sent to Telex Department/Operator for transmission. The second copy shall be retained with them.

Telex Department/Operator shall allot a running serial number to each message.

After transmitting the message original message alongwith one copy of the message as transmitted will be returned to the originating department. One copy of the transmitted message shall be retained in a file in serial number order under the effective control of Officer-in-Charge of the Telex Department or the Telex Operator.

On receipt of copy of transmitted message, the originating department should compare the text of transmitted message with the office copy to ensure that the text has been transmitted correctly. Discrepancy, if any, should be immediately notified to the Telex Department/Operator.

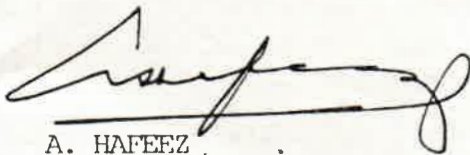


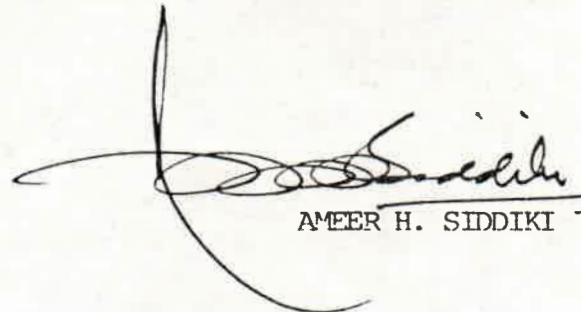
INSTRUCTION CIRCULAR
NUMBER.....075

SUBJECT PROCEDURE FOR USE OF TEST KEY	PAGE: 178
	DATE August 14, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Test Key Arrangements

All Test Key arrangements, either with branches or another bank or financial institution are being arranged by International Division, CSO at 100 Leadenhall Street, London EC3A 3AD. Branches desirous of establishing such arrangements with other branches or other correspondents must therefore forward their requests duly recommended by their Regional Offices to International Division.


A. HAFEEZ


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....074

SUBJECT

SUBSCRIPTION TO EQUITY PARTICI-
PATION CERTIFICATES ISSUED
BY DAR AL-MAAL AL-ISLAMI

PAGE 172

DATE JULY 27, 1981

QUERIES TO:

"DMI CELL", LONDON

We are pleased to advise that we have been appointed by DAR AL-MAAL AL-ISLAMI (DMI) as a designated bank to collect applications from the public to subscribe to Equity Participation Certificate in DMI. Initial stock of application forms along with Business Transmittal Forms (BTF) and copies of the Prospectus is being sent to the designated branches/offices by DMI separately. In case you need additional supply, please contact "DMI Cell" at London, details of which have been provided later in the Circular.

Dar Al-Maal Al-Islami (DMI) is organised for the purpose of conducting a diversified financial business in strict accordance with Islamic laws, principles and traditions. They are raising capital by issuing Equity Participation Certificates in various phases. The first phase starting on the first of August, 1981 is for subscription to 2,000,000 Equity Participations and will terminate on 30th November 1981, or any other date announced by the DMI. The scope and details of DMI activities, and other information have been given in their Prospectus.

The details of subscription are as under:

1. The subscription shall remain open from 1st August 1981 to 30th November 1981.
2. Minimum subscription - 10 Participations (Units)
3. Price per Participation:

Subscription price	- US\$ 105/-
Fee	- US\$ 5/-
TOTAL	- US\$ 110/-
4. Minimum subscription amount payable by each applicant - US\$1100/-
5. Application below ten Participations should not be accepted. Subscription amount for applications over ten units should be worked out at aforesaid rate of US\$110 per Participation i.e. in multiples of 10 units.
6. Subscription is payable in US Dollars only. Subscription amount may be accepted in local currency, after converting the US Dollar amount of the units subscribed into local currency at US Dollars selling Rate.

DESIGNATION OF BRANCHES FOR PHASE I

In consultations with Regional Offices, the branches/offices listed in the 'Appendix A' have been designated to accept application from the public. Branches which are not designated should obtain application forms and the Prospectus from the nearest designated branch of their region. Completed application forms received by them should also be sent to the branch for necessary action.



INSTRUCTION CIRCULAR
NUMBER.....074

SUBJECT

SUBSCRIPTION TO EQUITY PARTICIPATION CERTIFICATES ISSUED BY DAR AL-MAAL AL-ISLAMI

PAGE 173

DATE JULY 27, 1981

QUERIES TO:
"DMI CELL", LONDON.

PROCEDURES TO BE FOLLOWED BY THE DESIGNATED BRANCHES

On Receipt of Applications:

Designated branches will be advised a Branch Code Number by DMI, which should be quoted in all correspondence with the DMI. The following procedure should be followed for acceptance of applications and remittance of subscription amount.

1. Each designated branch shall maintain a Register with the following columns, to record DMI applications received by them:
 - a. Date of Receipt of Application.
 - b. Serial Number.
 - c. Applicant's name.
 - d. Number of Participations applied.
 - e. Amount.
 - f. Mode of Payment - whether cheque or cash.
 - g. Cheque number.
 - h. Drawn on.
 - i. Realised on.
 - j. Remarks and initials.
2. Application forms prescribed by the DMI consist of five copies. All applications should be carefully scrutinised to ensure that they are properly filled in and duly signed by the applicants as per the requirements specified by DMI.
3. Assign a serial number to each application from the 'DMI Application Received Register' maintained with the branch.
4. Write Branch Code Number assigned by DMI and serial number on all copies of the application.
5. A US Dollar current account in the name and style - 'DMI - COLLECTION ACCOUNT NUMBER 1' shall be opened at the branch and the subscription amount received from the subscriber should be credited to this account. If the subscription amount has been tendered in local currency, then it should be converted in US Dollars at selling rate of exchange, and only the US Dollar amount is to be credited to this account.



INSTRUCTION CIRCULAR
NUMBER.....074

SUBJECT

SUBSCRIPTION TO EQUITY PARTI-
CIPATION CERTIFICATES ISSUED
BY DAR AL-MAAL AL-ISLAMI

PAGE 174

DATE JULY 27, 1981

QUERIES TO:
"DMI CELL", LONDON

6. Ensure that correct amount is tendered with the applications. In case payment is made by cheque drawn on other banks/branches, send cheque for collection/clearance and record details in the Register.
7. Stamp and sign the blue copy of the application form and hand it over to the applicant or his representative who calls on the branch. All subscriptions made by cheques must be stamped 'SUBJECT TO REALISATION OF CHEQUES'.
8. If a cheque is returned unpaid for any reason make appropriate remark in 'Remarks column' of the Register and return the cheque and remaining copies of the application form to the applicant.

Commission on Collection of Applications

9. The designated branches are authorised to charge US\$ 2.50 per participation as their handling commission. Since the minimum subscription is 10 Participations the minimum commission will be US\$ 25.00. This commission shall be deducted from the subscription amount and credited to Income Account - Commission Misc. (Code No 70215).

Remittance of subscription amount to DMI Cell, London

10. As at close of business on each Monday, the clear balance in the account, after deduction of the aforesaid commission of US\$ 2.50 per Participation i.e. US\$ 107.50 per Participation shall be remitted by telex/cable to BCCI S.A. Leadenhall Street branch, London for credit of DMI Collection Account No: 01072660.

For example say, Branch A has received applications for 100 Participations from 5 applicants. Total amount received is $100 \times \text{US\$ } 110 = \text{US\$ } 11,000/-$. Out of the above, cheques received from two applicants for 20 Participations are not cleared till close of business on Monday. Therefore, clear balance is US\$ 8,800/-. They should therefore remit by T.T. US\$ 8,600/- after deducting Commission of US\$ 200/- @ US\$ 2.50 for 80 Participation.

Despatch of Applications

11. After effecting the remittance, the branches should prepare Business Transmittal Forms (BTF) prescribed by DMI giving the following details:
 - a. Total number of Participations (units) applied for.
 - b. Total subscription value.
 - c. Total amount of commission retained.
 - d. The balance to be transferred.



INSTRUCTION CIRCULAR
NUMBER.....074

SUBJECT

SUBSCRIPTION TO EQUITY PARTICIPATION CERTIFICATES ISSUED BY DAR AL-MAAL AL-ISLAMI

PAGE 175

DATE JULY 27, 1981

QUERIES TO:

"DMI CELL", LONDON

The application forms, and BTF are to be disposed off as under:

- a. Original, Pink and Green copies of the application form and Business Transmittal Form (BTF), alongwith one copy of the telex remittance, should be sent, by courier to:

"DMI CELL", ATTN: MR. M. YOUNUS.
BANK OF CREDIT & COMMERCE INT. S.A.,
100 LEADENHALL STREET, 6TH FLOOR,
LONDON, EC3A 3AD
 - b. Blue copy of the application form should be handed over to the applicant as receipt.
 - c. Yellow copy of the application Form and BTF is to be retained by the branch for their record.
12. Date of remittance to DMI Account at BCCI London should be recorded in the 'Remarks' column of the Register as well as yellow copy of the application form.

General

13. Enquiries relating to the issue of DMI Equity Participation Certificates should be addressed to 'DMI Cell' in London at the address given above. No correspondence should be made with Dar Al-Maal Al-Islami or any other authority in this regard.


Ameer H. Siddiki


A. Hafeez

LIST OF DESIGNATED BRANCHES/OFFICESEGYPT

1. BCCI (Overseas) Ltd.,
26 July Street Branch,
28, 26 July Street,
P.O. Box No 922, Cairo.
2. BCCI (Overseas) Ltd.,
Kasr El-Aini Branch,
Cairo Centre Building,
106 Kasr-el-Aini Street,
P.O. Box No 788, Garden City, Cairo.
3. BCCI (Overseas) Limited,
Main Branch,
9 Talaat Harb Street,
P.O. Box No 2658, Cairo.
4. BCCI (Overseas) Ltd.,
Main Branch,
Ahmed Orabi Street,
Manshia Square, P.O. Box 1896,
Alexandria,
5. BCCI (Overseas) Ltd.,
Safia Zaghloul Street Branch,
35 Safia Zaghloul Street,
P.O. Box 875, Alexandria.

JORDAN

6. BCCI S.A.
Jabal Amman Branch,
Chamber of Industries Building,
P.O. Box No 2958, Jabal Amman.
7. BCCI S.A.
Main Branch,
Down Town,
King Hussain Street,
P.O. Box No 7943,
Amman.

OMAN

8. BCCI (Overseas) Ltd.,
Muttrah Branch,
P.O. Box No 840, Muttrah.
9. BCCI (Overseas) Ltd.,
Ruwi Branch, P.O. Box No 4442, Ruwi.
10. BCCI (Overseas) Ltd.,
P.O. Box No 8550, Salalah,
11. BCCI (Overseas) Ltd.,
Sook Branch, P.O. Box No 4441,
Ruwi, Muttrah.

U.A.E.

12. BCCI S.A.
Airport Road Branch,
Airport Road,
P.O. Box No 2795, Abu Dhabi.
13. BCCI S.A.
Al Ain Branch,
P.O. Box No 1378, Al Ain.
14. BCCI S.A.
Main Branch,
P.O. Box No 146,
Ajman.
15. BCCI S.A.
Dubai Branch,
P.O. Box No 2798,
Al Fahidi Street, Dubai.
16. BCCI SA
Main Branch,
P.O. Box No 713, Sharjah.
17. BCCI S.A.
Ummal Quwain Branch,
P.O. Box No 49,
Ummal Quwain.
18. BCCI (Overseas) Ltd.,
Abu Dhabi Main Branch,
P.O. Box No 3317, Abu Dhabi.
19. BCCI (Overseas) Ltd.,
City Centre Branch,
P.O. Box No 6042, Abu Dhabi.
20. BCCI (Overseas) Ltd.,
Al Maktoum Street Branch,
P.O. Box No 427, Deira Dubai.
21. BCCI (Overseas) Ltd.,
Deira Dubai Branch,
P.O. Box No 5032, Bin Yas Street,
Deira Dubai.
22. BCCI (Overseas) Ltd.,
Fujairah Branch,
P.O. Box No 268, Fujarah.
23. BCCI (Overseas) Ltd.,
Ras-A-Khaimah Branch,
P.O. Box No 553,
Ras-A-Khaimah.
24. BCCI (Overseas) Ltd.,
Sharjah Branch,
P.O. Box No 5106,
Sharjah.

YEMEN

25. BCCI S.A.
Sana-a Branch,
Al Qasr Street,
P.O. Box No 160, Sana-a.

KUWAIT

26. KIFCO,
Al Rashid Building,
Fahad Al Salem Street,
P.O. Box No 23792,
Safat, Kuwait



INSTRUCTION CIRCULAR
NUMBER.....073

SUBJECT NUMBERS FOR LETTERS OF CREDIT TO BE ISSUED BY: 1. KHARTOUM BRANCH, SUDAN 2. MOUSKI-AL-AZHAR BRANCH, CAIRO 3. MARSEILLE BRANCH, FRANCE 4. MAIN BRANCH, CAIRO BCC (MISR) SAE	PAGE: 171
	DATE June 19, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce International S.A.

Khartoum Branch, Sudan 150,001 - 153,000

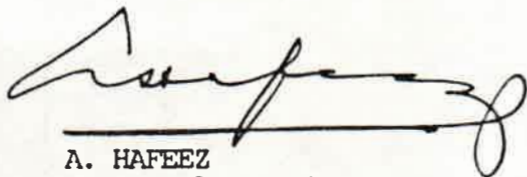
Bank of Credit and Commerce International (Overseas) Limited

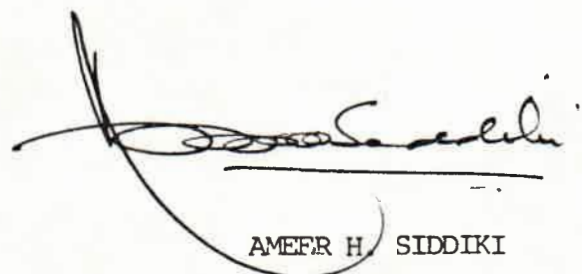
Mouski-Al-Azhar Branch, Cairo 153,001 - 158,000

Marseille Branch, France 158,001 - 160,000

Bank of Credit and Commerce (MISR) S.A.E.

Main Branch, Cairo 160,001 - 165,000


A. HAFEEZ


AMEFER H. SIDDIKI



INSTRUCTION CIRCULAR

NUMBER.....072

SUBJECT
CHARGING OF HIGHER RATES OF
INTEREST ON ACCOUNTS HAVING
EXCESS OVER SANCTIONED/DRAWING
LIMITS

PAGE	170
DATE	June 15 1981
QUERIES TO:	Central Credit Division, C.S.O.

Along with other terms of credit lines granted to borrowers, rate at which interest is to be charged is also determined. It should be clearly understood by branches that the rate of interest so fixed is applicable to the drawings made by the borrowers within the terms of the original sanction.

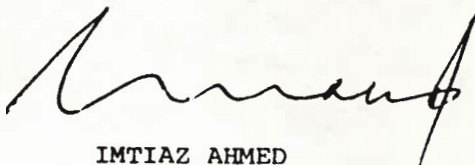
Where drawings over the sanctioned/drawing limits are allowed in cash credit and sanctioned overdraft accounts and in cases of overdue bills purchased, overdue acceptances, default in the repayment of loan instalment, temporary overdrafts accounts and all such advance accounts where drawings have exceeded the amount originally sanctioned, branches should charge the interest at a rate higher than the normal rate of interest agreed to in the terms of original sanction. Interest at higher rate should however be charged on the overdrawn balances and/or for the excess period for which the excess borrowings remain unpaid.

For example, in case of an overdraft account with a sanctioned limit of US\$100,000, if for some reason, balance up to US\$110,000 is permitted, say for 12 days, interest at a higher rate should be charged for 12 days on US\$10,000 (overdrawn balance) while interest at agreed rate will be charged on US\$100,000.

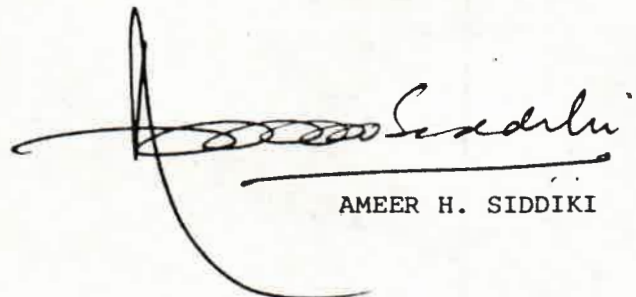
Similarly, if a 30 days' usance bill for US\$50,000 purchased by the branch, remains outstanding up to 35 days, interest at higher rate will be charged for 5 days on US\$50,000 while agreed rate of interest will be charged for 30 days.

The higher rate at which interest will be charged should be determined by the branches in consultation with their Regional Offices and only after obtaining clearance, interest at higher rate should be charged on excess drawings. Local banking practice in this regard should also be looked into.

Immediate implementation of the above guidelines, it is expected, will result in increased profits, besides instilling a discipline in the advance accounts.



IMTIAZ AHMED



AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....071

SUBJECT EDUCATION SUBSIDY SCHEME	PAGE 169
	DATE June 3, 1981
	QUERIES TO: Systems & Operations Division - C.S.O.

Further to Instruction Circular Number 068 of February 9, 1981, we now enclose the following standard set of forms for implementation of the above Scheme:

- | | |
|---|---------|
| 1. Claim for Education Subsidy | Form A |
| 2. Education details form
(For children studying locally) | Form A1 |
| 3. Application for Education Subsidy --
For children studying abroad | Form B |
| 4. Education details form
(For children studying abroad) | Form B1 |
| 5. Computation of Education Subsidy | Form C |
| 6. Annual Statement of Subsidy Paid | Form D |

Officers entitled for Education Subsidy, in accordance with the above Circular are requested to submit their claims on the prescribed forms to their Regional General Manager through the manager of the branch/office concerned. As already advised, claim forms are to be submitted on annual basis, the year being July 1 to June 30. For 1980/81 the forms must therefore be submitted by June 30, 1981.

The subsidy will be paid to the concerned officer in accordance with Clause 5 of the Education Subsidy Scheme and will be subject to local tax laws where applicable.

The forms and number of copies required are as follows:

FORMS A, A1 and C

These forms are to be submitted in triplicate as follows:

- i. One copy to be retained by Branch Office.
- ii. Two copies to be forwarded to Regional Office for approval, of which one approved copy to be returned to Branch for record and authority of disbursement.

FORMS B, B1

These forms are to be submitted in quadruplicate as follows:

- i. One copy to be retained by Branch Office.
- ii. Three copies to be forwarded to Regional Office, two of which will be sent to CSO for final approval duly recommended by the Regional Office. One approved copy will be returned by CSO to Regional Office. The claim for reimbursement will be made by the officer after receiving approval from CSO by submitting form 'A' and 'C' to the Regional Office through the Branch.

FORM D

Branches are requested to send the above form to their Regional Offices annually for the year ending June 30, for compilation of Regional figures for the information of the Region and CSO.

A. HAFEEZ

AMEER H. SIDDIKI

DATE: _____

TO: Regional General Manager
 _____ Region
 (Through Manager _____
 Branch _____

SUBJECT: Application for Education Subsidy for the year - from 1st July 19-- to 30th June 19--

I wish to claim subsidy under the Education Subsidy Scheme towards my eligible child/children educational expenses incurred or to be incurred by me. In support of my claim, I am enclosing herewith completed forms A1, B1 and C together with the supporting documents for your approval.

Total Number of Children _____

Number of qualifying Children Studying Locally _____ abroad _____
 (Please refer to Section 1 paragraph 1 of Education Subsidy Scheme)

Signature of Officer
 Name _____

FOR USE AT BRANCH OFFICE

Our Reference No:
 Date: _____

Application received on _____

Application checked and found correct as per the Rules of Education Subsidy Scheme.

Remarks _____

Branch Manager _____

FOR USE AT REGIONAL OFFICE:

Our Reference No:
 Date: _____

Application received on _____

Application Approved/Not Approved. Education Subsidy Amounting to _____
 (Local Currency)

As shown on Form C may be paid under the Education Subsidy Scheme _____

Remarks _____

General Manager _____

(PLEASE FILL IN ADDITIONAL FORMS IF NECESSARY)

BANK OF CREDIT AND COMMERCE INTERNATIONAL

(EDUCATIONAL DETAILS FORM (FOR CHILDREN STUDYING LOCALLY) FOR THE YEAR FROM 1st JULY 19 to 30th JUNE 19

NAME OF OFFICER _____ LOCATION _____ REGION _____ RATE OF CONVERSION TO US\$ AS AT _____
 30th June 19 _____ 30th Dec. 19 _____

DESCRIPTION OF QUALIFYING CHILDREN	1st CHILD	2nd CHILD	3rd CHILD
NAME OF CHILD			
DATE OF BIRTH			
SEX : MALE/FEMALE			
SCHOOL i) NAME			
SCHOOL ii) ADDRESS			
CLASS IN WHICH STUDYING			
ACADEMIC YEAR FROM ____ TO ____			

ALLOWABLE EDUCATION COST (if included in school bills)	N.B. Please attach invoices, bills, and documents in support of your claim for Education Subsi					
	Local currency	US\$	Local Currency	US\$	Local currency	US\$
i) ADMISSION FEE						
ii) TUITION FEE						
iii) LABORATORY FEE						
iv) COST OF TEXT BOOKS						
v) COST OF STATIONERY						
Less SCHOLARSHIP/STIPEND/GRANT	()	()	()	()	()	()
<u>NET EDUCATION COST</u>						

TOTAL OF ALL CHILDREN EDUCATIONAL COST OF QUALIFYING CHILDREN IN LOCAL CURRENCY _____ US\$ _____

N.B. THIS FORM IS TO BE USED BY AN OFFICER WHOSE CHILDREN ARE STUDYING AT THE PLACE OF THE OFFICERS POSTING

SIGNATURE

Date: _____

Executive-in-Charge,
Staff and Establishment Division,
C.S.O. London,
(Through Branch Manager and Regional General Manager).

SUBJECT: Application for Education Subsidy - For Children Studying Abroad

(Required C.S.O. prior approval) for the year from 1st July 19__ to 30th June 19__

I wish to claim Subsidy under the Education Subsidy Scheme towards my eligible Child/
Children studying abroad. In support of my claim, I am enclosing herewith completed
form B1 together with the supporting documents for your approval.

Total number of children _____

Total number of qualifying children studying locally _____ abroad _____
(Please refer Clause 1 Para 1 of Education Subsidy Scheme)

The reasons for which I send/will send child/children abroad for education are

Signature of Officer

Name: _____

FOR USE AT BRANCH

Reference No. _____

Date: _____

Application received on _____

Application checked and found correct as per the Rules of Education Subsidy Scheme.
We confirm that suitable education facilities are not available at the location
as per Clause 3 para 2 of Education Subsidy Scheme.

Remarks _____

Branch Manager _____

FOR USE AT REGIONAL OFFICE

Reference No. _____

Date. _____

APPLICATION RECEIVED ON _____

WE RECOMMEND THE APPLICATION/DO NOT RECOMMEND THE APPLICATION.

REASONS _____

General Manager _____

FOR USE AT CENTRAL SUPPORT ORGANISATION

Reference No. _____

Date. _____

Application received on _____

Application approved/not approved on the grounds that _____

Executive in Charge
Staff & Establishment Division

BANK OF CREDIT AND COMMERCE INTERNATIONAL

(EDUCATION DETAILS FORM (FOR CHILDREN STUDYING ABROAD & REQUIRE C.S.O. APPROVAL) FOR THE YEAR FROM 1st JULY 19 to 30th June 19

NAME OF OFFICER

LOCATION

RATE OF CONVERSION TO US\$

DESCRIPTION OF QUALIFYING CHILDREN	1st CHILD	2nd CHILD	3rd CHILD
NAME OF CHILD			
DATE OF BIRTH			
SEX: MALE/FEMALE			
SCHOOL i) NAME			
SCHOOL ii) ADDRESS			
CLASS IN WHICH STUDYING			
ACADEMIC YEAR FROM ____ TO ____			

ALLOWABLE EDUCATION COST
(if included in school bill)

N.B. Please attach invoices, bills and documents in support of your claim for Education Subsidy

	Local Currency	US\$	Local Currency	US\$	Local Currency	US\$
i) ADMISSION FEE						
ii) TUITION FEE						
iii) LABORATORY FEE						
iv) COST OF TEXT BOOKS						
v) COST OF STATIONERY						
vi) ACTUAL/ESTIMATED COST OF BOARD & LODGING FOR BOTH BOARDERS & DAY SCHOLARS						
vii) ACTUAL COST OF RETURN JOURNEY TO THE PLACE OF POSTING (NOT EXCEEDING TWO RETURN TRIPS A YEAR)						
LESS SCHOLARSHIP/STIPEND/GRANT						
NET EDUCATION COST						

TOTAL EDUCATION COST IN LOCAL CURRENCY _____ US\$ _____

Note: This form is to be used by an Officer whose children are studying abroad i.e. other than his place of posting

signature

COMPUTATION OF EDUCATION SUBSIDY
(To be filled in by Officer)

EFFECTIVE YEAR FROM 1st JULY 19__ TO 30th JUNE 19__

NAME OF OFFICER _____ Location _____

Basic Salary in Local Currency _____ p.a. US\$ _____ p.a.

Total number of children _____ Qualifying number of children _____

Number of children studying locally _____ Abroad _____

Local Currency	US\$
()	()
a)	
()	()

i. Cost of children studying locally
(as per Form A1)

ii. Cost of children studying abroad (if applicable) (as per form B1)

iii. Total Education Cost

iv. Deduct initial officers contributions

@ $\frac{15}{100}$ x _____
(Basic Salary)

Allowable Education Cost

Apportionment

Deduct:

v. Officer's contributions ($\frac{20}{100}$ x _____)
(20% of a) (a)

vi. Bank contribution ($\frac{80}{100}$ x _____)
(80% of a) (a)
Payable to Officer

N.B. Please attach the following documents:

- i) Children Education forms A1 and B1 where required.
- ii) Copy of approved application form A or B as the case may be.

Officers signature _____ Date. _____

FOR BRANCH OFFICE USE ONLY

Date

Computation of Education Subsidy checked as per Education Subsidy Rules and found correct. Remarks _____

FOR REGIONAL OFFICE USE ONLY

Date

Computation of Education Subsidy Verified and found Correct/Incorrect.

Remarks _____

Officer in Charge:
Personnel Department.

(PLEASE USE ADDITIONAL FORM WHERE REQUIRED)

FROM _____

ANNUAL STATEMENT SHOWING EDUCATION SUBSIDY PAID DURING YEAR

DATE _____

(i.e. from 1st July ____ to 30th June ____)

REGION _____

RATE OF EXCHANGE _____

NAME AND LOCATION OF OFFICER (1)	BASIC SALARY OF OFFICER (2) US\$	TOTAL NUMBER OF CHILDREN (3)	NUMBER OF CHILDREN ELIGIBLE (4)	TOTAL EDUCATIONAL COST OF ELIGIBLE CHILDREN AS PER EDUCATION FORMS (A1 & B1) (5) (LOCAL CURRENCY)	BANK CONTRIBUTION AS PER EDUCATION SUBSIDY CLAIM FORM (C) (6) (LOCAL CURRENCY)	FOR STAFF AND ESTABLISHMENT (C.S.O.) USE ONLY		
						DESCRIPTION	LOCAL CURRENCY	US
						TOTAL EDUCATIONAL COST OF ELIGIBLE CHILDREN (COLUMN 5)		
						TOTAL BANK CONTRIBUTION (COLUMN 6)		
						REMARKS	Date received	
						Form checked and found		
						correct/incorrect		
Authorized Signature _____								

Please note this Return together with copy of Education Subsidy Claim Form (Form C) must be forwarded to Staff & Establishment Division (C.S.O.) London on or before 31st July.

Please use separate sheet for each country within the Region and give branch-wise details.



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	QUERIES TO CENTRAL ACCOUNTS DIVISION

The half-yearly closing of accounts of the ICI Group will take place on June 30, 1981. Branch Managers should properly assign the work to members of staff, and should ensure that they understand the details of the work assigned to them. All statements required to be submitted must be correctly prepared. Branches in the Middle East and U.K. should send their returns, in duplicate, to their respective Regional Office in Abu Dhabi and U.K. Branches in all other regions should send them, in duplicate, to Central Office, London.

NOTE: Conversion to U.S. Dollars - Rate of Exchange

The rate of exchange for converting local currency figures (of all relevant statements) to U.S. Dollars will be the closing middle rate of buying/selling local currency into U.S. Dollars on June 30, 1981 or the last working day of the month as obtained from the Central Bank or other local Regulatory authority. Branches in the U.K. and the U.A.E. are requested to submit their Statement of Affairs and Statements of Income and Expenditure in local currency only. Arrangements have been made at respective Regional Offices to work out the U.S. Dollar equivalent as at June 30, 1981 on a consolidated basis.

The other details are as under:

PART 'A' - EXPENDITURE HEADS

1) Interest/Service Charges on Current Accounts

Interest is not paid on Current Accounts in terms of inter-Bank Agreement. However, a minimum service charge may be charged on small and un-remunerative current accounts at the discretion of the Manager. Service charges rates for the branches will be separately notified by the Regional Offices.

2) Interest on Savings Accounts

Interest on Savings Accounts will be applied as usual. All Savings Account Ledgers should be balanced before application of interest and should again be balanced after interest has been applied. While calculating interest the balance outstanding on the date of interest application should be treated as outstanding during the remaining period of June 1981, and no adjustment should be made for any variation of the balance during the remaining days of June 1981.

3) Interest on Call Deposit/Term Deposits

Interest on the above deposits should be calculated at the agreed rates up to June 30, 1981 and booked as under:

DEBIT: Profit & Loss A/c (Expenditure)

Interest Payable on _____ Deposit

CREDIT: Sundry Creditors - Interest

Payable on _____ Deposit



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NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1981 will be required to be booked.)

4) Interest on Deposits from Banks

Interest should be calculated until June 30, 1981 from dates of deposit and provision already made up to May 1981 deducted therefrom. Entries should be passed for interest amount as under:

DEBIT: Profit & Loss A/c (Expenditure) -
Interest paid on Deposits from Banks,

CREDIT: Sundry Creditors - Expenditure Payable -
Interest on Deposits from Banks.

NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1981 will be required to be booked.)

5) Interest on Borrowings from Banks

Interest on such borrowings, if any, must be provided at the agreed rate from the date of borrowing or the date of last credit given up to June 30, 1981. (The note on Accrual Accounting in para 3 also applies to this para.)

6) Interest on Inter-Branch/Inter-Affiliates Accounts

Interest on Inter-Branch/Inter-Affiliate Accounts should be applied at the notified rate. The balance as on the date of application of interest shall be treated as the balance maintained for the rest of June and no adjustment should be made. The Interest Advice should be originated by the Account Holding Branch/Affiliate which should convey the interest figure by telegram/telex to the Account Maintaining Branch/Affiliate. The Account Maintaining Branch/Affiliate should respond the interest amount in their books immediately on receiving the telegram/telex from Account Holding Branch/Affiliate. Adjustment for the difference, if any, should be made after receipt of interest advice, in consultation with the Account Holding Branch/Affiliate.

7) Salary & Allowance to Staff Members

Salary and Allowances to staff members for the month of June 1981 should be disbursed as given out in the calendar attached.

8) Depreciation of Furniture and Equipment Account & Capitalised Expenditure

Provision for depreciation on furniture and equipment should be calculated at the rates mentioned below:

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	<u>UAE Region</u>	<u>Other Regions</u>
(a) Furniture & Fixture ..	10% p.a.	10% p.a.
(b) Carpets ..	25% p.a.	25% p.a.
(c) Vehicles ..	20% p.a.	25% p.a.
(d) Machines & Equipment ..	20% p.a.	20% p.a.
(e) Capitalised Expenditure ..	25% p.a.	as per note below

- NOTE:
- 1) Leasehold properties spread over period of lease with a minimum of 2½%
 - 2) For Freehold properties, provide 25% on capitalised expenditure incurred, such as renovation etc. However, Branches in U.K. Region will provide at 12½%. No depreciation should be provided on the cost of acquisition of such properties.

Under the Accrual Accounting System, provision for depreciation should have been charged up to May 31, 1981. The additional depreciation should now be calculated for the remaining period up to June 30, 1981 in accordance with the earlier instructions.

Please provide for the Depreciation on Furniture and Equipment Account and Capitalised Expenditure, up to June 1981, but do NOT set off the amount of depreciation against the corresponding book value of the concerned assets. Total provision from January 1, 1981 to June 30, 1981 will be reflected in the Sundry Creditors - Expenditure Payable Account Provision for Depreciation on _____.

Branches in the U.K. Region should follow instructions laid down in the U.K. Regional Circular No. 77/65 dated 14th December 1977 for booking the depreciation calculated on various fixed assets. Branches in the U.K. Region should complete the Fixed Assets Statements prepared for U.K. Region Branches and enclosed with this circular.

NOTE: According to the current system, provision for Depreciation on all the above items should already have been made up to May 31, 1981 by debiting Profit & Loss A/c (Expenditure) Depreciation on _____ and crediting Sundry Creditors Expenditure payable A/c provision for Depreciation on _____.

Entries for June Provision

DEBIT: Profit & Loss A/c (Expenditure)
Depreciation _____

CREDIT: Sundry Creditors - Expenditure Payable A/c
Provision for Depreciation on _____

NOTE: (i) The opening balances of all items of Furniture & Equipment on 1.1.1981 must agree with the Closing balances as on 31.12.1980

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- (ii) The entries for depreciation should be passed in the books on the date shown in the calendar although depreciation will be calculated up to June 30, 1981
- (iii) Depreciation should be calculated in such a manner that the written-down value of items is rounded off to the nearest unit of Local Currency, e.g. Dirham, Pound Sterling, U.S. Dollar etc.
- (iv) The amount of depreciation on items (a) to (d) should be calculated on pro rata basis according to the period for which the relative item has been in use/purchased.

U.K. Branches should provide depreciation on assets and on capitalised expenditure at the rates shown above on the balance outstanding in the respective account as at June 30, 1981.

9) Stationery Consumed

Stationery consumed up to the date of passing the entries should be debited to Profit and Loss - Expenditure A/c Stationery, and credited to Other Assets - Stock of Stationery Account.

The Stock of Stationery Account should be properly balanced after passing the entries for the stationery consumed during the period and the stock on hand should be verified, by proper stock-taking.

INCOME HEADS

10) Interest on Loans and Advances

Interest on all categories of Loans/Advances chargeable at monthly rest must be calculated up to June 30, 1981 and charged to respective party's account and credited to respective income account. For all interest chargeable other than on monthly rest (by regulatory or special arrangement) the accrued income should be computed and booked as under:

DEBIT: Other Assets Suspense A/c - Income Receivable -
Code 20655 Interest on Loan _____

CREDIT: Income A/c. Interest Receivable on _____

11) Interest on Placements/Deposits with Banks

Interest on all such accounts must be properly computed at agreed rates, up to June 30, 1981. If the deposits are on Demand in interest bearing current Account, the respective Account will be debited directly. If the deposits are on Term Deposits, the computed

cont'd/



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interest should be debited to Other Assets A/c. Income Receivable - Interest on Deposits with banks and credited to Income A/c - Interest on Deposit with bank.

12) Interest Receivable on Borrowings by Other Banks

Interest receivable on such borrowing by other banks should be computed up to June 30, 1981, and provided for as under:

DEBIT: Other Assets (Interest Receivable) Interest on Borrowings by other Banks

CREDIT: Income A/c - Interest on Borrowings by other Banks.

13) Interest on Inter-Branch/Inter-Affiliate (Receivable) Account

Account maintaining Branch/Affiliate will receive Telex/Telegram (or telephone) intimation of the interest due to them on their credit balances. They would provide for this amount in the account "Interest Received on Inter-Branch/Inter-Affiliate A/c" for the purpose of this Closing. (Subsequently, a credit advice should be received from the Branch/Affiliate holding the account to confirm the above credit amount.)

14) Accrued Income/Accrued Expenditure

The accounting and booking-in of all provision made for accrued income and expenditure are clearly laid down on our "Introduction of Accrual Accounting" System Circular No. 016 dated 20.11.74 - all aspects of which should be carefully implemented.

All half-yearly accruals will be posted to the heads "Other Assets Income Receivable" Code 20655 and "Sundry Creditors (General) Expenditure Payable" Code 10511 and will remain in these accounts during the subsequent half-year for adjustment as and when Income are actually received or Expenditure actually paid/become due for payment. No Accounts either on the General Ledger or the Income/Expenditure subsidiary ledger will therefore have a MINUS opening balance (i.e. Debit Balance on Liability Head/Income Head or Credit Balance on Asset Head/Expenditure Head.)

NOTE: Separate Statements have been included in the Closing stationery set in which sub-headwise details of "Income Receivable" and "Expenditure Payable" are to be properly filled-in and the totals of these should agree with the figures given in Code 20655 and Code 14511 respectively, appearing at the overleaf of the Statement of Affairs. These Statements should not be prepared by those Branches whose computer print-out provides this information.

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15) Prepaid Expenses/Income Received in Advance

The accounting for prepaid Expenses/Income Received in Advance has been clearly laid down in the system Circular No. 016 dated 20.11.1974, "Introduction of Accrual Accounting". (Points mentioned in paragraph 13 regarding Adjusting A/c Credit & Debit will be applicable to Prepaid Expenses/Income Received in advance.)

16) Statement of Income & Expenditure

A consolidated Statement of Income and Expenditure on Form ACT-F-31 and ACT-F-31A should be prepared to arrive at the Profit or Loss position of your branch as on June 30, 1981, including adjustment for all accrued and prepaid income and expenditure.

The net profit or loss position of the branch, after making proper provision as mentioned above, should be conveyed by telegram or telex to reach the respective Regional Office at Abu Dhabi, London, Paris, Cairo and Central Accounts Division, London, latest by July 1, 1981.

PART 'B' - STATEMENT OF AFFAIRS (ASSETS SIDE)

1) Excess Cash Amount

Entries pertaining to excess in cash outstanding up to March 31, 1981 should be adjusted by crediting the amount to Profit & Loss - Income - Miscellaneous Earnings.

2) Due from Banks/Affiliates/Branches/NBFI

Under the new coding system, the following classification has been carried out:

- (a) Due from Banks
- (b) Due from Affiliates
- (c) Due from Branches
- (d) Due from N.B.F.I.

Each of the above classifications are then sub-classified under three categories - Demand, Short-term up to 30 days, and Term over 30 days. The subsidiary Ledger, should be balanced Bank/Affiliates/Branch/N.B.F.I.-wise and a separate statement should be submitted with the returns. As the Luxembourg Banking Commission requires information regarding the location of the "Due From" fund, Branches

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are instructed to mention in their statement of "Due from Banks/Affiliates etc" the location of the Branch (of the concerned Bank/Affiliate) from which the fund is due.

3) P.A.D.

The current procedure provides for monthly accrual and charging of interest on PAD. The PAD accounts must accordingly reflect the above position.

4) Temporary Overdrafts

Efforts should be made to have all Temporary Overdrafts and Excess over Limit allowed to various customers adjusted as soon as possible, so that such temporary facilities may not remain outstanding at the time of half-yearly closing.

5) Revaluation of Foreign Currency Holdings

Foreign currency balances on demand accounts held with various banks and correspondents as well as foreign currency notes in hand should be revalued at the current ruling rate on June 30, 1981. The resulting profit or loss, if any, on such holdings should be booked to the credit or debit of Profit/Loss on Exchange Trading.

Profit or loss, on forward purchase or sale contracts for foreign currencies, outstanding on June 30, 1982 should be computed and booked in as laid down in the Circular for Accounting/Recording of Foreign Exchange Transactions bearing No. 015 dated 20.11.74.

6) Investments

(i) Bank's investments in Long-Term Securities purchased/retained for the purpose of maintaining an Investment Portfolio in support of liquidity should be carried at cost and not revalued.

(ii) Bank's investments in other securities should be reviewed and depreciation, if any, in such investments should be accounted for by making suitable provision as laid down in the Accrual Accounting Circular No. 016 dated 20.11.1974. Appreciation if any, in investment may be taken into account only after obtaining prior approval from the Regional Office.

7) Other Assets (Advance Deposits etc.)

The half-yearly closing stationery contains separate statements wherein details of **the above accounts have to** be filled in and fully reconciled with **the corresponding heads in the Statement of Affairs.**

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8) Suspense Account

Endeavour should be made to have all the entries in Suspense Account adjusted before the half-yearly Closing of Accounts. Special attention should be paid to adjust all the entries outstanding in Sundry Debtors Accounts and Other Suspense Accounts. You should also ensure that entries pertaining to expenses incurred for opening of branches have either been debited to capitalised expenditure and is being regularly written off as per rate fixed or debited directly to Expenditure A/c.

9) Other Assets - Income Receivable

This should be fully reconciled with the subsidiary head contained therein.

10) Capitalised Expenditure

Details must be provided in the relative statements.

11) Furniture/Fixtures

The relative statements should be correctly filled in after applying current rates of depreciation. The opening balance must agree with the closing balance of December 31, 1980 (Form ACT-F-35A and ACT-F-37.)

12) Contra Accounts/Assets/Liabilities

All heads under this series on Assets side must fully agree with the corresponding contra heads on the liabilities side.

LIABILITY SIDE

1) Due to Banks/Affiliates/Branches/N.B.F.I.

Please note contents of paragraph 2 of Part B. As we are required to completely knock-off the Inter-Branch/Inter-Affiliate holdings of deposits, great care should be taken to fully reconcile your branch's position as on June 30, 1981 with all other branches/Affiliates with whom accounts are maintained.

NOTE: Branches with Computer Terminals Branches with computer terminals need not prepare separate Statements of Affairs and Statements of Income and Expenditure enclosed with the circular and in lieu submit the computer output provided these cover all heads of General Ledger and Income/Expenditure Ledger including the new heads.

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PART 'C' - CLOSING STATIONERY

1) Half-Yearly Closing Statements

Three sets of forms required for preparing Half-Yearly Closing Statements are being sent to all the branches. The Managers are advised to obtain additional quantity of forms, if required, well in advance so that submission of statements to Regional Office/Central Office/Head Office is not held up due to non-availability of relative forms.

2) Method of Submission of Returns to Regional Office & Head Office

The branches in M/E and UK Region will submit two copies of the statements to the respective Regional Offices, separately packed in two specially printed envelopes marked to Regional Office and Head Office. Branches in other Regions will submit their statements in a similar way to Central Accounts Division, London in specially printed envelopes supplied to them. After scrutiny, Regional Offices at Abu Dhabi and London will forward Head Office set of statements to the Central Accounts Division who will arrange their onward despatch to respective H.O.'s in Luxembourg and Grand Cayman. It may please be noted that the Statements detailed in this Circular are in addition to daily, weekly, fortnightly, monthly and quarterly statements prescribed earlier. It is necessary that all the statements are correctly prepared and mailed as soon as possible for the Half-Yearly closing but not later than the dates mentioned in the attached closing calendar.

3) Telex/Telegraphic Submission of Basic Data

The following figures of your branch, as on June 30, 1981, (after closing of Accounts), should be communicated by Telegram/Telex/Telephone to the Accounts Control Department of the respective Regional Offices and the Central Accounts Division, London as soon as possible after the closing, but not later than July 1, 1981.

- (a) Deposits from customers
- (b) Deposits from banks
- (c) Borrowings from banks
- (d) Borrowings from Central Bank
- (e) Deposits with Banks (our placements)
- (f) Borrowings by banks
- (g) Sundry creditors
- (h) Other Assets
- (i) Total Advances
- (j) Total Letters of Guarantee outstanding
- (k) (i) Letters of Credit outstanding
(ii) Acceptances Outstanding
- (l) Total Outstanding - Forward Sale Contracts of Foreign Currency
- (m) Total Outstanding - Forward Purchase Contracts of Foreign Currency

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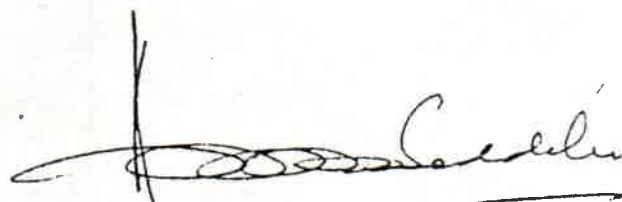
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- (n) Total number of Current Accounts
- (o) Total number of Savings Bank Accounts
- (p) Profit/Loss position
- (q) (i) No. of Loan Accounts
(ii) No. of O.D. Accounts
- (r) No. of Officers & Staff (separately)

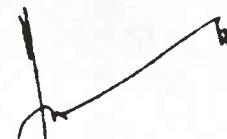
Month end figures under 17 columns should be reported to the special Cell, Regional Office as usual.

NOTE: The following are attached with the circulars for use of the branches and subsidiaries:

- (1) List of statements to be submitted as on June 30, 1981
- (2) The closing calendar in Annexure 'B' for different regions.



AMEER H. SIDDIQUI



M. RAHMAN



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ANNEXURE 'A'

LIST OF STATEMENTS TO BE SUBMITTED ON JUNE 30 1981

1. Statement of Affairs (After Closing) (Form No. ACT-F-21 & 21A)
2. Term Deposits and Short-term Deposits overdue and other term Deposits (separate statements for different heads of account) (Form No. ACT-F-7)
3. Outstandings in Sundry Creditors (Please mention date of entry particulars and amount for each outstanding entry) (Form No. 94)
4. Statement of Income & Expenditure (To be prepared after making all provisions and before merging income and Expenditure Accounts to find out net profit or Loss Position) (Form No. ACT-F-31/31A)
5. Loan against foreign bills (Form No. 155)
6. Packing Credits (Form No. 155)
7. Payment against Documents (Form No. 155)
8. Loan against Trust Receipt (Form No. 155)
9. Loan against Imported Merchandise (Form No. EXCH-F-10)
10. Cash Credit against Goods (Form No. 155)
11. Foreign Bills Purchased (Form No. 105)
12. Local Bills Discounted (Form No. 105)
13. Local Bills Purchased (Form No. 105)
14. Temporary Overdrafts (Form No. ACT-F-13)
15. Overdrafts (Clean) (Form No. 155)
16. Overdrafts (Secured)
17. Loan (Clean) (Form No. 155)
18. Secured Loans (Form No. 155)
19. Loans/Advances to Staff (**Form No. 100**)

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20. Investments in Stocks and Securities (Form No. ACT-F-08)
21. Interest/Income Accrued on Investments (Form No. ACT-F-09)
22. Separate Statements for outstanding in subsidiary accounts of OTHER ASSETS 20600 mentioning date of outstanding full particulars of all outstanding items and the amount (Form No. 94)
23. Capitalised Expenditure (Form No. 102) (or FA Statements for UK)
24. Furniture and Equipment. This statement should be prepared in a manner to clearly reflect items (along with cost thereof) provided at the residence of various staff members and the office premises separately (Form No. ACT-F-35A & 37) (or FA statements for UK)
25. Statement of Letters of Guarantee issued and outstanding as on 30.6.1981. In this statement, please report all outstanding Letters of Guarantee individually and mention nature of commitment such as "Earnest Deposit for Tender" "Purchase of Goods on Credit etc. (as case may be) in the the last column (Form No. 104)
26. Letter of Credit Outstanding (Form No. 85)
27. Acceptance Outstanding (Form No. 155)
28. Reconciliation Statement of all accounts maintained with branches and correspondents along with Certificates of balances from relative banks. Wherever certificates of balances are not readily available, submission of this statement may not be held up. The certificate of balance may be submitted subsequently to Regional Office, as soon as available. (Form No. EXCH-F-22)
29. Forward Purchase/Sale Contracts for foreign currencies (Form No. 92) (Pro forma enclosed)
30. Nil Statements (whenever nothing is to be reported under a particular head of account) (Form No. ACT-F-01)



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31. Any other statement necessary for
Regional (regulatory) requirement
32. Details of Income Receivable (Pro forma enclosed)
33. Details of Expenditure/Interest
Payable (Pro forma enclosed)
34. Statement of Due from (Form No. 10)
35. Statement of Due to (Form No. 10)

NOTE: If a computer print-out is available in lieu of the above statements, the statement should not be prepared and the relevant print-out should be enclosed in the closing packet.



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ANNEXURE 'B'

UK/CONTINENT/MIDDLE EAST BRANCHES
HALF-YEARLY 1981 - CLOSING CALENDAR

	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Computer Service Charges advised to Branches	-	5.6.81	-
Apply Service Charges Current Accounts	13.6.81	16.6.81	16.6.81
Provide Depreciation on Furniture & Equipment & Capitalised Expenditure etc.	17.6.81	9.6.81	9.6.81
a) Payment of Salaries to Staff Members	17.6.81	25.6.81	25.6.81
b) Balancing of Savings/7 days Deposit Account Ledgers (02 Accounts in UK)	17.6.81	N/A	17.6.81
a) Application of Interest on Savings/7 days Deposits	24.6.81	26.6.81	26.6.81
b) Balancing of Savings/7 days Deposits after application of interest	24.6.81	26.6.81	26.6.81
Interest on - i) Call Deposits	24.6.81	26.6.81	26.6.81
ii) Fixed/Term Deposits	24.6.81	26.6.81	26.6.81
Excess cash prior to March 1981 to be transferred to Income Account	24.6.81	23.6.81	23.6.81
Provisions to be made for:			
i) Accrued Income			
ii) Accrued Expenditure			
iii) Prepaid Expenses			
iv) Income Received in Advance	26.6.81	23.6.81	23.6.81
Interest on:			
i) Deposits from Banks			
ii) Borrowings from Banks			
iii) Deposits with Banks			
iv) Borrowings by other banks			
v) Main Office Account (UAE only)	27.6.81	26.6.81	26.6.81
Interest on Loans/Overdrafts	27.6.81	26.6.81	26.6.81
Entries to be passed for Stationery consumed	27.6.81	22.6.81	22.6.81
a) Telex/Telephone advice about figures of deposits/advances/other statistics and results etc. to Regional Office/Central Office	1.7.81	N/A	30.6.81
b) Revaluation of foreign currency A/c balances	27.6.81	30.6.81	30.6.81
Hand delivery of statements in U.K. Region in the prescribed manner Post delivery (Airfreight) for other Regions to the Regional Office/Central Office (UAE branches will be advised separately by Regional Office, Abu Dhabi)	1.7.81	6.7.81	6.7.81



INSTRUCTION CIRCULAR
NUMBER.....069

SUBJECT

SDR DEPOSITS

PAGE 152

DATE
February 20, 1981

QUERIES TO:
Systems & Operations
Division - C.S.O.

We are pleased to inform you that, with a view to assisting you in your marketing efforts, we have decided to accept fixed term deposits denominated in Special Drawing Rights (SDR's) of the International Monetary Fund (IMF) at competitive rates of interest. This can be of great assistance for customers with large surplus funds and who wish to spread their exchange risk among five leading currencies. The SDR deposits will initially be accepted only by the Leadenhall Street Branch. Our basic conditions are as follows:

1. Exchange Rate

Payment will be made by depositors in U.S. Dollars at the U.S. Dollar value of an SDR fixed by the IMF two working days (which are days upon which banks are open for business in both London and New York City) before the date of delivery. Similarly, the principal amount will be repaid to the depositor with interest on maturity in U.S. Dollars at the U.S. Dollar value of an SDR fixed by the IMF two working days before the maturity date. An SDR at present consists of the following component currencies fixed by the IMF:

U.S. Dollar	0.54
Deutsche Mark	0.46
Japanese Yen	34.00
French Franc	0.74
Pound Sterling	0.071

An example of the basis of calculation of the US\$/SDR rate and the interest rate on SDR's is shown on the annexure to this Circular.

The amounts of the component currencies on the date of acceptance of any SDR Deposit will remain unchanged during the term of the deposit notwithstanding any changes made by the IMF after the date of acceptance. If the IMF does not fix the U.S. Dollar value of an SDR two working days before the maturity date of the deposit, payment of each SDR deposit will be made in component currencies and amounts fixed on the date of acceptance of the deposit, and payment of interest on each such amount will be made in such respective currencies.

Alternatively, we are prepared to quote our own market related U.S. Dollar/SDR Rate based on the current exchange rate of the component currencies. Whichever method is used (IMF value or our own market related rate), the same basis will be used for repayment on maturity. If any depositors wish to deposit currencies other than U.S. Dollars, we can arrange for their conversion into U.S. Dollars on their behalf at current rate.

2. Time Limits for Fixing Interest and Exchange Rates

The IMF fixed U.S. Dollar value of an SDR will be applicable only if the agreement to place an SDR Deposit is concluded not later than 12 noon London time, after which the U.S. Dollar equivalent of an SDR Deposit will only be based on our own market related rate.

3. Mode of Payment

All payments will be made by telegraphic transfer on New York City or in the case of a payment in any currency other than U.S. Dollars, on the principal



INSTRUCTION CIRCULAR
NUMBER.....069

SUBJECT

SDR DEPOSITS

PAGE

153

DATE

February 20, 1981

QUERIES TO

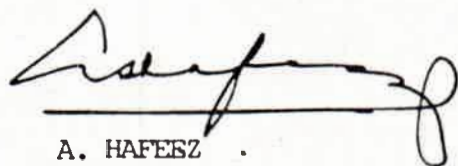
Systems & Operations
Division - C.S.O.

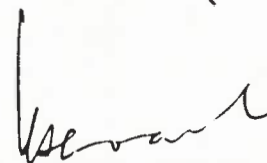
financial centre applicable to such other currency.

4. Amount and Period of Deposits

The minimum amount of deposit acceptable is SDR's 5 million or US\$ 5 million. SDR Deposits will only be accepted at our Leadenhall Street Branch, London for fixed periods of 1,3,6 and 12 months.

Further enquiries and requests for quotations may please be addressed to our Foreign Exchange Dealers in the London Dealing Room, Telex No. 886291 or should preferably be routed through the respective Regional Office or Main Branch in the Region.


A. HAFESZ


KEMAL SHOAI B



INSTRUCTION CIRCULAR
NUMBER.....069

SUBJECT

SDR DEPOSITS
(ANNEXURE)

PAGE

154

DATE

February 20, 1981

QUERIES TO:

Systems & Operations
Division - C.S.O.

Example of the basis of calculation of the US\$/SDR Rate
and the rate of interest on SDR's

1. The U.S. Dollar value of an SDR is arrived at as follows (taking the middle exchange rates ruling in London on 26.1.81 value 28.1.81 to illustrate the calculation):-

US\$	0.54	US\$	0.54
DM	0.46 at 2.0345	US\$	0.2261
Yen	34.00 at 202.62	US\$	0.1678
F.Fcs	0.74 at 4.7012	US\$	0.1574
Stg.	0.071 at 2.4166	US\$	0.1716
		<u>US\$</u>	<u>1.2629</u>

2 The interest rate on SDR deposits is arrived at through the weighted average of interest rates on deposits in component currencies and adjusting the rate so calculated to allow for the other costs (e.g. forward cover cost) and our margin of profit. The following example illustrates the calculation, taking into account the 12 months' Inter-Bank rates ruling in London on 26.1.1981 value 28.1.1981 and approximate "weights".

US\$	15 ¹⁵ / ₁₆ %	i.e.	15.9375	x	42%	=	6.69375
D.M.	9%			x	19%	=	1.71
Yen	8 ¹ / ₂ %	i.e.	8.375	x	13%	=	1.08875
F.Fcs	12 ¹ / ₂ %	i.e.	12.75	x	13%	=	1.6575
Stg.	13 ¹ / ₂ %	i.e.	13.125	x	13%	=	1.70625
						<u>12.85625%</u>	say 12 ¹³ / ₁₆ %



INSTRUCTION CIRCULAR
NUMBER.....068

SUBJECT

EDUCATION SUBSIDY SCHEME

PAGE

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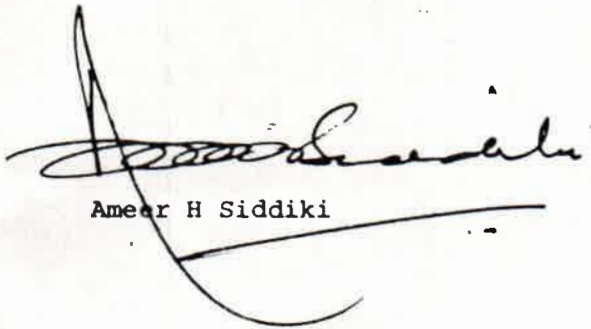
DATE

9th February 1981

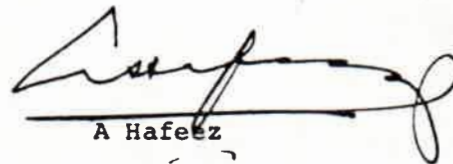
QUERIES TO:

Staff & Establish-
ment Division

The Education Subsidy Scheme for Officers of International Cadre,
approved by the Central Management Committee, is enclosed.
Effective date of the Scheme is 1st July 1980.



Ameer H Siddiki



A Hafeez

EDUCATION SUBSIDY SCHEME

FOR OFFICERS OF INTERNATIONAL CADRE

On the basis of the information collected regarding the cost of education in various countries of the world in which BCC Group has operations, and following the concept that education of children is primarily the responsibility of the parents, the following rules are hereby prescribed for providing a subsidy towards cost of education incurred by the officers of the international cadre.

RULES

I. Qualifying Children

From the child's 5th birthday until the 20th birthday or the end of the pre university (i.e. 'A' level or equivalent) schooling period whichever is earlier. Children under five years of age and over twenty years of age shall not be treated as qualifying children under this scheme.

Any qualifying child who is legally adopted (or a step child) and is totally dependent on the officer concerned will also be eligible provided the officer proves to the satisfaction of the management that the child is totally dependent upon him.

There will be no limit to the number of officers' children that would be eligible under these Rules for education subsidy.

2. Educational institutions covered under the Scheme

The following types of educational institutions will be covered under this scheme.

1. Preparatory schools.
2. Secondary schools, i.e. any form of full time education between preparatory and pre university/college level.

Schools providing short term or full time professional courses will not be considered for the purposes of subsidy.

3. Expenditure admissible for the Education Subsidy

The following items directly relating to the education of the child/children and included in the school bill will be admissible for calculating the education subsidy.

- a) Admission fee.
- b) Tuition fee.
- c) Laboratory fee.
- d) Cost of text books.
- e) Cost of stationery.

Where, in the judgement of the C.S.O., suitable educational facilities are not available at any location, officers posted at that location can, after obtaining prior authorisation from the C.S.O., send their child/children to another country for education. In such cases the following expenses shall also be admissible for calculating the subsidy.

- a) For resident students-cost of board and lodging

at the school boarding.

- b) For day scholars-an estimated annual cost of board and lodging subject to the amount being approved in advance by the management.
- c) Cost of economy class fare covering travel to and from the place of posting twice in a year (concessional fare wherever available shall be taken into account).
- d) The total education expenses as mentioned above would be reduced to the extent of the scholarship, stipend, or any financial grant received by the child or children from any source whatsoever.

4. Basis of Subsidy

Education subsidy payment will be made in the local currency of the place of posting of the officer concerned directly to the officer on the following basis.

The officer will bear 15% of his basic salary as his basic contribution towards education expenses mentioned in Section 3 above. The amount remaining after taking into account 15% of the basic salary of the officer concerned shall be shared by the officer and the Bank in the following ratio:

Officer - 20% of the remaining cost.

Bank - 80% of the remaining cost.

These percentages and ratios are subject to alteration at the discretion of the Central Management Committee.

Where the expenses mentioned in Section 3 are equal to or less than 15% of the basic salary of an officer, no subsidy will be granted.

5. Method of Payment

The amount of subsidy can only be determined in arrears on an annual basis, the year being 1st July to 30th June of the following year. Subject to the approval of the Regional Offices payment may also be made on half yearly basis in December and June. The officer concerned, in such a case may present an estimated bill in December on the basis of which an estimated amount shall be paid, subject to final adjustment in the following June.

Regional Offices will please send annual statements as per enclosed proforma as on 30th June each year giving details of the education subsidy paid to individual officers.

6. Staff on Transfer

Where applicable upon transfer at the option of the officer, the subsidy may continue up to the end of school year, at the original location where the child is studying.



INSTRUCTION CIRCULAR
NUMBER.....067.....

SUBJECT NUMBER OF LETTER OF CREDIT TO BE ISSUED BY: 1. DAKAR BRANCH, SENEGAL 2. KASR EL AINI BRANCH, CAIRO EGYPT 3. SAFIA ZAGHLOUL BRANCH, ALEXANDRIA 4. DEIRA DUBAI BRANCH, U.A.E.	PAGE 150
	DATE DECEMBER 29, 1980
	QUERIES TO: Systems & Operations Division - C.S.O.

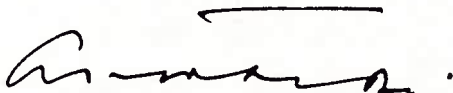
Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letter of Credit issued by branches.

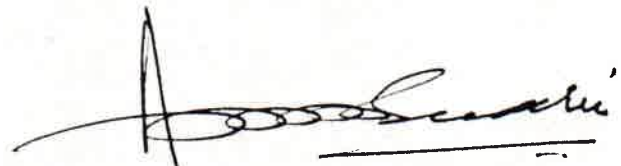
The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce International (Overseas) Limited

Dakar Branch, Senegal	130001 - 135000
Kasr El Aini Branch, Cairo, Egypt	135001 - 140000
Safia Zaghloul Branch, Alexandria, Egypt	140001 - 145000
Deira Dubai Branch, Dubai, U.A.E.	145001 - 150000*

* Original block of numbers from 15001 to 17000 allotted to this branch is replaced with this new series.


Akhtar Anis


Ameer H. Siddiki





INSTRUCTION CIRCULAR
NUMBER...066.....

SUBJECT DRAWING OF FOREIGN CURRENCY DRAFTS ON BANKS/BRANCHES - Instruction Circular Number 064 of October 29, 1980	PAGE 149
	DATE 17.12.80
	QUERIES TO: International Division - C.S.O.

We refer to Instruction Circular Number 064 of October 29, 1980. On the basis of enquiries received from various branches it is now clarified that:-

1. Instruction Circular Number 064 of October 29, 1980 does not confer any blanket authority on all branches to draw drafts in foreign currencies. Only those branches which are presently specifically authorised can draw drafts in currencies and on accounts specified by their Regional Offices.
2. FDD forms printed by us are to be used only for drawings on our own branches/affiliates and on banks who have agreed to our using these forms. In other cases, such as American banks who provide their own MICR coded cheque forms, such specially provided cheque forms should be used. In case of doubt branches must take prior approval from their Regional Offices before issuing drafts.
3. Advices of Drawings need not be sent for drafts drawn on our own branches/affiliates. For drafts/cheques drawn on the branch of the correspondent Bank with whom an account is maintained in the currency of the drawing, no advice is required. However, the account number as shown in the example under A(iv) of the above circular should be mentioned on the draft. The details of American Express International Banking Corporation given under A(iv) are given only to illustrate the point and should not be considered as a general authority to branches to draw on American Express. If a draft is drawn on the branch of a correspondent bank with whom no account is maintained in the currency of drawing, then "drawing advice" from the FDD set must be sent to the drawee branch of the correspondent bank and "Payment Authority" should be sent to the account maintaining branch to provide immediate reimbursement/cover to the drawee bank.
4. Copy of the new draft forms have been circulated with Instruction Circular Number 064. Branches should contact their Regional Offices for their requirements, who will assess the total quantity needed and arrange printing.
5. The list of US Dollar accounts maintained with Bankamerica International New York, forwarded with the Circular as complement to paragraph C, page 132, is only for reference purposes and the branches mentioned on the right hand side of the list should seek specific prior approval/confirmation, if not already held, from their respective Regional Offices prior to drawing drafts on accounts shown against their names. Specific existing arrangements with Bankamerica and/or other banks should continue under instructions of and guidance from Regional Offices.


Ameer H. Siddiki


Akhtar Anis



INSTRUCTION CIRCULAR
NUMBER..... 065.....

SUBJECT

Annual Closing of Accounts
on December 31, 1980

PAGE 133

DATE November 5, 80

QUERIES TO
Central Accounts
Division

The annual closing of accounts of the BCCI Group will take place on December 31, 1980. Branch Managers should properly assign the work to members of staff, and should ensure that they understand the details of the work assigned to them. All statements required to be submitted must be correctly prepared. Branches in the Middle East and U.K. should send their returns, in duplicate, to their respective Regional Office in Abu Dhabi and U.K. Branches in all other regions should send them, in duplicate, to Central Office, London.

NOTE: Conversion to U.S. Dollars - Rate of Exchange

The rate of exchange for converting local currency figures (of all relevant statements) to U.S. Dollars will be the closing middle rate of buying/selling local currency into U.S. Dollars on December 31, 1980 or the last working day of the month as obtained from the Central Bank or other local Regulatory authority. Branches in the U.K. and the U.A.E. are requested to submit their Statement of Affairs and Statements of Income and Expenditure in local currency only. Arrangements have been made at respective Regional Offices to work out the U.S. Dollar equivalent as at December 31, 1980 on a consolidated basis.

The other details are as under:

PART 'A' - EXPENDITURE HEADS

1) Interest/Service Charges on Current Accounts

Interest is not paid on Current Accounts in terms of inter-Bank Agreement. However, a minimum service charge may be charged on small and un-remunerative current accounts at the discretion of the Manager. Service charges rates for the branches will be separately notified by the Regional Offices.

2) Interest on Savings Accounts

Interest on Savings Accounts will be applied as usual. All Savings Account Ledgers should be balanced before application of interest and should again be balanced after interest has been applied. While calculating interest the balance outstanding on the date of interest application should be treated as outstanding during the remaining period of December 1980, and no adjustment should be made for any variation of the balance during the remaining days of December 1980.

Cont'd/.....



INSTRUCTION CIRCULAR
NUMBER.....065.....

SUBJECT Annual Closing of Accounts on December 31, 1980	PAGE 134
	DATE November 5, 80
	QUERIES TO Central Accounts Division

3) Interest on Call Deposit/Term Deposits

Interest on the above deposits should be calculated at the agreed rates upto December 31, 1980 and booked as under:

DEBIT: Profit & Loss A/c (Expenditure) -
Interest Payable on _____ Deposit

CREDIT: Sundry Creditors - Interest
Payable on _____ Deposit

NOTE: (Under the current Accrual Accounting System, the monthly Liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of December 1980 will be required to be booked)

4) Interest on Deposits from Banks

Interest should be calculated until December 31, 1980 from dates of deposit and provision already made upto November 1980 deducted therefrom. Entries should be passed for interest amount as under:

DEBIT: Profit & Loss A/c (Expenditure) -
Interest paid on Deposits from Banks.

CREDIT: Sundry Creditors - Expenditure Payable -
Interest on Deposits from Banks.

NOTE: (Under the current Accrual Accounting System, the monthly Liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of December 1980 will be required to be booked).

5) Interest on Borrowings from Banks

Interest on such borrowings, if any, must be provided at the agreed rate from the date of borrowing or the date of last credit given upto December 31, 1980 (The note on Accrual Accounting in para 3 also applies to this para).

6) Interest on Inter-Branch/Inter-Affiliate Accounts

Interest on Inter-Branch/Inter-Affiliate Accounts should be applied at the notified rate. The balance as on the date of application of interest shall be treated as the balance maintained for the rest of December and no adjustment should be made. The Interest Advice should be originated by the Account Holding Branch/Affiliate which should

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INSTRUCTION CIRCULAR
NUMBER.....065.....

SUBJECT

Annual Closing of Accounts
on December 31, 1980

PAGE 135

DATE November 5, 80

QUERIES TO
Central Accounts
Division

convey the interest figure by telegram/telex to the Account Maintaining Branch/Affiliate. The Account Maintaining Branch/Affiliate should respond the interest amount in their books immediately on receiving telegram/telex from Account Holding Branch/Affiliate. Adjustment for the difference, if any, should be made after receipt of interest advice, in consultation with the Account Holding Branch/Affiliate.

7) Salary & Allowances to Staff Members

Salary and Allowances to staff members for the month of December 1980 should be disbursed as given out in the calendar attached.

8) Depreciation of Furniture and Equipment Account & Capitalised Expenditure

Provision for depreciation on furniture and equipment should be circulated at the rates mentioned below:

		<u>UAE Region</u>	<u>Other Regions</u>
(a) Furniture & Fixture	..	10% p.a.	10% p.a.
(b) Carpets	..	25% p.a.	25% p.a.
(c) Vehicles	..	20% p.a.	25% p.a.
(d) Machines & Equipment	..	20% p.a.	20% p.a.
(e) Capitalised Expenditure	..	25% p.a.	As per note below

NOTE: 1) Leasehold properties spread over period of lease with a minimum of 2½%

2) For freehold properties, provide 25% on capitalised expenditure incurred, such as renovations etc. However Branches in UK Region will provide at 12.5% No depreciation should be provided on the cost of acquisition of such properties.

Under the Accrual Accounting System, provision for depreciation should have been charged upto November 30, 1980. The additional depreciation should now be calculated for the remaining period upto December 31, 1980 in accordance with the earlier instructions.

Branches in the U.K. Region should follow instructions laid down in the U.K. Regional Circular No. 77/65 dated 14th December 1977, for booking the depreciation calculated on various fixed assets. Branches in the U.K. Region should complete the new Fixed Assets Statements prepared for U.K. Region Branches and enclosed with this circular.

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INSTRUCTION CIRCULAR
NUMBER.....065.....

SUBJECT Annual Closing of Accounts on December 31, 1980	PAGE 136
	DATE November 5, 80
	QUERIES TO Central Accounts Division

NOTE: According to the current system, provision for Depreciation on all the above items should already have been made upto November 30, 1980 by debiting Profit & Loss A/c (Expenditure) Depreciation on _____ and crediting Sundry Creditors Expenditure Payable A/c provision for Depreciation on _____.

Entries for December Provision

DEBIT: Profit & Loss A/c (Expenditure)
Depreciation _____

CREDIT: Sundry Creditors - Expenditure Payable A/c
Provision for Depreciation on _____

- NOTE: (i) The opening balances of all items of Furniture & Equipment on 1.1.1980 must agree with the Closing balances as on 31.12.1979.
- (ii) The entries for depreciation should be passed in the books on the date shown in the calendar although depreciation will be calculated upto December 31, 1980.
- (iii) Depreciation should be calculated in such a manner that the written down value of items is rounded off to the nearest unit of Local Currency e.g. Dirham, Pound Sterling, U.S. Dollar, etc.
- (iv) The amount of depreciation on items (a) to (d) should be calculated on prorata basis according to the period for which the relative item has been in use/purchased.

U.K. Branches should provide depreciation on assets and on capitalised expenditure at the rates shown above on the balance outstanding in the respective account as at December 31, 1980.

9) Stationery Consumed

Stationery consumed upto the date of passing the entries should be debited to Profit and Loss - Expenditure A/c Stationery, and credited to Other Assets - Stock of Stationery Account.

The Stock of Stationery Account should be properly balanced after passing the entries for the stationery consumed during the period and the stock on hand should be verified, by proper stock taking.

Cont'd/.....



INCOME HEADS

10) Interest on Loans and Advances

Interest on all categories of Loans/Advances chargeable at monthly rest must be calculated upto December 31, 1980 and charged to respective party's account and credited to respective income account. For all interest chargeable other than on monthly rest (by regulatory or special arrangement) the accrued income should be computed and booked as under:

Debit: Other Assets Suspense A/c - Income Receivable -
Code 20655 Interest on Loan _____

Credit: Income A/c. Interest Receivable on _____

11) Interest on Placements/Deposits with Banks

Interest on all such accounts must be properly computed at agreed rates, upto December 31. If the deposits are on Demand in interest bearing current Account, the respective Account will be debited directly. If the deposits are on Term Deposits, the computed interest should be debited to Other Assets A/c. Income Receivable - Interest on Deposits with banks and credited to Income A/c - Interest on deposit with bank.

12) Interest receivable on Borrowings by other Banks

Interest receivable on such borrowing by other banks should be computed upto December 31, 1980, and provided for as under:

Debit: Other Assets (Interest Receivable) Interest on
Borrowings by other Banks.

Credit: Income A/c - Interest on Borrowings by other Banks.

13) Interest on Inter Branch/Inter Affiliate (Receivable) Account

Account maintaining Branch/Affiliate will receive Telex/Telegram (or telephone) intimation of the interest due to them on their credit balances. They would provide for this amount in the account "Interest Received on Inter-Branch/Inter Affiliate" A/c for the purpose of this Closing. (Subsequently, a credit advice should be received from the Branch/Affiliate holding the account to confirm the above credit amount).

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NUMBER.....065.....

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Annual Closing of Accounts
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DATE

November 5, 80

QUERIES TO:

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14) Accrued Income/Accrued Expenditure

The accounting and book-in of all provision made for accrued income and expenditure are clearly laid down on our "Introduction of Accrual Accounting" System Circular No. 016 dated 20.11.74 - all aspects of which should be carefully implemented.

All year-ending accruals will be posted to the heads "Other Assets Income Receivable" Code 20655 and "Sundry Creditors (General) Expenditure Payable" Code 10511 and will remain in these accounts during the subsequent year for adjustment as and when Income are actually received or Expenditure actually paid/become due for payment. No Accounts either on the General Ledger or the Income/Expenditure subsidiary ledger will therefore have a MINUS Opening balance (i.e. Debit Balance on Liability Head/Income Head or Credit balance on Asset Head/Expenditure Head).

NOTE: Separate Statements have been included in the Closing stationery set in which sub-headwise details of "Income Receivable" and "Expenditure Payable" are to be properly filled-in and the totals of these should agree with the figures given in Code 20655 and Code 14511 respectively, appearing at the overleaf of the Statement of Affairs. These Statements should not be prepared by those Branches whose computer print-out provides this information.

15) Prepaid Expense/Income Received in Advance

The accounting for prepaid Expenses/Income Received in Advance has been clearly laid down in the System Circular No. 016 dated 20.11.1974 "Introduction of Accrual Accounting". (Points mentioned in paragraph 13 regarding Adjusting A/c Credit & Debit will be applicable to Prepaid Expenses/Income Received in advance).

16) Statement of Income & Expenditure

A consolidated Statement of Income and Expenditure on Form ACT-F-31 and ACT-F-31A should be prepared to arrive at the Profit or Loss position of your branch as on December 31, 1980 including adjustment for all accrued and prepaid income and expenditure.

The net profit or loss position of the branch, after making proper provision as mentioned above, should be conveyed by telegram or telex to reach the respective Regional Office at Abu Dhabi, London, Paris, Cairo and Central Accounts Division, London latest by January 1, 1981.

Cont'd/.....



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NUMBER.....065.....

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on December 31, 1980

PAGE

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DATE

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QUERIES TO:

Central Accounts
Division

PART 'B' - STATEMENT OF AFFAIRS (ASSETS SIDE)

1) Excess Cash Amount

Entries pertaining to excess in cash outstanding upto September 30, 1980 should be adjusted by crediting the amount to Profit & Loss - Income - Miscellaneous Earnings.

2) Due from Banks/Affiliates/Branches/NBFI

Under the new coding system, the following classification has been carried out:

- (a) Due from Banks
- (b) Due from Affiliates
- (c) Due from Branches
- (d) Due from N.B.F.I.

Each of the above classification are then sub-classified under three categories - Demand, Short Term upto 30 days, and Term over 30 days. The subsidiary ledger, should be balanced Bank/Affiliates/Branch/N.B.F.I. wise and a separate statement should be submitted with the returns. As the Luxembourg Banking Commission requires information regarding the location of the "Due From" fund, Branches are instructed to mention in their statement of "Due from Banks/Affiliates etc" the location of the Branch (of the concerned Bank/Affiliate) from which the fund is due.

3) P.A.D.

The current procedure provides for monthly accrual and charging of interest on PAD. The PAD accounts must accordingly reflect the above position.

4) Temporary Overdrafts

Efforts should be made to have all Temporary Overdrafts and Excess over Limits allowed to various customers adjusted as soon as possible so that such temporary facilities may not remain outstanding at the time of annual closing.

5) Revaluation of Foreign Currency Holdings

Foreign currency balances on demand accounts held with various banks and correspondents as well as foreign currency notes in hand should be revalued at the current ruling rate on December 31, 1980. The resulting profit or loss, if any, on such holdings should be booked to the credit or debit of Profit/Loss on Exchange Trading.

Cont'd/.....



Profit or loss, on forward purchase or sale contracts for foreign currencies, outstanding on December 31, 1980 should be computed and booked in as laid down in the Circular for Accounting/Recording of Foreign Exchange Transactions bearing No. 015 dated 20.11.74.

6) Investments

- (i) Banks investments in Long Term Securities purchased/retained for the purpose of maintaining an Investment Portfolio in support of liquidity should be carried at cost and not revalued.
- (ii) Bank's investments in other securities should be reviewed and depreciation, if any, in such investments should be accounted for by making suitable provision as laid down in the Accrual Accounting Circular No. 016 dated 20.11.1974. Appreciation, if any, in investment may be taken into account only after obtaining prior approval from the Regional Office.

7) Other Assets (Stock of Stationery/Stamps/Adv. Dep)

The annual closing stationery contains separate statements wherein details of the above accounts have to be filled in and fully reconciled with the corresponding heads in the Statement of Affairs.

8) Other Assets - Advance Rent

A separate format for Advance Rent has been designed which should be clearly filled in.

9) Suspense Account

Endeavour should be made to have all the entries in Suspense Account adjusted before the Annual Closing of Accounts. Special attention should be paid to adjust all the entries outstanding in Sundry Debtors Accounts and Other Suspense Accounts. You should also ensure that entries pertaining to expenses incurred for opening of branches have either been debited to capitalised expenditure and is being regularly written off as per rate fixed or debited directly to Expenditure A/c.

10) Other Assets - Income Receivable

This should be fully reconciled with the subsidiary head contained therein.

11) Capitalised Expenditure

Details must be provided in the relative statements.



12) Furniture/Fixtures

The relative statements should be correctly filled in after applying current rates of depreciation. The opening balance must agree with the closing balance of December 31, 1979 (Form ACT-F135A and ACT-F-37).

13) Contra Accounts/Assets/Liabilities

All heads under this series on Assets side must fully agree with the corresponding contra heads on the liabilities side.

LIABILITY SIDE

1) Due to Banks/Affiliates/Branches/N.B.F.I.

Please note contents of paragraph 2 of Part B. As we are required to completely knock-off the Inter Branch/Inter Affiliate holdings of deposits, great care should be taken to fully reconcile your branch's position as on December 31, 1980 with all other branches/Affiliates with whom accounts are maintained.

2) Confirmation of Balances from Customers

Letters requesting confirmation of balances to customers maintaining credit balances (Form No. DEP-F-4) & Debit balances (Form No. ADV-F-5) should be mailed to the customers alongwith statements of their accounts and confirmation letters received from them duly signed should be filed in the respective confirmation file, after verifying the signatures of customers thereon. Letters requesting confirmation of balances are not required to be sent to customers maintaining fixed/term deposits where special receipts are issued and where cheque books are not issued for withdrawal of funds on maturity.

NOTE: Branches with Computer Terminals

Branches with computer terminals need not prepare separate Statement of Affairs and Statement of Income and Expenditure enclosed with the circular and in lieu submit the computer output provided these cover all heads of General Ledger and Income/Expenditure Ledger including the new heads.

Cont'd/.....



INSTRUCTION CIRCULAR
NUMBER.....065.....

SUBJECT

Annual Closing of Accounts
on December 31, 1980

PAGE

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DATE

November 5, 80

QUERIES TO

Central Accounts
Division

PART 'C' - CLOSING STATIONERY

1) Annual Closing Statements

Three sets of forms required for preparing Annual Closing statements are being sent to all the branches. The Managers are advised to obtain additional quantity of forms, if required, well in advance so that submission of statements to Regional Office/Central Office/Head Office is not held up due to non-availability of relative forms.

2) Method of Submission of Returns to Regional Office & Head Office

The branches in M/E and UK Region will submit two copies of the statements to the respective Regional Offices, separately packed in two specially printed envelopes marked to Regional Office and Head Office. Branches in other Regions will submit their statements in a similar way to Central Accounts Division, London in specially printed envelopes supplied to them. After scrutiny Regional Offices at Abu Dhabi and London will forward Head Office set of statements to the Central Accts. Div. who will arrange their onward despatch to respective H.O.s in Luxembourg and Grand Cayman. It may please be noted that the Statements detailed in this Circular are in addition to daily, weekly, fortnightly, monthly and quarterly statements prescribed earlier. It is necessary that all the statements are correctly prepared and mailed as soon as possible for the annual closing but not later than the dates mentioned in the attached closing calendar.

3) Telex/Telegraphic Submission of Basic Data

The following figures of your branch, as on December 31, 1980 (after closing of Accounts) should be communicated by Telegram/Telex/Telephone to the Accounts Control Department of the respective Regional Office and the Central Accounts Division, London as soon as possible after the closing but not later than January 1, 1981.

- (a) Deposits from customers
- (b) Deposits from banks
- (c) Borrowings from banks
- (d) Borrowings from Central Bank
- (e) Deposits with Banks (Our placements)
- (f) Borrowings by banks
- (g) Sundry creditors
- (h) Other Assets
- (i) Total Advances
- (j) Total Letters of Guarantee outstanding

Cont'd/.....



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- (k) (i) Letters of Credit Outstanding
- (k) (ii) Acceptances Outstanding
- (l) Total Outstanding - forward Sale Contracts of Foreign Currency
- (m) Total Outstanding - forward Purchase Contracts of Foreign
Currency
- (n) Total number of Current Accounts
- (o) Total number of Savings Bank Accounts
- (p) Profit/Loss position
- (q) (i) No. of Loan Accounts
- (q) (ii) No. of O.D. Accounts
- (r) No. of Officers & staff (separately)

Month end figures under 17 columns should be reported to the Special Cell, Regional Office as usual.

NOTE: The following are attached with the circulars for use of the branches and subsidiaries.

- (1) List of statements to be submitted as on
December 31, 1980
- (2) The closing calendar in Annexure "B" for
different regions.


AMIR H. SIDDIKI


MASIHUR RAHMAN



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ANNEXURE 'A'

LIST OF STATEMENTS TO BE SUBMITTED ON 31.12.80

1. Statement of Affairs (After Closing) (Form No. ACT-F-21 & 21A)
2. Term Deposits and Short Term Deposits overdue and other term Deposits (separate statements for different heads of account) (Form No. ACT-F-7)
3. Outstandings in Sundry Creditors (Form No. 94)
(Please mention date of entry particulars and amount for each outstanding entry)
4. Statements of Income & Expenditure (Form No. ACT-F-31/31A)
(To be prepared after making all provisions and before merging Income and Expenditure Accounts to find out net profit or Loss Position)
5. Loan against foreign bills (Form No. 155)
6. Packing Credits (Form No. 155)
7. Payment against Documents (Form No. 155)
8. Loan against Trust Receipt (Form No. 155)
9. Loan against Imported Merchandise (Form No. EXCH-F-10)
10. Cash Credit Against Goods (Form No. 155)
11. Foreign Bills Purchased (Form No. 105)
12. Local Bills Discounted (Form No. 105)
13. Local Bills Purchased (Form No. 105)
14. Temporary Overdrafts (Form No. ACT-F-13)
15. Overdrafts (Clean) (Form No. 155)
16. Overdrafts (Secured)
17. Loan (Clean) (Form No. 155)

Cont'd/.....



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18. Secured Loans (Form No. 155)
19. Loans/Advances to Staff (Form No. 100)
20. Investments in Stocks and Securities (Form No. ACT-F-08)
21. Interest/Income Accrued on Investments (Form No. ACT-F-09)
22. Stock of Stationery (Form No. ACT-F-10)
23. Stamps on Hand (Form No. ACT-F-11)
24. Advance Rent (Form No. 101)
25. Separate Statements for outstanding in subsidiary accounts of OTHER ASSETS 20600 mentioning date of outstanding items and the amount (Form No. 94)
26. Capitalised Expenditure (Form No. 102)
(or FA Statements for U.K.)
27. Furniture and Equipment (This statement should be prepared in a manner to clearly reflect items (alongwith cost thereof) provided at the residence of various staff members and the office premises separately. (Form No. ACT-F-35A & 37)
(or FA Statements for U.K.)
28. Statement of Letters of Guarantee issued and outstanding as on 31.12.80. In this statement please report all outstanding Letters of Guarantee individually and mention nature of commitment such as "Earnest Deposit for Tender" "Purchase of Goods on Credit" etc. (as the case may be) in the last column. (Form No. 104)
29. Letter of credit Outstanding (Form No. 85)
30. Acceptances Outstanding (Form No. 155)
31. Reconciliation Statement of all accounts maintained with branches and correspondents alongwith Certificates of balances from relative banks. Wherever certificates of balances are not readily available submission of this statement may not be held up. The certificate of balance may be submitted subsequently to Regional Office, as soon as available. (Form No. EXCH-F-22)

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32. Forward Purchase/sale Contracts for foreign currencies (Form No. 92)
(Proforma enclosed)
33. Nil Statements (Whenever nothing is to be reported under a particular head of account) (Form No. ACT-F-01)
34. Any other statement necessary for Regional (regulatory) requirement
35. Details of Income Receivable (Proforma enclosed)
36. Details of Expenditure Payable (Proforma enclosed)
37. Statement of Due from (Form No. 10)
38. Statement of Due to (Form No. 10)

NOTE: If a computer print out is available in lieu of the above statements, the statement should not be prepared and the relevant print out should be enclosed in the closing packet.



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ANNEXURE 'B'

UK/CONTINENT/MIDDLE EAST BRANCHES

ANNUAL 1980 - CLOSING CALENDAR

	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Apply Service Charges Current Accounts	18.12.1980	12.12.1980	18.12.1980
Provide Depreciation on Furniture & Equipment & Capitalised Expenditure Etc.	17.12.1980	1.12.1980	1.12.1980
a) Payment of Salaries to Staff Members	20.12.1980	16.12.1980	16.12.1980
b) Balancing of Savings/7 days Deposit Account Ledgers	20.12.1980	23.12.1980	23.12.1980
a) Application of Interest on Savings/7 days Deposits	24.12.1980	23.12.1980	24.12.1980
b) Balancing of Savings/7 days Deposits after application of interest	24.12.1980	23.12.1980	24.12.1980
c) Application of Interest on Additional seven days (Interest to be charged upto December 31, 1980)	N/A	29.12.1980	N/A
Interest on - i) Call Deposits	24.12.1980	23.12.1980	24.12.1980
ii) Fixed/Term Deposits	24.12.1980	23.12.1980	24.12.1980
Excess cash prior to September 1980 to be transferred to Income Account.			
Provisions to be made for:			
i) Accrued Income			
ii) Accrued Expenditure			
iii) Prepaid Expenses			
iv) Income Received in Advance	29.12.1980	23.12.1980	29.12.1980
Interest on:			
i) Deposits from Banks			
ii) Borrowings from Banks			
iii) Loans and Advances			
iv) Deposits with Banks			
v) Borrowings by other banks	29.12.1980	29.12.1980	29.12.1980
Interest on Loans/Overdrafts	24.12.1980	23.12.1980	24.12.1980
Entries to be passed for Stationery consumed	21.12.1980	19.12.1980	19.12.1980

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	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
a) Telex/telephone advice about figures of deposits/advances/other statistics and results etc. to Regional Office/Central Office.	31.12.1980	N/A	31.12.1980
b) Revaluation of foreign currency a/c balance	31.12.1980	31.12.1980	31.12.1980
Reversal of 7 days accrual (using value date Jan. 2, 1981 - U.K. Region only)	N/A	2. 1.1981	N/A
Hand delivery of statements in UAE Region in the prescribed manner Post delivery (Airfreight) for other Regions to the Regional Office/ Central Office	1. 1.1981	2. 1. 1981	2. 1.1981



INSTRUCTION CIRCULAR
064

NUMBER

SUBJECT Drawing of Foreign Currency Drafts on Banks/Branches - Introduction of New Format	PAGE 130
	DATE October 29, 1980
	QUERIES TO International Division - C.S.O.

A large number of complaints are being received from our correspondents complaining that proper reimbursement against drafts drawn on them are not provided to them. At times, correspondents are asked to claim reimbursements on payment of drafts which is a source of inconvenience and delay, particularly when the amounts involved are small, while it is not the normal banking procedure to make such requests. Another source of annoyance is non-receipt of advices indicating the method in which the drawee bank is expected to receive reimbursement against such draft.

Our investigations revealed that one reason for frequent complaints was the improper format of draft advices, while the other was the negligence of branches. It has, therefore, been decided to introduce a new format of draft and advices for drawings on Banks/Branches with whom no account is maintained. The following procedure should be strictly followed with immediate effect.

A. Drawings of Drafts on Banks/Branches with whom Account/s Maintained

- i) The existing format of draft will be used for the above type of drawings, except where specially printed cheque forms are provided eg by Bankamerica International, New York.
- ii) No advices of drafts would be sent to the drawee bank. The second and third copies in the set should therefore be treated as cancelled and not despatched to the drawee bank. The drawee bank will pay the draft on presentation if otherwise in order and debit your Branch account maintained with them. We have authorised the banks/branches accordingly and have amended the agency arrangements.
- iii) In view of doing away with the system of sending draft advices against direct drawings, the second copy meant for drawee bank and the third copy for the reimbursing bank are now not needed.

In order, therefore, to ensure that the above procedure is followed, please spare a few minutes and remove all the second and third copies from draft pads in stock, so that chances of any oversight are avoided.

- iv) While typing the name and address of the drawee bank on the draft, please ensure that the number of your account maintained with them is also typed. Only the account number should be typed without prefixing the wordings 'A/C No' as indicated hereunder:-

American Express International Banking Corporation
Post Office Box 740
New York,
NY 10008
U.S.A.
1234567

Typing the number will facilitate the drawee bank in debiting the correct account of the branch concerned and chances of mispostings will be minimised.



SUBJECT	PAGE
Drawing of Foreign Currency Drafts on Banks/Branches -	131
Introduction of New Format	DATE October 29, 1980
	QUERIES TO International Division - C.S.O.

B. Drawing of Drafts on Banks (Other than Bank of America)/Branches with whom Account/s not maintained

- i) The existing stock of drafts, as explained above, will not be used for drawing on a Bank/Branch with whom you are not maintaining an account. For instance, if a draft is issued in U.S. Dollars on a correspondent in Singapore and reimbursement is to be provided in their account with Chase Manhattan Bank, New York, the new format will be used.
- ii) A specimen of the new draft duly completed is enclosed. It consists of four copies as in the previous format, the difference is that copies meant for drawee bank and more particularly for the bank which will debit your account and pay to the drawee bank's bankers are more properly made out.
 - a) The original is the draft itself.
 - b) Second copy is meant for the drawee bank, informing them the name of the bank with whom their account is being credited.
 - c) The third copy is for your bankers, i.e. the bank/branch with whom you maintain an account and authorise them to debit the account and pay to the drawee bank's banker.
 - d) Fourth copy is the office copy.
- iii) There could also be instances where you have to draw a draft in a currency in which you are not maintaining any account, Suppose a branch is called upon to issue a draft in Swiss Francs, while the branch does not maintain an account in the said currency. In such and similar cases, you will as usual draw the draft on the correspondent concerned but on the second copy the column reading ' we have authorised our London Branch to remit the amount of draft to you' will be ticked.

The third copy will be addressed to BCCI, Leadenhall Street Branch, Bills Department, London with the second instructions reading ' Bank marked A' (Drawee Bank) being the cover of the draft drawn by us' will be ticked. Leadenhall Street Branch on receipt of this Payment Authority will arrange for the actual face value of the draft and remit to the drawee bank. The equivalent in U.S. Dollar or Pound Sterling will be debited to the account number of the branch as indicated by them on the third copy.

C. Drawing of Drafts on Branches of Bank of America other than New York

- i) For drawing drafts on Bank of America branches, (e.g. Singapore, etc) other than their branches at New York, the existing format will be used.
- ii) No advices of drafts would be sent to the drawee branch. The second and third copies in the set will be destroyed, as explained above.



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SUBJECT	PAGE 132
Drawing of Foreign Currency Drafts on Banks/Branches -	DATE October 29, 1980
Introduction of New Format	QUERIES TO International Division - C.S.O.

iii) Drawee branches of Bank of America will claim the reimbursement against the drafts drawn on them directly from the account of the concerned main branch maintained with Bankamerica International, New York.

Branches should therefore incorporate the following reimbursement clause on the original draft immediately after the address of the drawee branch of Bank of America:

"For reimbursement please debit Account No of Branch with your New York office."

A list of branches which maintain account with Bankamerica International New York, their account numbers and names of the branches which can draw on these account is enclosed for ready reference.

iv) Immediate cover should however be provided to the main branch whose Account Number has been indicated on the draft.

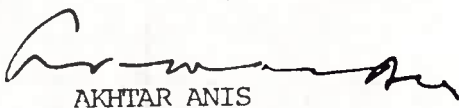
No reimbursement authority needs to be sent separately to Bankamerica International, New York.

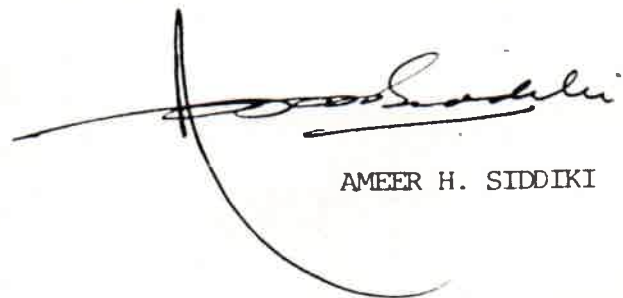
D. List of Bankers of our Correspondents/Branches

For the convenience of the branches and for ease of ready reference, we have prepared a consolidated alphabetical list containing the names and address of the banks with whom our correspondents/branches are maintaining their accounts. This list is presently under print and will be sent to you shortly. At the time of issuing a draft, in the meantime, necessary reference should therefore be made to the Agency Arrangement Manuals.

Procedure laid down in paragraphs A and C above should be put into effect immediately. Procedure given in B will be followed as soon as the stock of demand drafts in the new format has been received by your branch.

If you need any clarification, please, write to International Division, 100 Leadenhall Street, London EC3A 3AD


AKHTAR ANIS


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....063

SUBJECT REIMBURSING BANK CHARGES AGAINST A DOCUMENTARY CREDIT	PAGE 129
	DATE October 23, 1980
	QUERIES TO: Systems & Operations Division - C.S.O.

Attention of the branches is drawn to the documentary credit transactions in which the applicants instruct the branches to recover all bank charges from the beneficiaries. It has been observed that, while advising the Documentary Credit to the beneficiaries, some branches translate such instructions to read "All bank charges, including reimbursement charges (or reimbursing bank charges), are on account of the beneficiaries". This is not correct.

While negotiating documents presented under the documentary credits, it is not practicable for the negotiating bank to also recover, besides their own charges, the amount of reimbursing bank charges from the beneficiary. Such charges are therefore debited by the reimbursing bank to our account in addition to the amount of negotiation.

In cases, therefore, where the applicants instruct to recover all bank charges from the beneficiaries, branches should impress upon the applicants that these instructions cover only the charges levied by the advising and the negotiating banks. Reimbursing bank charges will have to be borne by the applicants themselves. In the Documentary Credits advised by the branches instructions such as the one quoted above or similar other instructions, such as "reimbursing bank charges are on account of the beneficiaries", should NOT be included.

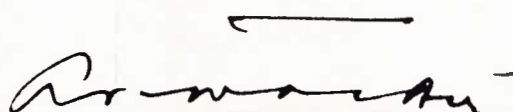
As a guide to branches and for their information only, we give below the details of reimbursement charges levied by BCCI London and a few of our correspondent banks in U.S.A.:

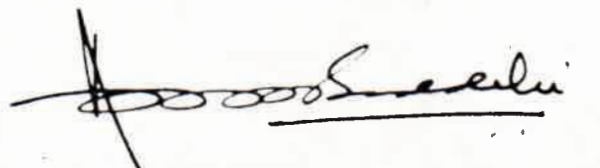
Reimbursement Charges

- | | |
|-------------------------------------|---|
| 1. Leadenhall Street Branch, London | \$10 |
| 2. Bank of America | Recording fee \$5 - each payment \$10 |
| 3. Bank of New York | Recording fee \$25 - first payment free, subsequent payment \$15 each |
| 4. Security Pacific Bank | Recording fee \$5 - each payment \$6 |
| 5. American Express | \$10 |

Reimbursement charges for other countries and Banks are available in the schedule of charges available in your files. Branches should consider to recover these charges either at the time of opening of the LCs or while lodging the documents. The amounts so recovered should be credited to "Miscellaneous Account - Foreign Correspondents' Charges Recovered". On receipt of an advice towards the debit raised by reimbursing bank for the charges, it must be ensured that the amount has been previously recovered from the applicant and credited to the above account. It is only after matching the amount debit entry raised by the reimbursing bank should be responded. "Miscellaneous Account - Foreign Correspondents' Charges Recovered" should not show debit balance at any time.

These instructions are to be followed with immediate effect. In case any clarification is needed, please write to International Division, 2nd floor, 100 Leadenhall Street, London EC3A 3AD.


AKHTAR ANIS


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....062.....

SUBJECT

COMPLIANCE OF WARRANTIES UNDER
BANKERS BLANKET BOND

PAGE 127

DATE July 25, 1980

QUERIES TO:
SYSTEMS & OPERATIONS
DIVISION

Insurance cover under 'Bankers Blanket Policy' is invariably taken on commencement of the branch business to provide for any losses arising out of contingencies.

Branches should, however, carefully note that claims for losses under the policy are not automatically met. The insurers will refuse claims and avoid their liability under the policy if any of the warranties are not fully complied with. Essential conditions surrounding the Bankers Blanket Policy are reproduced below and Branches are advised to study them carefully. They should meticulously comply with these conditions in order to strengthen the protection under the above policy:-

- a) Rule Book, or Books, or written instructions covering all aspects of the Assured's business shall be maintained and operated which clearly defines the duties of each Employee each of whom must have had their attention drawn to the same and to their duty of compliance therewith.
- b) The duties of each Employee are arranged so that no one Employee is permitted to control any transaction from commencement to completion.
- c) Joint Custody shall be established and maintained for the safeguard of:-
 - i) Property while in safes or vaults.
 - ii) All keys to safes and vaults.
 - iii) Code, Cyphers and test keys.

'Joint Custody' means the handling of the above in the presence of, and under the observation of, at least one other person, said person being equally accountable for the physical protection and safeguarding of the various items or records involved. Locks and combinations on vaults and safes must be so arranged that no one person can open them alone.

- d) Dual Control shall be maintained for the handling of:-
 - i) All types of securities, negotiable and non-negotiable instruments and unissued and blank forms of said items.
 - ii) The reserve supply of official cheques, drafts and unissued travellers cheques.
 - iii) Codes, cyphers and test keys.

'Dual Control' means the work of one person in processing transactions being verified by a second person and both sharing the accountability.

- e) Each Employee shall be required to take an uninterrupted holiday of at least two weeks in each calendar year during which the Employee shall perform no duties and shall stay away from the Assured's premises.
- f) In addition to the normal audit of the books and accounts of the business by the Assured's independent outside Auditors, the Assured shall conduct a thorough internal audit, examination and review of internal controls at least once in each calendar year at all premises, including Assured's



INSTRUCTION CIRCULAR
NUMBER.....062.....

SUBJECT

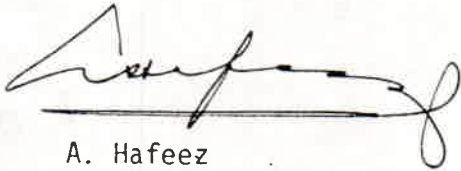
COMPLIANCE OF WARRANTIES UNDER
BANKERS BLANKET BOND

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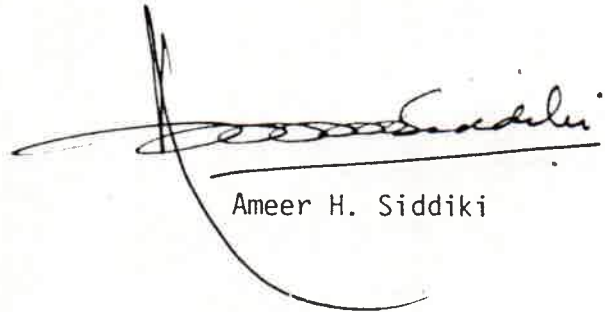
DATE July 25, 1980

QUERIES TO
SYSTEMS & OPERATIONS
DIVISION

computer centres and facilities, at which the business is carried on
and shall retain the records and working papers of such audit.



A. Hafeez



Ameer H. Siddiki



INSTRUCTION CIRCULAR
NUMBER.....061.....

SUBJECT	PAGE 126
NUMBERS FOR LETTERS OF CREDIT TO BE ISSUED BY:	DATE July 18, 1980
1. LOME BRANCH 2. PANAMA BRANCH	QUERIES TO Systems & Operations Division

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them.

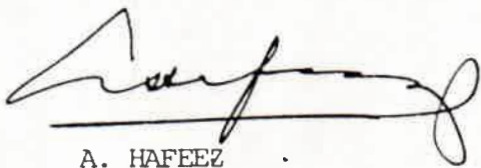
Bank of Credit & Commerce International (Overseas) Limited

Lome Branch, Togo

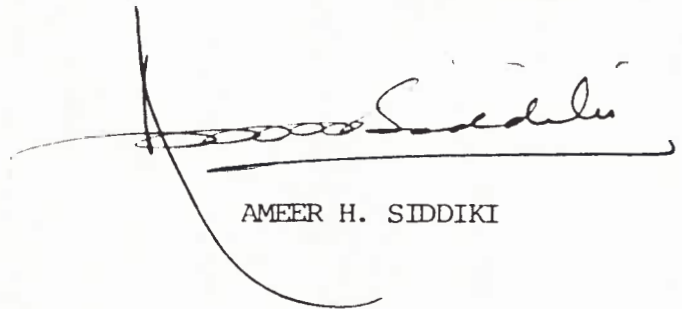
122001 - 125000

Panama Branch, Panama

125001 - 130000



A. HAFEEZ



AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....060.....

SUBJECT HALF-YEARLY CLOSING OF ACCOUNTS ON JUNE 30, 1980	PAGE 110
	DATE June 1, 80
	QUERIES TO CENTRAL ACCOUNTS DIVISION

The half-yearly closing of accounts of the BCCI Group will take place on June 30, 1980. Branch Managers should properly assign the work to members of staff, and should ensure that they understand the details of the work assigned to them. All statements required to be submitted must be correctly prepared. Branches in the Middle East and U.K. should send their returns, in duplicate, to their respective Regional Office in Abu Dhabi and U.K. Branches in all other regions should send them, in duplicate, to Central Office, London.

NOTE: Conversion to U.S. Dollars - Rate of Exchange

The rate of exchange for converting local currency figures (of all relevant statements) to U.S. Dollars will be the closing middle rate of buying/selling local currency into U.S. Dollars on June 30, 1980 or the last working day of the month as obtained from the Central Bank or other local Regulatory authority. Branches in the U.K. and the U.A.E. are requested to submit their Statement of Affairs and Statements of Income and Expenditure in local currency only. Arrangements have been made at respective Regional Offices to work out the U.S. Dollar equivalent as at June 30, 1980 on a consolidated basis.

The other details are as under:

PART 'A' - EXPENDITURE HEADS

1) Interest/Service Charges on Current Accounts

Interest is not paid on Current Accounts in terms of inter-Bank Agreement. However, a minimum service charge may be charged on small and un-remunerative current accounts at the discretion of the Manager. Service charges rates for the branches will be separately notified by the Regional Offices.

2) Interest on Savings Accounts

Interest on Savings Accounts will be applied as usual. All Savings Account Ledgers should be balanced before application of interest and should again be balanced after interest has been applied. While calculating interest the balance outstanding on the date of interest application should be treated as outstanding during the remaining period of June 1980, and no adjustment should be made for any variation of the balance during the remaining days of June 1980.



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3) Interest on Call Deposit/Term Deposits

Interest on the above deposits should be calculated at the agreed rates upto June 30, 1980 and booked as under:

DEBIT: Profit & Loss A/c (Expenditure) -
Interest Payable on _____ Deposit

CREDIT: Sundry Creditors - Interest
Payable on _____ Deposit

NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1980 will be required to be booked)

4) Interest on Deposits from Banks

Interest should be calculated until June 30, 1980 from dates of deposit and provision already made upto May, 1980 deducted therefrom. Entries should be passed for interest amount as under:

DEBIT: Profit & Loss A/c (Expenditure) -
Interest paid on Deposits from Banks.

CREDIT: Sundry Creditors - Expenditure Payable -
Interest on Deposits from Banks.

NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1980 will be required to be booked)

5) Interest on Borrowings from Banks

Interest on such borrowings, if any, must be provided at the agreed rate from the date of borrowing or the date of last credit given upto June 30, 1980 (The note on Accrual Accounting in para 3 also applies to this para).

6) Interest on Inter-Branch/Inter-Affiliates Accounts

Interest on Inter-Branch/Inter-Affiliate Accounts should be applied at the notified rate. The balance as on the date of application of interest shall be treated as the balance maintained for the rest of June and no adjustment should be made. The Interest Advice should be originated by the



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Account Holding Branch/Affiliate which should convey the interest figure by telegram/telex to the Account Maintaining Branch/Affiliate. The Account Maintaining Branch/Affiliate should respond the interest amount in their books immediately on receiving telegram/telex from Account Holding Branch/Affiliate. Adjustment for the difference, if any, should be made after receipt of interest advice, in consultation with the Account Holding Branch/Affiliate.

7) Salary & Allowance to Staff Members

Salary and Allowances to staff members for the month of June 1980 should be disbursed as given out in the calendar attached.

8) Depreciation of Furniture and Equipment Account & Capitalised Expenditure

Provision for depreciation on furniture and equipment should be circulated at the rates mentioned below:

		<u>UAE Region</u>	<u>Other Regions</u>
(a) Furniture & Fixture	..	10% p.a.	10% p.a.
(b) Carpets	..	25% p.a.	25% p.a.
(c) Vehicles	..	20% p.a.	25% p.a.
(d) Machines & Equipment	..	20% p.a.	20% p.a.
(e) Capitalised Expenditure	..	25% p.a.	as per note below

- NOTE:
- 1) Leasehold properties spread over period of lease with a minimum of 2½%
 - 2) For Freehold properties, provide 25% on capitalised expenditure incurred, such as renovation etc. However, Branches in U.K. Region will provide at 12½% No depreciation should be provided on the cost of acquisition of such properties.

Under the Accrual Accounting System, provision for depreciation should have been charged upto May 31, 1980. The additional depreciation should now be calculated for the remaining period upto June 30, 1980 in accordance with the earlier instructions.

Please provide for the Depreciation on Furniture and Equipment Account and Capitalised Expenditure, upto June 1980 but do NOT set off the amount of depreciation against the corresponding book value of the concerned assets. Total provision from January 1, 1980 to June 30, 1980 will be reflected in the Sundry Creditors - Expenditure Payable Account Provision for Depreciation on _____.



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Branches in the U.K. Region should follow instructions laid down in the U.K. Regional Circular No. 77/65 dated 14th December, 1977, for booking the depreciation calculated on various fixed assets. Branches in the U.K. Region should complete the new Fixed Assets Statements prepared for U.K. Region Branches and enclosed with this circular.

NOTE: According to the current system, provision for Depreciation on all the above items should already have been made upto May 31, 1980 by debiting Profit & Loss A/c (Expenditure) Depreciation on _____ and crediting Sundry Creditors Expenditure payable A/c provision for Depreciation on _____.

Entries for June Provision

DEBIT: Profit & Loss A/c (Expenditure)
Depreciation _____

CREDIT: Sundry Creditors - Expenditure Payable A/c
Provision for Depreciation on _____

NOTE: (i) The opening balances of all items of Furniture & Equipment on 1.1.1980 must agree with the Closing balances as on 31.12.1979.

(ii) The entries for depreciation should be passed in the books on the date shown in the calendar although depreciation will be calculated upto June 30, 1980.

(iii) Depreciation should be calculated in such a manner that the written down value of items is rounded off to the nearest unit of Local Currency e.g. Dirham, Pound Sterling, U.S. Dollar, etc.

(iv) The amount of depreciation on items (a) to (d) should be calculated on prorata basis according to the period for which the relative item has been in use/purchased.

U.K Branches should provide depreciation on assets and on capitalised expenditure at the rates shown above on the balance outstanding in the respective account as at June 30, 1980.

9) Stationery Consumed

Stationery consumed upto the date of passing the entries should be debited to Profit and Loss - Expenditure A/c Stationery, and credited to Other Assets - Stock of Stationery Account.

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The Stock of Stationery Account should be properly balanced after passing the entries for the stationery consumed during the period and the stock on hand should be verified, by proper stock taking.

INCOME HEADS

10) Interest on Loans and Advances

Interest on all categories of Loans/Advances chargeable at monthly rest must be calculated upto June 30, 1980 and charged to respective party's account and credited to respective income account. For all interest chargeable other than on monthly rest (by regulatory or special arrangement) the accrued income should be computed and booked as under:

Debit: Other Assets Suspense A/C - Income Receivable -
Code 20655 Interest on Loan _____

Credit: Income A/C. Interest Receivable on _____

11) Interest on Placements/Deposits with Banks

Interest on all such accounts must be properly computed at agreed rates, upto June 30, 1980. If the deposits are on Demand in interest bearing current Account, the respective Account will be debited directly. If the deposits are on Term Deposits, the computed interest should be debited to Other Assets A/C. Income Receivable - Interest on Deposits with banks and credited to Income A/C - Interest on Deposit with bank.

12) Interest receivable on Borrowings by other Banks

Interest receivable on such borrowing by other banks should be computed upto June 30, 1980, and provided for as under:

Debit: Other Assets (Interest Receivable) Interest on
Borrowings by other Banks.

Credit: Income A/C - Interest on Borrowings by other Banks.

13) Interest on Inter-Branch/Inter- Affiliate (Receivable) Account

Account maintaining Branch/Affiliate will receive Telex/Telegram (or telephone) intimation of the interest due to them on their credit balances. They would provide for

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this amount in the account "Interest Received on Inter-Branch/
Inter-Affiliate A/C" for the purpose of this Closing.
(Subsequently, a credit advice should be received from the
Branch/Affiliate holding the account to confirm the above
credit amount).

14) Accrued Income / Accrued Expenditure

The accounting and booking-in of all provision made for
accrued income and expenditure are clearly laid down on our
"Introduction of Accrual Accounting" System Circular No. 016
dated 20.11.74 - all aspects of which should be carefully
implemented.

All half-yearly accruals will be posted to the
heads "Other Assets Income Receivable" Code 20655 and
"Sundry Creditors (General) Expenditure Payable"
Code 10511 and will remain in these accounts during the
subsequent half-year for adjustment as and when Income are
actually received or Expenditure actually paid/become
due for payment. No Accounts either on the General Ledger
or the Income/Expenditure subsidiary ledger will therefore
have a MINUS opening balance (i.e. Debit Balance on
Liability Head/Income Head or Credit balance on Asset
Head/Expenditure Head).

NOTE: Separate Statements have been included in the
Closing stationery set in which sub-headwise details
of "Income Receivable" and "Expenditure Payable"
are to be properly filled-in and the totals of
these should agree with the figures given in Code
20655 and Code 14511 respectively, appearing at the
overleaf of the Statement of Affairs. These
Statements should not be prepared by those
Branches whose computer print-out provides this
information.

15) Prepaid Expenses/Income Received in Advance

The accounting for prepaid Expenses/Income Received in
Advance has been clearly laid down in the system
Circular No. 016 dated 20.11.1974 "Introduction of
Accrual Accounting". (Points mentioned in paragraph 13
regarding Adjusting A/C Credit & Debit will be applicable
to Prepaid Expenses/Income Received in advance).

16) Statement of Income & Expenditure

A consolidated Statement of Income and Expenditure on
Form ACT-F-31 and ACT-F-31A should be prepared to arrive at
the Profit or Loss position of your branch as on
June 30, 1980 including adjustment for all accrued

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and prepaid income and expenditure.

The net profit or loss position of the branch, after making proper provision as mentioned above, should be conveyed by telegram or telex to reach the respective Regional Office at Abu Dhabi, London, Paris, Cairo and Central Accounts Division, London latest by July 1, 1980.

PART 'B' - STATEMENT OF AFFAIRS (ASSETS SIDE)

1) Excess Cash Amount

Entries pertaining to excess in cash outstanding upto March 31, 1980 should be adjusted by crediting the amount to Profit & Loss - Income - Miscellaneous Earnings.

2) Due from Banks/Affiliates/Branches/NBFI

Under the new coding system, the following classification has been carried out:

- (a) Due from Banks
- (b) Due from Affiliates
- (c) Due from Branches
- (d) Due from N.B.F.I.

Each of the above classifications are then sub-classified under three categories - Demand, Short-Term upto 30 days, and Term over 30 days. The subsidiary Ledger, should be balanced Bank/Affiliates/Branch/N.B.F.I. wise and a separate statement should be submitted with the returns. As the Luxembourg Banking Commission requires information regarding the location of the "Due From" fund, Branches are instructed to mention in their statement of "Due from Banks/Affiliates etc" the location of the Branch (of the concerned Bank/Affiliate) from which the fund is due.

3) P.A.D.

The current procedure provides for monthly accrual and charging of interest on PAD. The PAD accounts must accordingly reflect the above position.

4) Temporary Overdrafts

Efforts should be made to have all Temporary Overdrafts and Excess over Limit allowed to various customers adjusted as

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soon as possible so that such temporary facilities may not remain outstanding at the time of half-yearly closing.

5) Revaluation of Foreign Currency Holdings

Foreign currency balances on demand accounts held with various banks and correspondents as well as foreign currency notes in hand should be revalued at the current ruling rate on June 30, 1980. The resulting profit or loss, if any, on such holdings should be booked to the credit or debit of Profit/Loss on Exchange Trading.

Profit or loss, on forward purchase or sale contracts for foreign currencies, outstanding on June 30, 1980 should be computed and booked in as laid down in the Circular for Accounting/Recording of Foreign Exchange Transactions bearing No. 015 dated 20.11.74.

6) Investments

- (i) Banks investments in Long Term Securities purchased/retained for the purpose of maintaining an Investment Portfolio in support of liquidity should be carried at cost and not revalued.
- (ii) Bank's investments in other securities should be reviewed and depreciation, if any, in such investments should be accounted for by making suitable provision as laid down in the Accrual Accounting Circular No. 016 dated 20.11.1974. Appreciation, if any, in investment may be taken into account only after obtaining prior approval from the Regional office.

7) Other Assets (Stock of Stationery/Stamps/Adv. Dep)

The half-yearly closing stationery contains separate statements wherein details of the above accounts have to be filled in and fully reconciled with the corresponding heads in the Statement of Affairs.

8) Other Assets - Advance Rent

A separate format for advance Rent has been designed which should be clearly filled in.

9) Suspence Account

Endeavour should be made to have all the entries in Suspence

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Account adjusted before the half-yearly Closing of Accounts
Special attention should be paid to adjust all the entries
outstanding in Sundry Debtors Accounts and Other Suspense
Accounts. You should also ensure that entries pertaining
to expenses incurred for opening of branches have either
been debited to capitalised expenditure and is being
regularly written off as per rate fixed or debited directly
to Expenditure A/C.

10) Other Assets - Income Receivable

This should be fully reconciled with the subsidiary head
contained therein.

11) Capitalised Expenditure

Details must be provided in the relative statements.

12) Furniture/Fixtures

The relative statements should be correctly filled in after
applying current rates of depreciation. The opening balance
must agree with the closing balance of December 31, 1979
(Form ACT-F-35A and ACT-F-37).

13) Contra Accounts/Assets/Liabilities

All heads under this series on Assets side must fully agree
with the corresponding contra heads on the liabilities side.

LIABILITY SIDE

1) Due to Banks/Affiliates/Branches/N.B.F.I.

Please note contents of paragraph 2 of Part B. As we are
required to completely knock-off the Inter-Branch/Inter-
Affiliate holdings of deposits, great care should be taken to
fully reconcile your branch's position as on June 30, 1980
with all other branches/Affiliates with whom accounts
are maintained.

2) Confirmation of Balances from Customers

Letters requesting confirmation of balances to customers
maintaining credit balances (Form No. DEP-F-4) & Debit
balances (Form No. ADV-F-5) should be mailed to the
customers along with statements of their accounts and
confirmation letters received from them duly signed should
be filed in the respective confirmation file, after verifying

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the signature for customers thereon. Letters requesting confirmation of balances are not required to be sent to customers maintaining fixed/term deposits where special receipts are issued and where cheque books are not issued for withdrawal of funds on maturity.

NOTE: Branches with Computer Terminals

Branches with computer terminals need not prepare separate Statements of Affairs and Statements of Income and Expenditure enclosed with the circular and in lieu submit the computer output provided these cover all heads of General Ledger and Income/Expenditure Ledger including the new heads.

PART 'C' - CLOSING STATIONERY

1) Half-Yearly Closing Statements

Three sets of forms required for preparing Half-Yearly Closing Statements are being sent to all the branches. The Managers are advised to obtain additional quantity of forms, if required, well in advance so that submission of statements to Regional Office/Central Office/Head Office is not held up due to non-availability of relative forms.

2) Method of Submission of Returns to Regional Office & Head Office

The branches in M/E and UK Region will submit two copies of the statements to the respective Regional Offices, separately packed in two specially printed envelopes marked to Regional Office and Head Office. Branches in other Regions will submit their statements in a similar way to Central Accounts Division, London in specially printed envelopes supplied to them. After scrutiny Regional Offices at Abu Dhabi and London will forward Head Office set of statements to the Central Accounts Division who will arrange their onward despatch to respective H.O.s in Luxembourg and Grand Cayman. It may please be noted that the Statements detailed in this Circular are in addition to daily, weekly, fortnightly, monthly and quarterly statements prescribed earlier. It is necessary that all the statements are correctly prepared and mailed as soon as possible for the Half-Yearly closing but not later than the dates mentioned in the attached closing calendar.

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3) Telex/Telegraphic Submission of Basic Data


The following figures of your branch, as on June 30, 1980 (after closing of Accounts) should be communicated by Telegram/Telex/Telephone to the Accounts Control Department of the respective Regional Offices and the Central Accounts Division, London as soon as possible after the closing but not later than July 1, 1980.

- (a) Deposits from customers
- (b) Deposits from banks
- (c) Borrowings from banks
- (d) Borrowings from Central Bank
- (e) Deposits with Banks (Our Placements)
- (f) Borrowings by banks
- (g) Sundry creditors
- (h) Other Assets
- (i) Total Advances
- (j) Total Letters of Guarantee outstanding
- (k) (i) Letters of Credit outstanding
(ii) Acceptances Outstanding
- (l) Total Outstanding - forward Sale Contracts of Foreign Currency
- (m) Total Outstanding - forward Purchase Contracts of Foreign
Currency
- (n) Total number of Current Accounts
- (o) Total number of Savings Bank Accounts
- (p) Profit/Loss position
- (q) (i) No. of Loan Accounts
(ii) No. of O.D. Accounts
- (r) No. of Officers & Staff (separately)


Month end figures under 17 columns should be reported to the special Cell, Regional Office as usual.

NOTE: The following are attached with the circulars for use of the branches and subsidiaries:

- (1) List of statements to be submitted as on June 30, 1980
- (2) The closing calendar in Annexure "B" for different regions.



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ANNEXURE 'A'

LIST OF STATEMENTS TO BE SUBMITTED ON JUNE 30 1980

1. Statement of Affairs
(After Closing) (Form No. ACT-F-21 & 21A)
2. Term Deposits and Short Term Deposits
overdue and other term Deposits
(separate statements for different
heads of account) (Form No. ACT-F-7)
3. Outstandings in Sundry Creditors
(Please mention date of entry
particulars and amount for each
outstanding entry) (Form No. 94)
4. Statement of Income & Expenditure
(To be prepared after making all
provisions and before merging Income
and Expenditure Accounts to find out
net profit or Loss Position) (Form No. ACT-F-31/31A)
5. Loan against foreign bills (Form No. 155)
6. Packing Credits (Form No. 155)
7. Payment against Documents (Form 155)
8. Loan against Trust Receipt (Form 155)
9. Loan against Imported Merchandise (Form No. EXCH-F-10)
10. Cash Credit Against Goods (Form No. 155)
11. Foreign Bills Purchased (Form No. 105)
12. Local Bills Discounted (Form No. 105)
13. Local Bills Purchased (Form No. 105)
14. Temporary Overdrafts (Form No. ACT-F-13)
15. Overdrafts (Clean) (Form No. 155)
16. Overdrafts (Secured)
17. Loan (Clean) (Form No. 155)

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18. Secured Loans (Form No. 155)
19. Loans/Advances to Staff (Form No. 100)
20. Investments in Stocks and Securities (Form No. ACT-F-08)
21. Interest/Income Accrued on Investments (Form No. ACT-F-09)
22. Stock of Stationery (Form No. ACT-F-10)
23. Stamps on Hand (Form No. ACT-F-11)
24. Advance Rent (Form No. 101)
25. Separate Statements for outstanding in subsidiary accounts of OTHER ASSETS 20600 mentioning date of outstanding full particulars of all outstanding items and the amount (Form No. 94)
26. Capitalised Expenditure (Form No. 102)
27. Furniture and Equipment (This statement should be prepared in a manner to clearly reflect items (alongwith cost thereof) provided at the residence of various staff members and the office premises separately.) (Form No. ACT-F-35A & 37)
28. Statement of Letters of Guarantee issued and outstanding as on 30.6.1980. In this statement please report all outstanding Letters of Guarantee individually and mention nature of commitment such as "Earnest Deposit for Tender" "Purchaser of Goods on Credit" etc (as case may be) in the last column. (Form No. 104)
29. Letter of Credit Outstanding (Form No. 85)
30. Acceptance Outstanding (Form No. 155)
31. Reconciliation Statement of all accounts maintained with branches and correspondents alongwith Certificates of balances from relative banks. Wherever certificates of balances are not readily available submission of this statement may not be held up. The certificate of balance may be submitted subsequently to Regional Office, as soon as available. (Form No. EXCH-F-22)

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32. Forward Purchase/Sale Contracts for foreign currencies (Form No. 92)
(Proforma enclosed)
33. Nil Statements (Whenever nothing is to be reported under a particular head of account) (Form No. ACT-F-01)
34. Any other statement necessary for Regional (regulatory) requirement
35. Details of Income Receivable (Proforma enclosed)
36. Details of Expenditure/Interest Payable (Proforma enclosed)
37. Statement of Due from (Form No. 10)
38. Statement of Due to (Form No. 10)



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ANNEXURE 'B'

UK/CONTINENT/MIDDLE EAST BRANCHES
HALF-YEARLY 1980 - CLOSING CALENDAR

	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Apply Service Charges Current Accounts	12.6.80	26.6.80	26.6.80
Provide Depreciation on Furniture & Equipment & Capitalised Expenditure etc	17.6.80	10.6.80	10.6.80
a) Payment of Salaries to Staff Members	17.6.80	23.6.80	23.6.80
b) Balancing of Savings/7 days Deposit Account Ledgers	17.6.80	23.6.80	23.6.80
a) Application of Interest on Savings/7 days Deposits	24.6.80	24.6.80	24.6.80
b) Balancing of Savings/7 days Deposits after application of interest	24.6.80	24.6.80	24.6.80
Interest on - i) Call Deposits	24.6.80	24.6.80	24.6.80
ii) Fixed/Term Deposits	24.6.80	24.6.80	24.6.80
Excess cash prior to March 1980 to be transferred to Income Account.			
Provisions to be made for :			
i) Accrued Income			
ii) Accrued Expenditure			
iii) Prepaid Expenses			
iv) Income Received in Advance	28.6.80	24.6.80	24.6.80
Interest on :			
i) Deposits from Banks			
ii) Borrowings from Banks			
iii) Loans and Advances			
iv) Deposits with Banks			
v) Borrowings by other banks			
vi) Main Office Account (UAE only)	26.6.80	26.6.80	26.6.80
Interest on Loans/Overdrafts	26.6.80	24.6.80	24.6.80
Entries to be passed for Stationery consumed	26.6.80	24.6.80	24.6.80
a) Telex/Telephone advice about figures of deposits/advances/other statistics and results etc. to Regional Office/ Central Office	1.7.80	N/A	30.6.80



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b) Revaluation of foreign currency a/c balance	26.6.80	30.6.80	30.6.80
Hand delivery of statements in U.K. Region in the prescribed manner Post delivery (Airfreight) for other Regions to the Regional Office/ Central Office (UAE branches will be advised seperately by Regional Office, Abu Dhabi)	1.7.80	2.7.80	2.7.80



SUBJECT REPAYMENT OF US DOLLAR AND POUND STERLING TERM DEPOSITS BEFORE MATURITY	PAGE 108
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Term Deposits are deposits placed with the Bank for fixed periods at fixed rates of interest, and therefore the depositors are not entitled to demand repayment before maturity in the ordinary course. However, branches occasionally do receive requests from depositors for repayment before maturity.

Such repayment is entirely at the Bank's discretion and according to the practice of various leading banks, requests for such repayments are just not entertained. This should be made clear to the depositors concerned. Each request should be considered on its merits.

In any event, repayments before maturity will only be made on terms decided by the Bank in each case. The terms should have an element of 'penalty' to be borne by the depositor for not adhering to his part of the term deposit agreement. The penalty differential should at least be 2%.

The penalty should be calculated and imposed as under:

- a) Calculate interest on the deposit for the full period at the originally fixed rate, as if the deposits have matured. Add this interest to the principal amount of deposit.
- b) Work out the unexpired period of deposits. Find out the rate of interest prevailing at the time of encashment, for unexpired period of deposits. Add 2% penalty to this rate and then calculate interest at the resultant rate for the unexpired period.
- c) Deduct b) from a) to arrive at the net amount payable to the depositor.

Example

1 year deposit of US\$ 100,000 from 15.11.1979 to 15.11.1980* @ 13½% and repayment requested on 10.4.1980 (i.e. the deposits remained with the bank for about 4½ months, the unexpired period being about 7½ months). The interest rates ruling on 10.4.1980 for 7 and 8 months for similar deposits were as follows:-

	<u>Inter-Bank Rate</u>	<u>Our Deposit Rate</u>
7 months	17½% p.a.	17½% p.a.
8 months	17½% p.a.	17½% p.a.

Take the higher of these two rates and adding the penalty differential of 2%, the penalty charge will be calculated at 19½% p.a.

The net amount payable to the depositor will be arrived at as follows:-

Amount of deposit	US\$ 100,000.00
Add: Interest on US\$ 100,000 at 13½% p.a. for 12 months from 15.11.1979 to 15.11.1980*	US\$ 13,500.00
	<u>113,500.00</u>
Less: Penalty charge on US\$ 100,000 @ 19½% p.a. from 10.4.1980 to 15.11.1980*	US\$ 11,862.50
Net amount payable	<u><u>US\$ 101,637.50</u></u>

* Date of repayment to be excluded.



INSTRUCTION CIRCULAR
059
NUMBER.....

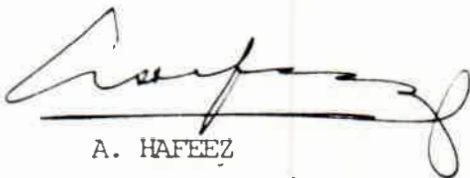
SUBJECT REPAYMENT OF US DOLLAR AND POUND STERLING TERM DEPOSITS BEFORE MATURITY	PAGE	109
	DATE	MAY 8, 1980
	QUERIES TO	Systems & Operations Division - C.S.O.

The net amount could be less than the principal amount if the unexpired period is relatively large and if the current interest rates are very much higher than those ruling at the time of the deposit.

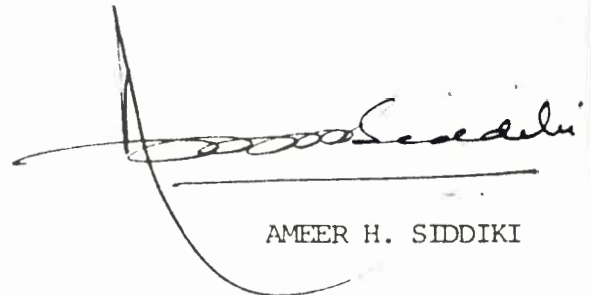
Branch Managers may exercise their discretion within the above stated guidelines and deal with repayment requests relating to deposits up to an upper limit per deposit which will be conveyed separately by the respective Regional Office. Where the deposit concerned exceeds the limit laid down by the Regional Office, or where the proposed repayment terms are more favourable to the depositor than those permitted under the above guidelines reference must be made to Regional Office for approval.

If the depositor needs funds for a temporary period and does not wish to withdraw the deposit before maturity, Branch Managers may consider granting an advance against a lien on the deposit and after reference to their Regional Office. It should however, be understood that rate of interest applicable to such borrowing will be the normal lending rate prevailing then and not related to the rate at which the deposits were originally accepted.

The instructions contained in this Circular are mainly applicable to term deposits in US Dollars and Pound Sterling. The basic points and the formula for charging penalty also provides a general guideline for other convertible currencies. Branches are, however, requested to refer to their Regional Office for specific guidance for currencies other than US Dollars and Pound Sterling.



A. HAFEEZ



AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....058

SUBJECT

NUMBERS FOR LETTER OF CREDIT TO
BE ISSUED BY:

1. HELIOPOLIS BRANCH, CAIRO
2. CITY CENTRE BRANCH, ABU DHABI

PAGE

107

DATE

May 8, 1980

QUERIES TO

Systems & Operations
Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedures for numbering Letters of Credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for Letters of Credit to be issued by them:

Bank of Credit and Commerce International (Overseas) Limited

Heliopolis Branch, Cairo

115001 - 120000

City Centre Branch, Abu Dhabi

120001 - 122000

A. HAFEEZ

AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....057.....

SUBJECT

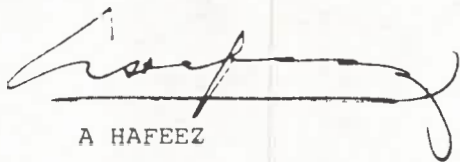
PASSAGE FACILITY FOR HOME TRAVEL

PAGE 106

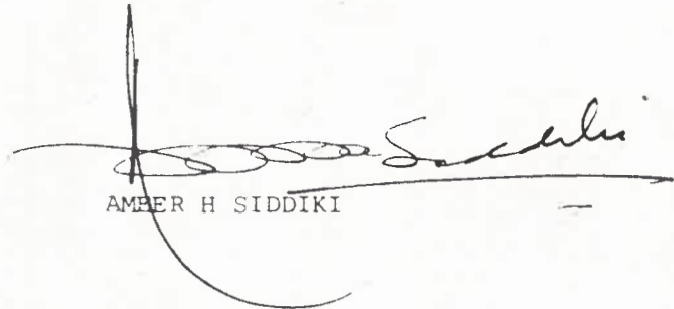
DATE 14 April 1980

QUERIES TO:

The rules governing the Passage Facility for Home Travel have been revised and with immediate effect the enclosed revised Rules shall be applicable.



A HAFEEZ



AMEER H SIDDIKI

4.2. PASSAGE FACILITY FOR HOME TRAVEL

4.2.1. The facility would be available to the officers of International Cadre of BCC Group posted outside their home country. Home country will be determined from the nationality of the officer.

4.2.2. The entitlement to the passage facility would be once for every two years of completed service. However, with the permission, in writing, of the General Manager/Executive In-Charge of the Division concerned, up to two passages can be accumulated.

The period of two years will be counted from the date of the posting outside the home country. In the absolute discretion of the management, a relaxation of time, not exceeding three months, may be allowed where it is necessary for the officer to travel earlier than two years to accommodate for school holidays of children or any other reason that may be pressing or convincing.

4.2.3. The officer eligible for the home travel facility shall not be entitled to receive any cash payment in lieu of the passage facility.

4.2.4. The effective date for calculating entitlement to a passage on the completion of two years service is 1 July 1976. The entitlement to a passage earlier than 1 July 1976 arose on the completion of three years service.

4.2.5. The Bank would provide to the officers eligible as above, air tickets for economy class air passage for self and family (as defined hereinafter), valid for travel from the international airport nearest to the place of posting of the officer to the international airport nearest to the home town of the officer.

Generally, rebated tickets are available in various parts of the

world. The Bank should provide cheap airline tickets, allowing one stopover. Since the tickets will be provided by the Bank, the question of any cash reimbursements to the officers will not arise.

On return from leave, the officer should submit the used ticket or any other evidence of his and his family's visit to the home country.

- 4.2.6. Family would mean self, wife (or husband) and dependent children below the age of 21 years and widowed and dependent mother. Children already married, employed or engaged in any vocation, even if below the age of 21 years, shall not be considered as dependents. To be eligible, the children must have valid residence visa of the officer's country of posting.
- 4.2.7. On promotion as officers in the International Cadre of the BCC Group, the clerical staff posted outside their home country will be eligible to the facility and for this purpose the eligibility period will be counted from the date of promotion.
- 4.2.8. The passage facility can only be availed with the prior permission of the Regional General Manager or the Executive In-Charge of the Division at the Central Support Organisation, and subject to the duly sanctioned leave being available to the officer concerned.

The admissibility of passage facility for home travel, however, is not to be confused with the entitlement to the annual privilege leave which the officer is entitled to avail of independent of home passage facility.

4.2.9. Exceptions to the rules may be allowed by the Regional General Managers or the Executives In-Charge of the Division at the Central Support Organisation on account of the following:

- (a) If the terms of employment of any officer contain conditions otherwise.
- (b) Where local laws have been prescribed for the purpose.
- (c) Where the Regional General Manager or the Executive In-Charge of the Division is otherwise satisfied that utmost important and cogent reasons exist for making an exception.



INSTRUCTION CIRCULAR
NUMBER.....Q56.....

SUBJECT AMENDMENT TO SECTION 3.04.2 (iii) OF ADVANCES MANUAL	PAGE 105
	DATE April 14, 1980
	QUERIES TO: Systems & Operations Division - C.S.O.

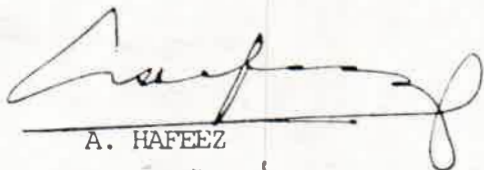
Section 3.04.2 (iii) of the Advances Manual is amended to read as under:-

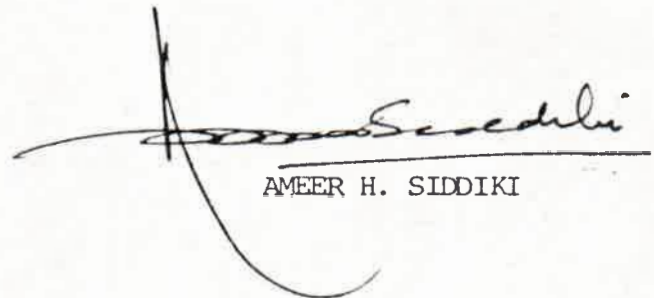
Average Stock: Cost of Sales

$$\frac{\text{Average Stock}}{\text{Cost of sales}} \times 365 = \dots\dots\dots\text{Days.}$$

This ratio indicates the average time during which the stock is sold.

Please incorporate the change on page 13 of Advances Manual.


A. HAFEEZ


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER..... 055

SUBJECT

1. TRAVEL REGULATIONS
2. BAGGAGE REGULATIONS

PAGE

104

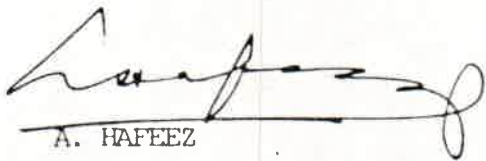
DATE

December 21, 1979

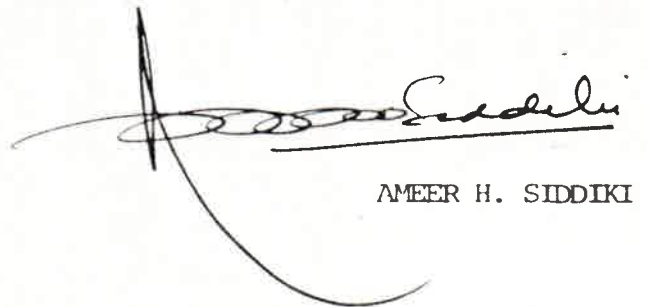
QUERIES TO.

Staff and
Establishment Div.

Effective from January 1, 1980, the enclosed Travel Regulations and
Baggage Regulations shall come into force



A. HAFEEZ



AMEER H. SIDDIKI

09

Travel Regulations

09.1

Travel, on official duty must be undertaken in consultation with and the approval in writing of the Regional General Manager. Officers and departmental heads at branches should seek such approval through their managers. Regional General Managers, when giving their approval, will be guided by the usefulness to the institution of the proposed travel. Permission to travel should therefore only be sought subject to these considerations.

At the Central Support Organization travel will be authorized by the Executive-in-Charge of the division on similar considerations.

09.2

Families accompanying officers travelling on official duty will not be paid for by the Bank. In the case of senior executives who may be required to entertain officially during any visit, however, their wives may accompany them on official account.

09.3

Duration of stay at a station should be limited to the authorized period. Any stay beyond the authorized period must be approved by Regional General Manager, or Executive-in-Charge concerned at the division at Central Support Organization, or will be at the expense of the officer.

09.4

Only such expenses as are incidental to the official stay would be permitted. Personal or unjustified expenses e.g. personal entertainment and telephone expenses should not be included in the bill.

09.5

Official entertainment should, as far as possible, be paid for and claimed separately and would require the approval of the Regional General Manager, or the Executive-in-Charge concerned at Central Support Organization.

09.6 Entitlements

09.6.1 Air Travel

09.6.1.1. Officers drawing a basic salary of US\$24,000/- per annum and above may travel first class at their discretion.

09.6.1.2 All officers drawing basic salary below US\$24,000/- per annum shall travel by economy class. As far as possible direct routes, without stop-overs, should be resorted to.

09.6.1.3 Cost of air tickets will normally be paid for by the Bank directly to airlines/travel agents against their invoices. Where discounts are obtained, the Bank would pay the discounted fare.

09.6.1.4 For officers whose basic salaries are expressed in currencies other than US Dollars, Regional General Managers will propose and establish a comparable basis in consultation with Staff & Establishment Division, CSO. In exceptional circumstances or cases however, Regional General Managers may use their discretion in the matter.

09.7 Hotel Accommodation

09.7.1 Single room hotel accommodation would be admissible in the following classifications and salary ranges

Accommodation Classification

<u>Basic Salary per annum</u>	<u>Class of Hotel</u>
upto US\$11,999	3 star/second class
US\$12,000 - 20,999	4 star/first class
US\$21,000 - above	5 star/delux class

For locations where a classified guide is not available for hotels, Regional General Managers shall have a list prepared of approved hotels, motels or rest houses at which BCCI officers

may stay, based on the salary ranges mentioned earlier. This list is to be sent to Staff & Establishment Division, CSO, for information.

09.7.2 Miscellaneous Expenses

Incidental items such as laundry, tips and portage etc., will be reimbursed at actuals to the extent of US\$5 per day. Claims should be accompanied with receipts wherever possible.

09.8 Per Diem Allowance

09.8.1 Officers on official travel can claim a Per Diem allowance in lieu of hotel, motel or rest house accommodation, food and refreshment expenses, but excluding cost of transportation which will be separately reimbursed at actuals as per Regulation 09.9.1

09.8.2 This allowance for one day would be admissible for journeys above 12 hours. Subsequent entitlements to a further day's allowance will arise on the completion of each subsequent 24 hours.

09.8.3 Where the journey is of less than 12 hours duration the cost of refreshments, food and transport may be claimed at actuals against receipts.

09.8.4 For purposes of the calculation of Per Diem allowance, time spent on travel would not be included, and the admissibility for this allowance would be from the time of arrival to the time of departure. At any location where hotel accommodation is not availed of and the stay exceeds 12 hours, it will be treated as a full day for purposes of Per Diem allowance.

09.8.5 The following allowances are applicable according to country classification (Annexure I) and salary ranges.

Table of Per Diem Allowance

<u>Basic Salary per annum</u>	<u>Country classification</u>			
	(Annexure I) US\$			
	A	B	C	D
upto US\$11,999	60	40	25	20
US\$12,000 - 20,999	75	55	30	25
US\$21,000 - above	90	70	40	30

09.9 Other Expenses

09.9.1 Travel by Car/Taxis

Cost for transportation will be reimbursed at actuals.

Where personal vehicles are used, 50% of the cost of petrol may be added to the actual petrol expenses, as reimbursement towards depreciation.

09.9.2 Railway Travel

Where officers may be required to travel by train, and when more than one class is available, officers with basic salaries of upto US\$5,999/- per annum will travel by second class, and officers with basic salaries of US\$6,000/- and above may travel by first/airconditioned class. Receipts issued by railway authorities should be submitted when claiming reimbursement.

09.9.3 Excess Baggage

Excess baggage charges will not be admissible except when officers are carrying documents/books/equipment for official use.

09.9.4 General Provisions

09.9.4.1 These Regulations for overseas travel, will also apply to

subsidiaries, affiliates, and companies of the Group managed by us.

- 09.9.4.2 Travel expenses excluding cost of air ticket which will be paid directly to airlines/travel agencies will be reimbursed on submission of a travel bill by the executive or officer concerned in the prescribed form as per enclosed specimen 'Annexure 2'.
- 09.9.4.3 Travel bills should be submitted to the prescribed authority by the officer within 10 days of the return from journey.
- 09.9.4.4 Travel advance if required should be taken at the place of posting before undertaking the journey.
- 09.9.4.5 In view of the Banks' world-wide group insurance cover for all staff, no travel insurance is considered necessary. Any flight insurance taken out by an officer is therefore on his own account.
- 09.9.4.6 Regional Inspection and Central Audit Division will pay special attention at the time of the audit of the various units towards adherence to these travel regulations.
- 09.9.4.7 These regulations shall not apply to the home leave facility for which separate rules have been established.
- 09.9.4.8 These regulations would be amended or modified by the Central Management Committee from time to time.
- 09.9.4.9 These regulations shall come into effect from 1st January 1980.

ANNEXURE I

List of countries grouped as A, B, C or D for purposes of availing
Per Diem allowance as per cl.09.8.5 of the Travel Rules.

Group A

1. France
2. Saudi Arabia
3. Switzerland
4. United Kingdom

Group B

1. Bahrain
2. Brazil
3. Cayman
4. Hong Kong
5. Ivory Coast
6. Japan
7. Kuwait
8. Oman
9. Qatar
10. Seychelles
11. Sudan
12. U.A.E
13. U.S.A
14. W. Germany
15. Yemen

Group C

1. Argentina
2. Bangladesh
3. Canada
4. Egypt
5. Gabon
6. India
7. Indonesia
8. Iran
9. Italy
10. Jordan
11. Kenya
12. Lebanon
13. Luxembourg
14. Mauritius
15. Nigeria
16. Pakistan
17. S. Korea
18. Venezuela

Group D

1. Djibouti
2. Ghana
3. Liberia
4. Mexico
5. Morocco
6. Panama
7. Sierre Leone
8. Spain
9. Sri Lanka
10. Swaziland

10. Baggage Regulations

- 10.1 Baggage Allowances as stipulated in these Regulations would be applicable for employees transferred either temporarily or permanently from one country to another.
- 10.1.1 Where distances between countries are not significant and personal effects are required to be moved overland, Regional General Managers would fix the limits to which the Bank would meet these expenses, based on the same cubic footage as allowed for transportation by sea.
- 10.2 Transfers for a period below I year is regarded as a temporary transfer for the purposes of these Regulations.
- 10.3 For transfers within the country the Regional General Managers would formulate regulations to cover their local requirements based upon local conditions in consultation with Staff & Establishment Division at the Central Support Organization.
- 10.4 Each Regional Office and Staff & Establishment Division at CSO must have a list of approved shippers at each location so that estimates can be obtained for the transfer of personal effects of employees from one country to another before approval is given for such expenditure, subject to the limits mentioned in Clause 10.7 of these Regulations.
- 10.5 Employees should arrange to submit an estimate of cost for the transfer of their personal effects from shippers (or their agents) approved by the Bank, on a door-to-door basis.
- 10.6 Quotations for the movement of personal effects by sea or overland should include cost of packing, freight, handling, insurance and clearance of goods. Other expenses including duties and taxes shall not be admissible under the Baggage Regulations.
- 10.6.1 The import and customs duty regulations of the country to which an employee is transferred would govern whether or not he can take certain of his personal effects with him, and it

would be for the employee to make sure that he is not contravening the regulations before having his personal effects shipped.

10.7 Entitlement

<u>Basic Salary Range (pm)</u>	<u>Limit per Employee</u>
US\$ 200 - 499	225 cubic feet
US\$ 500 - 999	250 cubic feet
US\$1,000 - 1,499	300 cubic feet
US\$1,500 - above	350 cubic feet

10.7.1 The above baggage limits apply to the transportation of the household goods of an employee from one location to another on permanent transfer.

10.7.2 Employees are entitled to a single shipment on their transfer. Piecemeal shipments must not be made.

10.8 Other allowances related to unaccompanied baggage that may be transported by air are as follows:

10.8.1 Permanent Transfers

10.8.2 Transfer within the country:

Regulations to be formulated by Regional General Managers based upon local requirements and conditions, in consultation with Staff & Establishment Division at CSO.

10.8.3 Overseas Transfers:

Employees travelling by air when proceeding on permanent transfers

Entitlement

Employee	40 kilos
Spouse	40 kilos
Children/Dependent/s (maximum of 3)	10 Kilos each

10.8.4 Home Leave

No excess baggage is admissible on home leave or personal travel.

10.8.5 If a transfer to a new location immediately follows home leave the entitlement as in Clause 10.8.3 may be availed of.

10.9 Temporary Transfers

All overseas transfers for a period of less than 12 months will be deemed as temporary for the purposes of these Baggage Regulations.

10.9.1 If the duration of the temporary overseas transfer is for more than 1 month and less than 3 months, a maximum of 40 kilos of unaccompanied baggage by air is permissible for each employee.

10.9.2 For transfers of a duration of more than 3 months and less than 12 months, 60 kilos of unaccompanied baggage by air is permissible for individual employees.

10.9.3 Families are not expected to accompany employees on temporary transfers of 3 to 6 months and family members are not entitled to any excess baggage.

10.9.4 Transportation of Car

In principle the Bank accepts no responsibility for the cost of transportation of an employee's car to the new location of his posting. The procedure recommended is for the employee to sell his car and to purchase another at his new location. To this end suitable car loan policies exist at different centres.

Should there however, be an extraordinary loss on a car sold, because of transfer, that is a loss greater than would normally have been expected allowing for normal depreciation, the matter

should be specially referred to the Regional General Manager and/or Staff & Establishment Division, CSO giving details (make and size of car, cost, date purchased, normal local depreciation rate, likely price if sold) so that a decision can be taken at the discretion of the Bank for the course to be followed.

Should it be decided to allow the employee to take his car with him, based on the cost of transportation to the new location and the local import and duty regulations, the Bank would meet expenses pertaining to freight, insurance, and clearance, but not for any other expenses such as duties, taxes, registration, etc., which will be the responsibility of the individual.

10.9.5 These Regulations would be subject to amendment as and when required.

10.9.6 The Baggage Regulations would be introduced with effect from 1st January, 1980.



INSTRUCTION CIRCULAR
NUMBER.....054.....

SUBJECT Annual Closing of Accounts on December 31, 1979	PAGE 103
	DATE November 1, 79
	QUERIES TO: Central Accounts Division

The annual closing of accounts of the BCCI Group will take place on December 31, 1979. Branch Managers should properly assign the work to members of staff, and should ensure that they understand the details of the work assigned to them. All statements required to be submitted must be correctly prepared. Branches in the Middle East and U.K. should send their returns, in duplicate, to their respective Regional Office in Abu Dhabi and U.K. Branches in all other regions should send them, in duplicate, to Central Office, London.

NOTE : Conversion to U.S. Dollars - Rate of Exchange

The rate of exchange for converting local currency figures (of all relevant statements) to U.S. Dollars will be the closing middle rate of buying/selling local currency into U.S. Dollars on December 31, 1979 or the last working day of the month as obtained from the Central Bank or other local Regulatory authority. Branches in the U.K. and the U.A.E. are requested to submit their Statement of Affairs and Statements of Income and Expenditure in local currency only. Arrangements have been made at respective Regional Offices to work out the U.S. Dollar equivalent as at December 31, 1979 on a consolidated basis.

The other details are as under :

PART 'A' - EXPENDITURE HEADS

1) Interest/Service Charges on Current Accounts

Interest is not paid on Current Accounts in terms of inter-Bank Agreement. However, a minimum service charge may be charged on small and un-remunerative current accounts at the discretion of the Manager. Service charges rates for the branches will be separately notified by the Regional Offices.

2) Interest on Savings Accounts

Interest on Savings Accounts will be applied as usual. All Savings Account Ledgers should be balanced before application of interest and should again be balanced after interest has been applied. While calculating interest the balance outstanding on the date of interest application should be treated as outstanding during the remaining period of December 1979, and no adjustment should be made for any variation of the balance during the remaining days of December 1979.

Cont'd/.....



INSTRUCTION CIRCULAR
NUMBER.....054.....

SUBJECT

Annual Closing of Accounts
on December 31, 1979

PAGE: 104

DATE November 1, 79

QUERIES TO:

Central Accounts
Division

3) Interest on Call Deposit/Term Deposits

Interest on the above deposits should be calculated at the agreed rates upto December 31, 1979 and booked as under :

DEBIT: Profit & Loss A/c (Expenditure) -
Interest Payable on _____ Deposit

CREDIT: Sundry Creditors - Interest
Payable on _____ Deposit

NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of December 1979 will be required to be booked)

4) Interest on Deposits from Banks

Interest should be calculated until December 31, 1979 from dates of deposit and provision already made upto November 1979 deducted therefrom. Entries should be passed for interest amount as under :

DEBIT: Profit & Loss A/c (Expenditure) -
Interest paid on Deposits from Banks.

CREDIT: Sundry Creditors - Expenditure Payable -
Interest on Deposits from Banks.

NOTE: (Under the current Accrual Accounting System, the monthly liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of December 1979 will be required to be booked).

5) Interest on Borrowings from Banks

Interest on such borrowings, if any, must be provided at the agreed rate from the date of borrowing or the date of last credit given upto December, 31, 1979 (The note on Accrual Accounting in para 3 also applies to this para).

6) Interest on Inter-Branch/Inter-Affiliate Accounts

Interest on Inter-Branch/Inter-Affiliate Accounts should be applied at the notified rate. The balance as on the date of application of interest shall be treated as the balance maintained for the rest of December and no adjustment should be made. The Interest Advice should be originated by the

Cont'd/.....



INSTRUCTION CIRCULAR
NUMBER.....054.....

SUBJECT Annual Closing of Accounts on December 31, 1979	PAGE 105
	DATE November 1, 79
	QUERIES TO Central Accounts Division

Account Holding Branch/Affiliate which should convey the interest figure by telegram/telex to the Account Maintaining Branch/Affiliate. The Account Maintaining Branch/Affiliate should respond the interest amount in their books immediately on receiving telegram/telex from Account Holding Branch/Affiliate. Adjustment for the difference, if any, should be made after receipt of interest advice, in consultation with the Account Holding Branch/Affiliate.

7) Salary & Allowances to Staff Members

Salary and Allowances to staff members for the month of December 1979 should be disbursed as given out in the calendar attached.

8) Depreciation of Furniture and Equipment Account & Capitalised Expenditure

Provision for depreciation on furniture and equipment should be circulated at the rates mentioned below:-

		<u>UAE Region</u>	<u>Other Regions</u>
(a) Furniture & Fixture	..	10% p.a.	10% p.a.
(b) Carpets	..	25% p.a.	25% p.a.
(c) Vehicles	..	20% p.a.	25% p.a.
(d) Machines & Equipment	..	20% p.a.	20% p.a.
(e) Capitalised Expenditure	..	25% p.a.	As per note below

NOTE: 1) Leasehold properties spread over period of lease with a minimum of 2½.

2) For freehold properties, provide 25% on capitalised expenditure incurred, such as renovations etc. However Branches in UK Region will provide at 12.5% No depreciation should be provided on the cost of acquisition of such properties.

Under the Accrual Accounting System, provision for depreciation should have been charged upto November 30, 1979. The additional depreciation should now be calculated for the remaining period upto December 31, 1979 in accordance with the earlier instructions.

Branches in the U.K. Region should follow instructions laid down in the U.K. Regional Circular No. 77/65 dated 14th December 1977, for booking the depreciation calculated on various fixed assets. Branches in the U.K. Region should complete the new Fixed Assets Statements prepared for U.K. Region Branches and enclosed with this circular.

Cont'd/.....



INSTRUCTION CIRCULAR
NUMBER.....054.....

SUBJECT

Annual Closing of Accounts
on December 31, 1979

PAGE
106

DATE
November 1, 79

QUERIES TO
Central Accounts
Division

NOTE: According to the current system, provision for Depreciation on all the above items should already have been made upto November 30, 1979 by debiting Profit & Loss A/c (Expenditure) Depreciation on _____ and crediting Sundry Creditors Expenditure Payable A/c provision for Depreciation on _____

Entries for December Provision

DEBIT: Profit & Loss A/c (Expenditure)
Depreciation _____

CREDIT: Sundry Creditors - Expenditure Payable A/c
Provision for Depreciation on _____

NOTE: (i) The opening balances of all items of Furniture & Equipment on 1.1.1979 must agree with the Closing balances as on 31.12.1978.

(ii) The entries for depreciation should be passed in the books on the date shown in the calendar although depreciation will be calculated upto December 31, 1979.

(iii) Depreciation should be calculated in such a manner that the written down value of items is rounded off to the nearest unit of Local Currency e.g. Dirham, Pound Sterling, U.S. Dollar, etc.

(iv) The amount of depreciation on items (a) to (d) should be calculated on prorata basis according to the period for which the relative item has been in use/purchased.

U.K. Branches should provided depreciation on assets and on capitalised expenditure at the rates shown above on the balance outstanding in the respective account as at December 31, 1979.

9) Stationery Consumed

Stationery consumed upto the date of passing the entries should be debited to Profit and Loss - Expenditure A/C Stationery, and credited to Other Assets - Stock of Stationery Account.

Cont'd/.....



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The Stock of Stationery Account should be properly balanced after passing the entries for the stationery consumed during the period and the stock on hand should be verified, by proper stock taking.

INCOME HEADS

10) Interest on Loans and Advances

Interest on all categories of Loans/Advances chargeable at monthly rest must be calculated upto December 31, 1979 and charged to respective party's account and credited to respective income account. For all interest chargeable other than on monthly rest (by regulatory or special arrangement) the accrued income should be computed and booked as under:-

Debit: Other Assets Suspense A/C - Income Receivable -
Code 20655 Interest of Loan _____

Credit: Income A/C. Interest Receivable on _____

11) Interest on Placements/Deposits with Banks

Interest on all such accounts must be properly computed at agreed rates, upto December 31. If the deposits are on Demand in interest bearing current Account, the respective Account will be debited directly. If the deposits are on Term Deposits, the computed interest should be debited to Other Assets A/C. Income Receivable - Interest on Deposits with banks and credited to Income A/C - Interest on deposit with bank.

12) Interest receivable on Borrowings by other Banks

Interest receivable on such borrowing by other banks should be computed upto December 31, 1979, and provided for as under:-

Debit: Other Assets (Interest Receivable) Interest on
Borrowings by other Banks.

Credit: Income A/C - Interest on Borrowings by other Banks.

13) Interest on Inter Branch/Inter Affiliate (Receivable) Account

Account maintaining Branch/Affiliate will receive Telex/Telegram (or telephone) intimation of the interest due to them on their credit balances. They would provide for

Cont'd/.....



this amount in the account "Interest Received on Inter-Branch/ Inter Affiliate A/c" for the purpose of this Closing. (Subsequently, a credit advice should be received from the Branch/Affiliate holding the account to confirm the above credit amount).

14) Accrued Income/Accrued Expenditure

The accounting and booking-in of all provision made for accrued income and expenditure are clearly laid down on our "Introduction of Accrual Accounting" System Circular No.016 dated 20.11.74 - all aspects of which should be carefully implemented.

All year-ending accruals will be posted to the heads "Other Assets Income Receivable" Code 20655 and "Sundry Creditors (General) Expenditure Payable" Code 10511 and will remain in these accounts during the subsequent year for adjustment as and when Income are actually received or Expenditure actually paid/become due for payment. No Accounts either on the General Ledger or the Income/Expenditure subsidiary ledger will therefore have a MINUS Opening balance (i.e. Debit Balance on Liability Head/Income Head or Credit balance on Asset Head/Expenditure Head).

NOTE: Separate Statements have been included in the Closing stationery set in which sub-headwise details of "Income Receivable" and "Expenditure Payable" are to be properly filled-in and the totals of these should agree with the figures given in Code 20655 and Code 14511 respectively, appearing at the overleaf of the Statement of Affairs. These Statements should not be prepared by those Branches whose computer print-out provides this information.

15) Prepaid Expenses/Income Received in Advance

The accounting for prepaid Expenses/Income Received in Advance has been clearly laid down in the System Circular No. 016 dated 20.11.1974 "Introduction of Accrual Accounting". (Points mentioned in paragraph 13 regarding Adjusting A/C Credit & Debit will be applicable to Prepaid Expenses/Income Received in advance).

16) Statement of Income & Expenditure

A consolidated Statement of Income and Expenditure on Form ACT-F-31 and ACT-F-31A should be prepared to arrive at the Profit or Loss position of your branch as on December 31, 1979 including adjustment for all accrued



and prepaid income and expenditure.

The net profit or loss position of the branch, after making proper provision as mentioned above, should be conveyed by telegram or telex to reach the respective Regional Office at Abu Dhabi, London, Paris, Cairo and Central Accounts Division, London latest by January 1, 1980.

PART 'B' - STATEMENT OF AFFAIRS (ASSETS SIDE)

1) Excess Cash Amount

Entries pertaining to excess in cash outstanding upto September 30, 1979 should be adjusted by crediting the amount to Profit & Loss - Income - Miscellaneous Earnings.

2) Due from Banks/Affiliates/Branches/NBFI

Under the new coding system, the following classification has been carried out :

- (a) Due from Banks
- (b) Due from Affiliates
- (c) Due from Branches
- (d) Due from N.B.F.I.

Each of the above classifications are then sub-classified under three categories - Demand, Short Term upto 30 days, and Term over 30 days. The subsidiary ledger, should be balanced Bank/Affiliates/Branch/N.B.F.I.wise and a separate statement should be submitted with the returns. As the Luxembourg Banking Commission requires information regarding the location of the "Due From" fund, Branches are instructed to mention in their statement of "Due from Banks/Affiliates etc" the location of the Branch (of the concerned Bank/Affiliate) from which the fund is due.

3) P.A.D.

The current procedure provides for monthly accrual and charging of interest on PAD. The PAD accounts must accordingly reflect the above position.

4) Temporary Overdrafts

Efforts should be made to have all Temporary Overdrafts and Excess over Limits allowed to various customers adjusted as



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soon as possible so that such temporary facilities may not remain outstanding at the time of annual closing.

5) Revaluation of Foreign Currency Holdings

Foreign currency balances on demand accounts held with various banks and correspondents as well as foreign currency notes in hand should be revalued at the current ruling rate on December 31, 1979. The resulting profit or loss, if any, on such holdings should be booked to the credit or debit of Profit/Loss on Exchange Trading.

Profit or loss, on forward purchase or sale contracts for foreign currencies, outstanding on December 31, 1979 should be computed and booked in as laid down in the Circular for Accounting/Recording of Foreign Exchange Transactions bearing No. 015 dated 20.11.74.

6) Investments

- (i) Banks investments in Long Term Securities purchased/retained for the purpose of maintaining an Investment Portfolio in support of liquidity should be carried at cost and not revalued.
- (ii) Bank's investments in other securities should be reviewed and depreciation, if any, in such investments should be accounted for by making suitable provision as laid down in the Accrual Accounting Circular No. 016 dated 20.11.1974. Appreciation, if any, in investment may be taken into account only after obtaining prior approval from the Regional Office.

7) Other Assets (Stock of Stationery/Stamps/Adv. Dep)

The annual closing stationery contains separate statements wherein details of the above accounts have to be filled in and fully reconciled with the corresponding heads in the Statement of Affairs.

8) Other Assets - Advance Rent

A separate format for advance Rent has been designed which should be clearly filled in.

9) Suspense Account

Endeavour should be made to have all the entries in Suspense

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Account adjusted before the Annual Closing of Accounts. Special attention should be paid to adjust all the entries outstanding in Sundry Debtors Accounts and Other Suspense Accounts. You should also ensure that entries pertaining to expenses incurred for opening of branches have either been debited to capitalised expenditure and is being regularly written off as per rate fixed or debited directly to Expenditure A/C.

10) Other Assets - Income Receivable

This should be fully reconciled with the subsidiary head contained therein.

11) Capitalised Expenditure

Details must be provided in the relative statements.

12) Furniture/Fixtures

The relative statements should be correctly filled in after applying current rates of depreciation. The opening balance must agree with the closing balance of December 31, 1978 (Form ACT-F-35A and ACT-F-37).

13) Contra Accounts/Assets/Liabilities

All heads under this series on Assets side must fully agree with the corresponding contra heads on the liabilities side.

LIABILITY SIDE

1) Due to Banks/Affiliates/Branches/N.B.F.I.

Please note contents of paragraph 2 of Part B. As we are required to completely knock-off the Inter Branch/Inter Affiliate holdings of deposits, great care should be taken to fully reconcile your branch's position as on December 31, 1979 with all other branches/Affiliates with whom accounts are maintained.

2) Confirmation of Balances from Customers

Letters requesting confirmation of balances to customers maintaining credit balances (Form No. DEP-F-4) & Debit balances (Form No. ADV-F-5) should be mailed to the customers alongwith statements of their accounts and confirmation letters received from them duly signed should be filed in the respective confirmation file, after verifying

Cont'd/.....



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the signatures of customers thereon. Letters requesting confirmation of balances are not required to be sent to customers maintaining fixed/term deposits where special receipts are issued and where cheque books are not issued for withdrawal of funds on maturity.

NOTE: Branches with Computer Terminals

Branches with computer terminals need not prepare separate Statements of Affairs and Statements of Income and Expenditure enclosed with the circular and in lieu submit the computer output provided these cover all heads of General Ledger and Income/Expenditure Ledger including the new heads.

PART 'C' - CLOSING STATIONERY

1) Annual Closing Statements

Three sets of forms required for preparing Annual Closing statements are being sent to all the branches. The Managers are advised to obtain additional quantity of forms, if required, well in advance so that submission of statements to Regional Office/Central Office/Head Office is not held up due to non-availability of relative forms.

2) Method of Submission of Returns to Regional Office & Head Office

The branches in M/E and UK Region will submit two copies of the statements to the respective Regional Offices, separately packed in two specially printed envelopes marked to Regional Office and Head Office. Branches in other Regions will submit their statements in a similar way to Central Accounts Division, London in specially printed envelopes supplied to them. After scrutiny Regional Offices at Abu Dhabi and London will forward Head Office set of statements to the Central Acct.Div. who will arrange their onward despatch to respective H.O.s in Luxembourg and Grand Cayman. It may please be noted that the Statements detailed in this Circular are in addition to daily, weekly, fortnightly, monthly and quarterly statements prescribed earlier. It is necessary that all the statements are correctly prepared and mailed as soon as possible for the annual closing but not later than the dates mentioned in the attached closing calendar.

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3) Telex/Telegraphic Submission of Basic Data

The following figures of your branch, as on December 31, 1979 (after closing of Accounts) should be communicated by Telegram/Telex/Telephone to the Accounts Control Department of the respective Regional Offices and the Central Accounts Division, London as soon as possible after the closing but not later than January 1, 1980.

- a) Deposits from customers
- b) Deposits from banks
- c) Borrowings from banks
- d) Borrowings from Central Bank
- e) Deposits with Banks (Our placements)
- f) Borrowings by banks
- g) Sundry creditors
- h) Other Assets
- i) Total Advances
- j) Total Letters of Guarantee outstanding
- k) (i) Letters of Credit Outstanding
(ii) Acceptances Outstanding
- l) Total Outstanding - forward Sale Contracts of Foreign Currency
- m) Total Outstanding - forward Purchase Contracts of Foreign Currency
- n) Total number of Current Accounts
- o) Total number of Savings Bank Accounts
- p) Profit/Loss position
- q) (i) No. of Loan Accounts
(ii) No. of O.D. Accounts
- r) No. of Officers & staff (separately)

Month end figures under 17 columns should be reported to the Special Cell, Regional Office as usual.

NOTE: The following are attached with the circulars for use of the branches and subsidiaries.

- (1) List of statements to be submitted as on December 31, 1979.
- (2) The closing calendar in Annexure "B" for different regions.


AMEER H. SIDDIKI


MASIHUR RAHMAN



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ANNEXURE 'A'

LIST OF STATEMENTS TO BE SUBMITTED ON 31.12.79

1. Statement of Affairs (After Closing) (Form No. ACT-F-21 & 21A)
2. Term Deposits and Short Term Deposits overdue and other term Deposits (separate statements for different heads of account) (Form No. ACT-F-7)
3. Outstandings in Sundry Creditors (Form No. 94)
(Please mention date of entry particulars and amount for each outstanding entry)
4. Statements of Income & Expenditure (Form No. ACT-F-31/31A)
(To be prepared after making all provisions and before merging Income and Expenditure Accounts to find out net profit or Loss Position)
5. Loan against foreign bills (Form No. 155)
6. Packing Credits (Form No. 155)
7. Payment against Documents (Form No. 155)
8. Loan against Trust Receipt (Form No. 155)
9. Loan against Imported Merchandise (Form No. EXCH-F-10)
10. Cash Credit Against Goods (Form No. 155)
11. Foreign Bills Purchased (Form No. 105)
12. Local Bills Discounted (Form No. 105)
13. Local Bills Purchased (Form No. 105)
14. Temporary Overdrafts (Form No. ACT-F-13)
15. Overdrafts (Clean) (Form No. 155)
16. Overdrafts (Secured)
17. Loan (Clean) (Form No. 155)

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18. Secured Loans (Form No. 155)
19. Loans/Advances to Staff (Form No. 100)
20. Investments in Stocks and Securities (Form No. ACT-F-08)
21. Interest/Income Accrued on Investments (Form No. ACT-F-09)
22. Stock of Stationery (Form No. ACT-F-10)
23. Stamps on Hand (Form No. ACT-F-11)
24. Advance Rent (Form No. 101)
25. Separate Statements for outstanding in subsidiary accounts of OTHER ASSETS 20600 mentioning date of outstanding full particulars of all outstanding items and the amount (Form No. 94)
26. Capitalised Expenditure (Form No. 102)
27. Furniture and Equipment (This statement should be prepared in a manner to clearly reflect items (alongwith cost thereof) provided at the residence of various staff members and the office premises separately. (Form No. ACT-F-35A & 37)
28. Statement of Letters of Guarantee issued and outstanding as on 31.12.79. In this statement please report all outstanding Letters of Guarantee individually and mention nature of commitment such as "Earnest Deposit for Tender" "Purchase of Goods on Credit" etc.(as the case may be) in the last column. (Form No. 104)
29. Letter of Credit Outstanding (Form No. 85)
30. Acceptance Outstanding (Form No. 155)
31. Reconciliation Statement of all accounts maintained with branches and correspondents alongwith Certificates of balances from relative banks. Wherever certificates of balances are not readily available submission of this statement may not be held up. The certificate of balance may be submitted subsequently to Regional Office, as soon as available. (Form No. EXCH-F-22)

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- | | | |
|-----|--|--------------------------------------|
| 32. | Forward Purchase/Sale Contracts for foreign currencies | (Form No. 92)
(Proforma enclosed) |
| 33. | Nil Statements (Whenever nothing is to be reported under a particular head of account) | (Form No. ACT-F-01) |
| 34. | Any other statement necessary for Regional (regulatory) requirement | |
| 35. | Details of Income Receivable | (Proforma enclosed) |
| 36. | Details of Expenditure Payable | (Proforma enclosed) |
| 37. | Statement of Due from | (Form No. 10) |
| 38. | Statement of Due to | (Form No. 10) |



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ANNEXURE 'B'

UK/CONTINENT/MIDDLE EAST BRANCHES

ANNUAL 1979 - CLOSING CALENDAR

	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Apply Service Charges Current Accounts	18.12.1979	17.12.1979	18.12.1979
Provide Depreciation on Furniture & Equipment & Capitalised Expenditure etc.	1.12.1979	1.12.1979	1.12.1979
a) Payment of Salaries to Staff Members	17.12.1979	14.12.1979	14.12.1979
b) Balancing of Savings/7 days Deposit Account Ledgers	17.12.1979	17.12.1979	17.12.1979
a) Application of Interest on Savings/7 days Deposits	24.12.1979	24.12.1979	24.12.1979
b) Balancing of Savings/7 days Deposits after application of interest	24.12.1979	24.12.1979	24.12.1979
c) Application of Interest on Additional seven days (Interest to be charged upto December 31, 1979)		27.12.1979	
Interest on - i) Call Deposits	24.12.1979	24.12.1979	24.12.1979
ii) Fixed/Term Deposits	24.12.1979	24.12.1979	24.12.1979
Excess cash prior to September 1979 to be transferred to Income Account.			
Provisions to be made for :			
i) Accrued Income			
ii) Accrued Expenditure			
iii) Prepaid Expenses			
iv) Income Received in Advance	27.12.1979	27.12.1979	27.12.1979
Interest on :			
i) Deposits from Banks			
ii) Borrowings from Banks			
iii) Loans and Advances			
iv) Deposits with Banks			
v) Borrowings by other banks	24.12.1979	24.12.1979	24.12.1979
Interest on Loans/Overdrafts	24.12.1979	24.12.1979	24.12.1979
Entries to be passed for Stationery consumed	19.12.1979	19.12.1979	19.12.1979
a) Telex/telephone advice about figures of deposits/advances/other statistics and results etc. to Regional Office/Central Office.	31.12.1979	N/A	31.12.1979
b) Revaluation of foreign currency a/c balance	31.12.1979	31.12.1979	31.12.1979

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QUERIES TO:
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M/E Region U.K. Region Other Regions

Hand delivery of statements in UAE
Region in the prescribed manner
Post delivery (Airfreight) for other
Regions to the Regional Office/
Central Office

1.1.1980

2.1.1980

2.1.1980



INSTRUCTION CIRCULAR
NUMBER..... 053

SUBJECT

INTRODUCTION OF VISA TRAVELLERS
CHEQUES

PAGE

102

DATE

October 31, 1979

QUERIES TO:

Systems & Operations
Division - C.S.O.

From November 1, 1979 'Visa Travellers Cheques' will be issued by many financial institutions. Initially, these cheques will be issued in U.S. Dollars, followed by a number of other currencies. We have agreed to honour these cheques and at a later stage also sell them world wide.

Features of Visa Travellers Cheques include Visa name and Blue, White and Gold bands (like the Visa Credit Card) prominently featured on the face of the cheques alongwith a spread-winged dove. The cheques are printed on a special water-marked paper using security processes which are designed to deter duplication or alteration of the cheques. (Facsimile in the enclosed brochure).

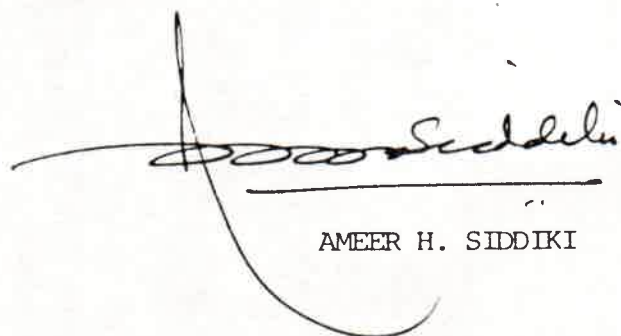
A unique feature of Visa Travellers Cheques is that they will be issued by many banks around the world. Their names and addresses will appear on the lower-right of the cheques from where they will also be ultimately reimbursable. However, in addition, names of their sales agents may also appear more prominently on the top of the cheques.

Care hitherto been taken by the branches, in accepting travellers cheques including obtaining the counter signature in presence of the officer cashing, will also apply to Visa Travellers Cheques. After accepting Visa Travellers Cheques, branches may collect reimbursement in normal manner.

A brochure about Visa Travellers Cheques is enclosed. Please bring the details to the attention of all concerned members of the staff and ensure that Visa Travellers Cheques are accepted in normal way at your branch like the other travellers cheques.

In case you need any clarifications, please write to Systems & Operations Division, 100 Leadenhall Street, London EC3A 3AD.


AKHTAR ANIS


AMEER H. SIDDIKI



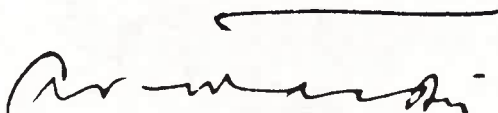
INSTRUCTION CIRCULAR
NUMBER.....052

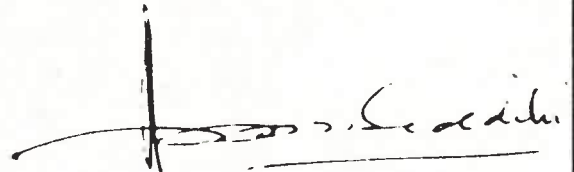
SUBJECT STATIONERY USED BY THE BRANCHES	PAGE 101
	DATE July 5, 1979
	QUERIES TO Systems & Operations Division - C.S.O.

It is observed that in quite a few cases, branches use stationery without the name and address of the user branch printed thereon. Cheques, demand drafts, pay orders, collection schedules etc., which do not bear the name and address of the originating branch present inconvenience to the collecting banks and result in financial loss to the Bank, for non-receipt/late receipt of funds and unavoidable follow up.

Please ensure that name and address of your branch is printed on all stationery used by you. As a special case, if general stationery is used, a rubber stamp showing the name and address of your branch should immediately be affixed on receipt of the stock.

Please check the stock of stationery in your branch and ensure that they show the name and address of your branch.


AKHTAR ANIS


AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER..... 051

SUBJECT

NUMBERS FOR LETTER OF CREDIT TO BE
ISSUED BY MARBLE ARCH BRANCH,
LONDON AND ALEXANDRIA BRANCH,
EGYPT OF BANK OF CREDIT & COMMERCE
S.A.

PAGE

100

DATE

June 7, 1979

QUERIES TO

Systems & Operations
Division - C.S.O.

Please refer to Instruction Circular No. 027 introducing new procedure for numbering letters of credit issued by branches.

The following branches have been allotted the block of numbers shown against their names for letters of credit issued by them.

BCCI S.A.

London, U.K.

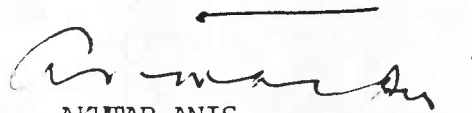
Marble Arch

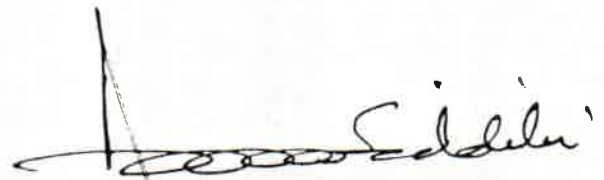
102001 - 105000

Egypt

Alexandria

105001 - 110000


AKHTAR ANIS



AMEER H. SIDDIKI



INSTRUCTION CIRCULAR
NUMBER.....050.....

SUBJECT

Half-yearly closing of
Accounts on 30th June 1979

PAGE 86

DATE June 1, 1979

QUERIES TO:

The half-yearly closing of accounts of our Bank will take place on 30th June 1979. Branch Managers should properly assign the work to members of staff, and should ensure that they understand the details of the work assigned to them. All statements required to be submitted must be correctly prepared. Branches in the Middle East and U.K. should send their returns, in duplicate, to their respective Regional Office in Abu Dhabi and U.K. Branches in all other regions should send them, in duplicate, to Central Office, London.

NOTE: Conversion to U.S. Dollars - Rate of Exchange

The rate of exchange for converting local currency figures (of all relevant statements) to U.S. Dollars will be the middle rate of buying/selling local currency into U.S. Dollars on 30th June 1979, or the last working day of the month. Branches in the U.K. and the U.A.E. are requested to submit their Statement of Affairs and Statements of Income and Expenditure in local currency only. Arrangements have been made at respective Regional Offices to work out the U.S. Dollar equivalent as at 30th June 1979 on a consolidated basis.

The other details are as under:

PART 'A' - EXPENDITURE HEADS

1) Interest/Service Charges on Current Accounts

Interest is not paid on Current Accounts in terms of inter-Bank Agreement. However, a minimum service charge may be charged on small and un-remunerative current accounts at the discretion of the Manager. Service charges rates for the branches will be separately notified by the Regional Offices.

2) Interest on Savings Accounts

Interest on Savings Accounts will be applied as usual. All Savings Account Ledgers should be balanced before application of interest and should again be balanced after interest has been applied. While calculating interest the balance outstanding on the date of interest application should be treated as outstanding during the remaining period of June 1979, and no adjustment should be made for any variation of the balance during the remaining days of June 1979.

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SUBJECT Half-yearly closing of Accounts on 30th June 1979	PAGE 87
	DATE June 1, 1979
	QUERIES TO:

3) Interest on Call Deposit/Term Deposits

Interest on the above deposits should be calculated at the agreed rates upto June 30, 1979 and booked as under:

DEBIT: Profit & Loss A/C (Expenditure) -
Interest Paid on _____ Deposit

CREDIT: Interest on _____ Deposit

NOTE: (Under the current Accrual Accounting System, the monthly Liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1979 will be required to be booked)

4) Interest on Deposits from Banks

Interest should be calculated until June 30, 1979 from dates of deposit and provision already made upto May 1979 deducted therefrom. Entries should be passed for interest amount as under:

DEBIT: Profit & Loss A/C (Expenditure) -
Interest paid on Deposits from Banks.

CREDIT: Sundry Creditors - Expenditure Payable -
Interest on Deposits from Banks.

NOTE: (Under the current Accrual Accounting System, the monthly Liability for interest on the above accounts is already being booked each month as above. As such only the interest for the month of June 1979 will be required to be booked).

5) Interest on Borrowings from Banks

Interest on such borrowings, if any, must be provided at the agreed rate from the date of borrowing or the date of last credit given upto 30th June, 1979. (The note on Accrual Accounting in para 3 also applies to this para).

6) Interest on Inter-Branch Accounts

Interest on Inter-Branch Accounts should be applied at the notified rate. The balance as on the date of application of interest shall be treated as the balance maintained for the rest of June and no adjustment should be made. The Interest Advice should be originated by the Account Holding Branch which should convey the interest figure by telegram/telex to the Account Maintaining Branch. The account maintaining branch should respond the interest amount in their books immediately on receiving telegram/telex from the account holding branch.

Cont'd/...



(6. cont'd.)

Adjustment for the difference, if any, should be made after receipt of interest advice, in consultation with the account holding branch.

7) Salary & Allowances to Staff Members

Salary and Allowances to staff members for the month of June, 1979 should be disbursed as given out in the calendar attached.

8) Depreciation of Furniture and Equipment Account & Capitalised Expenditure

Provision for depreciation on furniture and equipment should be calculated at the rates mentioned below:-

	<u>UAE Region</u>	<u>Other Regions</u>
(a) Furniture & Fixture . .	10% p.a.	10% p.a.
(b) Carpets . .	25% "	25% "
(c) Vehicles . .	20% p.a.	25% p.a.
(d) Machines & Equipment . .	20% "	20% "
(e) Capitalised Expenditure . .	25% "	As per note below

NOTE: 1) Leasehold properties spread over period of lease with a minimum of 2½%.

2) For freehold properties, provide 25% on capitalised expenditure incurred, such as renovations etc. However Branches in UK Region will provide at 12.5%. No depreciation should be provided on the cost of aquisition of such properties.

Under the Accrual Accounting System, provision for depreciation should have been charged upto May 31, 1979. The additional depreciation should now be calculated for the remaining period upto June 30, 1979 in accordance with the earlier instructions.

Please provide for the Depreciation on Furniture and Equipment Account and Capitalised Expenditure, upto June 1979 but do NOT set off the amount of depreciation against the corresponding book value of the concerned assets. Total provision of depreciation from 1st June 1979 to 30th June 1979 will be reflected in the Sundry Creditors - Expenditure Payable Account Provision for Depreciation on _____.

Branches in the U.K. Region should follow instructions laid down in the U.K. Regional Circular No. 77/65 dated 14th December 1977, for booking the depreciation calculated on various fixed assets.



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NOTE: According to the current system, provision for Depreciation on all the above items should already have been made upto May 31, 1979 by debiting Profit & Loss A/C (Expenditure) Depreciation on _____ and crediting Sundry Creditors Expenditure Payable A/C provision for Depreciation on _____.

Entries for June Provision

DEBIT: Profit & Loss A/C (Expenditure) Depreciation _____

CREDIT: Sundry Creditors - Expenditure Payable A/C.
Provision for Depreciation on _____

- NOTE:
- (i) The opening balances of all items of Furniture & Equipment on 1.1.1979 must agree with the Closing balances as on 31.12.1978.
 - (ii) The entries for depreciation should be passed in the books on the date shown in the calendar although depreciation will be calculated upto June 30, 1979.
 - (iii) Depreciation should be calculated in such a manner that the written down value of items is rounded off to the nearest unit of Local Currency e.g. Dirham, pound Sterling.
 - (iv) The amount of depreciation on items (a) to (d) should be calculated on prorata basis according to the period for which the relative item has been in use/ purchased.

U.K. branches should provide depreciation on assets and on capitalised expenditure at the rates shown above on the balance outstanding in the respective account as at June 30, 1979.

9) Stationery Consumed

Stationery consumed upto the date of passing the entries should be debited to Profit and Loss - Expenditure A/C Stationery, and credited to Other Assets - Stock of Stationery Account.

The Stock of Stationery Account should be properly balanced after passing the entries for the stationery consumed during the period and the stock on hand should be verified, by proper stock taking.

Cont'd/...



INCOME HEADS

10) Interest on Loans and Advances

Interest on all categories of Loans/Advances chargeable at monthly rest must be calculated upto 30th June, 1979 and charged to respective party's account and credited to respective income account. For all interest chargeable other than on monthly rest (by regulatory or special arrangement) the accrued income should be computed and booked as under:-

Debit: Other Assets Suspense A/C - Income Receivable -
Code 20655 Interest of Loan _____

Credit: Income A/C. Interest Receivable on _____

11) Interest on Placements/Deposits with Banks

Interest on all such accounts must be properly computed at agreed rates, upto 30th June. If the deposits are on Demand in interest bearing current Account, the respective Account will be debited directly. If the deposits are on Term Deposits, the computed interest should be debited to Other Assets A/C. Income Receivable - Interest on Deposits with banks and credited to Income A/C - Interest on deposit with bank.

12) Interest receivable on Borrowings by other Banks

Interest receivable on such borrowing by other banks should be computed upto 30th June, 1979, and provided for as under:-

Debit: Other Assets (Interest Receivable) Interest on Borrowings
by other Banks.

Credit: Income A/C - Interest on Borrowings by other Banks.

13) Interest on Inter Branch (Receivable) Account

Account maintaining branch will receive Telex/Telegram (or telephone) intimation of the interest due to them on their credit balances. They would provide for this amount in the account "Interest Received on Inter-Branch A/C" for the purpose of this Closing. (Subsequently, a credit advice should be received from the branch holding the account to confirm the above credit amount).

14) Accrued Income/Accrued Expenditure

The accounting and booking-in of all provision made for accrued income and expenditure are clearly laid down on our "Introduction of Accrual Accounting" System Circular No. 016 dated 20.11.74 - all aspects of which should be carefully implemented.



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All half year ending accruals will be posted to the heads "Other Assets Income Receivable" Code 20655 and "Sundry Creditors (General) Expenditure Payable" Code 10511 and will remain in these accounts during the subsequent half-year for adjustment as and when Income are actually received or Expenditure actually paid/become due for payment. No Accounts either on the General Ledger or the Income/Expenditure subsidiary ledger will therefore have a MINUS Opening balance (i.e. Debit Balance on Liability Head/Income Head or Credit balance on Asset Head/Expenditure Head).

NOTE: Separate Statements have been included in the closing stationery set in which sub-headwise details of "Income Receivable" and "Expenditure Payable" are to be properly filled-in and the totals of these should agree with the figures given in Code 20655 and Code 14511 respectively, appearing at the overleaf of the Statement of Affairs.

15) Prepaid Expenses/Income Received in Advance

The accounting for prepaid Expenses/Income Received in Advance has been clearly laid down in the System Circular No. 016 dated 20.11.1974 "Introduction of Accrual Accounting". (Points mentioned in paragraph 13 regarding Adjusting A/C Credit & Debit will be applicable to Prepaid Expenses/Income Received in advance).

16) Statement of Income & Expenditure

A consolidated Statement of Income and Expenditure on Form ACT-F-31 and ACT-F-31A should be prepared to arrive at the Profit or Loss position of your branch as on June 30, 1979 including adjustment for all accrued and prepaid income and expenditure.

The net profit or loss position of the branch, after making proper provision as mentioned above, should be conveyed by telegram or telex to reach the respective Regional Office at Abu Dhabi, London, Paris, Cairo and Central Accounts Division, London latest by July 1, 1979.

PART 'B' - STATEMENT OF AFFAIRS (ASSETS SIDE)

1) Excess Cash Amount

Entries pertaining to excess in cash outstanding upto March 31, 1979 should be adjusted by crediting the amount to Profit & Loss-Income-Miscellaneous Earnings.

Cont'd/...



2) Due From Banks/Affiliates/Branches/N.B.F.I.

Under the new Coding system Banks have been separated from Affiliates and should therefore be shown separately.

Each of the above classifications are then shown under three categories - Demand, Short Term upto 30 days, and Term over 30 days. The subsidiary ledger, should be balanced Bank/Affiliates/Branch/N.B.F.I.-wise and a separate statement should be submitted with the returns. As the Luxembourg Banking Commission requires information regarding the location of the "Due From" fund, Branches are instructed to mention in their statement of "Due From Banks/Affiliates etc" the location of the Branch (of the concerned Bank/Affiliate) from which the fund is due.

3) Borrowings From Banks

As far as possible, borrowings from Banks and other Financial Institutions, if any, should be settled before the end of June, 1979. This, however, does not apply to deposits received from Banks and other financial Institutions in the normal course of business.

4) P.A.D.

The current procedure provides for monthly accrual and charging of interest on PAD. The PAD accounts must accordingly reflect the above position.

5) Temporary Overdrafts

Efforts should be made to have all Temporary Overdrafts and Excess over Limits allowed to various customers adjusted as soon as possible so that such temporary facilities may not remain outstanding at the time of half-yearly closing.

6) Revaluation of Foreign Currency Holdings

Foreign currency balances held with various banks and correspondents as well as foreign currency notes in hand should be revalued at the current ruling rate on June 30, 1979.

The resulting profit or loss, if any, on such holdings should be booked to the credit or debit of Profit/Loss on Exchange Trading. Similarly, profit or loss, on forward purchase or sale contracts for foreign currencies, outstanding on June 30, 1979 should be computed and booked in as laid down in the Circular for Accounting/Recording of Foreign Exchange Transactions bearing No. 015 dated 20.11.74.



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7) Revaluation of Investments

Bank's investments in stock and other securities should be reviewed and depreciation, if any, in such investments should be accounted for by making suitable provision as laid down in the Accrual Accounting Circular No. 016 dated 20.11.1974. Appreciation, if any, in investment may be taken into account only after obtaining prior approval from the Regional Office.

8) Other Assets (Stock of Stationery/Stamps/Adv. Dep)

The half-yearly closing stationery contains separate statements wherein details of the above accounts have to be filled in and fully reconciled with the corresponding heads in the Statement of Affairs.

9) Other Assets - Advance Rent

A separate format for advance Rent has been designed which should be clearly filled in.

10) Suspense Account

Endeavour should be made to have all the entries in Suspense Account adjusted before the half-yearly Closing of Accounts. Special attention should be paid to adjust all the entries outstanding in Sundry Debtors Accounts and Other Suspense Accounts. You should also ensure that entries pertaining to expenses incurred for opening of branches have either been debited to capitalised expenditure and is being regularly written off as per rate fixed or debited directly to Expenditure A/C.

11) Other Assets - Income Receivable

This should be fully reconciled with the subsidiary head contained therein.

12) Capitalised Expenditure

Details must be provided in the relative statements.

13) Furniture/Fixtures

The relative statements should be correctly filled in after applying current rates of depreciation. The opening balance must agree with the closing balance of December 31, 1978 (Form ACT-F-35A and ACT-F-37).

14) Contra Accounts/Assets/Liabilities

All heads under this series on Assets side must fully agree with the corresponding contra heads on the liabilities side.

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LIABILITY SIDE

1) Due to Banks/Branches/Affiliates

Please note contents of paragraph 2 of Part B. As we are required to completely knock-off the Inter Branch holdings of deposits, great care should be taken to fully reconcile your branch's position as on June 30, 1979 with all other branches with whom accounts are maintained.

2) Confirmation of Balances from Customers

Letters requesting confirmation of balances to customers maintaining credit balances (Form No. DEP-F-4) & debit balances (Form No. ADV-F-5) should be mailed to the customers alongwith statements of their accounts and confirmation letters received from them duly signed should be filed in the respective confirmation file, after verifying the signatures of customers thereon. Letters requesting confirmation of balances are not required to be sent to customers maintaining fixed/term deposits where special receipts are issued and where cheque books are not issued for withdrawal of funds on maturity.

NOTE: Branches with Computer Terminals

Branches with computer terminals need not prepare separate Statements of Affairs and Statements of Income and Expenditure enclosed with the circular and in lieu submit the computer output provided these cover all heads of General Ledger and Income/Expenditure Ledger including the new heads recently introduced.

PART 'C' - CLOSING STATIONERY

1) Half-Yearly Closing Statements

Three sets of forms required for preparing half-yearly closing statements are being sent to all the branches. The Managers are advised to obtain additional quantity of forms, if required, well in advance so that submission of statements to Regional Office is not held up due to non-availability of relative forms.

2) Method of Submission of Returns to Regional Office & Head Office

The branches in M/E and UK Region will submit two copies of the statements to the respective Regional Offices, separately packed in two specially printed envelopes marked to Regional Office and Head Office. Branches in other Regions will submit their statements in a similar way to Central Accounts Division, London in specially printed envelopes supplied to them. After scrutiny Regional Offices at Abu Dhabi and London will forward Head Office set of statements to the Central Acct. Div. who will arrange their onward despatch to respective H.O.s in Luxembourg and Grand Cayman. It may please be noted that the Statements detailed in this Circular are in addition to daily, weekly, fortnightly,

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monthly and quarterly statements prescribed earlier. It is necessary that all the statements are correctly prepared and mailed as soon as possible for the half-yearly closing but not later than the dates mentioned in the attached closing calendar.

3) Telex/Telegraphic Submission of Basic Data

The following figures of your branch, as on June 30, 1979 (after closing of Accounts) should be communicated by Telegram/Telex/Telephone to the Accounts Control Department of the respective Regional Offices and the Central Accounts Division, London as soon as possible after the closing but not later than July 1, 1979.

- a) Deposits from customers
- b) Deposits from banks
- c) Borrowings from banks
- d) Borrowings from Central Bank
- e) Deposits with Banks (Our placements)
- f) Borrowings by banks
- g) Sundry creditors
- h) Other Assets
- i) Total Advances
- j) Total Letters of Guarantee outstanding
- k) (i) Letters of Credit Outstanding
(ii) Acceptances Outstanding
- l) Total Outstanding - forward Sale Contracts of Foreign Currency
- m) Total Outstanding - forward Purchase Contracts of Foreign Currency
- n) Total number of Current Accounts
- o) Total number of Savings Bank Accounts
- p) Profit/Loss position
- q) (i) No. of Loan Accounts
(ii) No. of O.D. Accounts
- r) No. of officers & staff (separately)

Month end figures under 17 columns should be reported to the Special Cell, Regional Office as usual.

NOTE: The following are attached with the circulars for use of the branches and subsidiaries.

- 1) List of statements to be submitted as on June 30, 1979.
- 2) The closing calendar in Annexure 'B' for different regions.

MASIHUR RAHMAN

AMEER H. SIDDIKI



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ANNEXURE 'A'

LIST OF STATEMENTS TO BE SUBMITTED ON 30.6.1979

1. Statement of Affairs (After Closing) (Form No. ACT-F-21 & 21A)
2. Term Deposits and Short Term Deposits overdue and other term Deposits (separate statements for different heads of account) (Form No. ACT-F-7)
3. Outstandings in Sundry Creditors (Please mention date of entry particulars and amount for each outstanding entry) (Form No. 94)
4. Statements of Income & Expenditure (To be prepared after making all provisions and before merging Income and Expenditure Accounts to find out net profit or Loss Position) (Form No. ACT-F-31/31A)
5. Loan against foreign bills (Form No. 155)
6. Packing Credits (Form No. 155)
7. Payment against Documents (Form No. 155)
8. Loan against Trust Receipt (Form No. 155)
9. Loan against Imported Merchandise (Form No. EXCH-F-10)
10. Cash Credit Against Goods (Form No. 155)
11. Foreign Bills Purchased (Form No. 105)
12. Local Bills Discounted (Form No. 105)
13. Local Bills Purchased (Form No. 105)
14. Temporary Overdrafts (Form No. ACT-F-13)
15. Overdrafts (Clean) (Form No. 155)
16. Overdrafts (Secured)
17. Loan (Clean) (Form No. 155)

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18. Secured Loans (Form No. 155)
19. Loans/Advances to Staff (Form No. 100)
20. Investments in Stocks and Securities (Form No. ACT-F-08)
21. Interest/Income Accrued on Investments (Form No. ACT-F-09)
22. Stock of Stationery (Form No. ACT-F-10)
23. Stamps on Hand (Form No. ACT-F-11)
24. Advance Rent (Form No. 101)
25. Separate Statements for outstanding in subsidiary accounts of OTHER ASSETS 20600 mentioning date of outstanding full particulars of all outstanding items and the amount (Form No. 94)
26. Capitalised Expenditure (Form No. 102)
27. Furniture and Equipment (This statement should be prepared in a manner to clearly reflect items (along with cost thereof) provided at the residence of various staff members and the office premises separately). (Form No. ACT-F-35A & 37)
28. Statement of Letters of Guarantee issued and outstanding as on 30.6.1979. In this statement please report all outstanding Letters of Guarantee individually and mention nature of commitment such as "Earnest Deposit for Tender" "Purchase of Goods on Credit" etc. (as the case may be) in the last column (Form No. 104)
29. Letter of Credit Outstanding (Form No. 85)
30. Acceptance Outstanding (Form No. 155)
31. Reconciliation Statement of all accounts maintained with branches and correspondents alongwith certificates of balances from relative banks. Wherever certificates of balances are not readily available submission of this statement may not be held up. The certificate of balance may be submitted subsequently to Regional Office, as soon as available. (Form No. EXCH-F-22)

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32. Forward Purchase/Sale Contracts for foreign Currencies (Form No. 92)
(Proforma enclosed)
33. Nil Statements (Whenever nothing is to be reported under a particular head of account) (Form No. ACT-F-01)
34. Any other statement necessary for Regional (regulatory) requirement
35. Details of Income Receivable (Proforma enclosed)
36. Details of Expenditure Payable (Proforma enclosed)
37. Statement of Due from (Form No. 83)
38. Statement of Due to (Form No. 93)



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ANNEXURE 'B'

UK/CONTINENT/MIDDLE EAST BRANCHES

HALF-YEARLY 1979 - CLOSING CALENDAR

	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Apply Service Charges Current Accounts	12. 6.79	18. 6.79	18. 6.79
Provide Depreciation on Furniture & Equipment & Capitalised Expenditure etc.	17. 6.79	11. 6.79	18. 6.79
a) Payment of Salaries to Staff Members			
b) Balancing of Savings/7 days Deposit Account Ledgers	17. 6.79	22. 6.79	22. 6.79
a) Application of Interest on Savings/7 days Deposits			
b) Balancing of Savings/7 days Deposits after application of interest	24. 6.79	25. 6.79	28. 6.79
Interest on - i) Call Deposits			
ii) Fixed/Term Deposits	24. 6.79	25. 6.79	28. 6.79
Revaluation of Investments			
Excess cash prior to March 1979 to be transferred to Income Account			
Provisions to be made for:	24. 6.79	(Earlier than) 26. 6.79	(Earlier than) 30. 6.79
i) Accrued Income			
ii) Accrued Expenditure			
iii) Prepaid Expenses			
iv) Income Received in Advance	28. 6.79	26. 6.79	28. 6.79
Interest on - i) Deposits from Banks			
ii) Borrowings from Banks			
iii) Loans and Advances			
iv) Deposits with Banks			
v) Borrowings by other Banks	28. 6.79	25. 6.79	28. 6.79
Interest on Loans/Overdrafts	28. 6.79	25. 6.79	28. 6.79
Entries to be passed for Stationery consumed	28. 6.79	26. 6.79	28. 6.79
a) Telex/telephone advice about figures of deposits/advances/other statistics and results etc. to Regional Office/Central Office	1. 7.79	N/A	30. 6.79
b) Revaluation of foreign currency a/c/balance	1. 7.79	29. 6.79	30. 6.79

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	<u>M/E Region</u>	<u>U.K. Region</u>	<u>Other Regions</u>
Hand delivery of statements in UAE Region in the prescribed manner Post delivery (Airfreight) for other Regions to the Regional Office/Central Office	1. 7.79	3. 7.79	3. 7.79

