

LAMPIRAN 1

Surat Edaran Lama Departemen Pengaturan Perbankan pada Perbankan Islam Tahun 1984 (*Circulars of 1984 Old Banking Control Department on Islamic Banking*)

A. BCD Circular 1984 No. 13: Elimination of 'Riba' from the Banking System

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 13

20th June, 1984.

All Banks.

Dear Sirs,

Elimination of 'Riba' from the Banking System.

As has been announced by the Finance Minister, it is the intention of Government that the Banking System should shift over to Islamic modes of financing during the course of the next financial year. These modes of financing have been described in annexure I. This shift will take place according to the following programme.

- (i) As from the 1st July, 1984, all banking companies will be free to make finances available in any of the modes of financing listed in annexure I. However, as a transitional arrangement, they will also be free to lend on the basis of interest, provided that no accommodation for working capital will be provided or renewed on interest basis for a period of more than six months.
- (ii) As from the 1st January, 1985, all finances provided by a banking company to the Federal Government, Provincial Governments, public sector corporations and public or private joint stock companies shall be only in any one of the modes indicated in annexure I.
- (iii) As from the 1st April, 1985, all finances provided by a banking company to all entities, including individuals, shall be on the same basis as mentioned in (ii) above.

- (iv) The appropriate mode of financing to be adopted in any particular case will be settled by agreement between the banking company and the client. Some possible modes of financing for various transactions have been shown in annexure II.

Sumber: SBP, n.d.

(v) As from the 1st July, 1985, no banking company shall accept any interest-bearing deposits. As from that date, all deposits accepted by a banking company shall be on the basis of participation in profit and loss of the banking company, except deposits received in Current Account on which no interest or profit shall be given by the banking company.

2. The instructions contained in items (i), (ii) and (iii) above shall, however, not apply to on-lending of foreign loans which will continue to be governed by the terms of the loans. Likewise, the instructions contained in item (v) above shall not apply to foreign currency deposits.

3. The above instructions are being issued under the Banking Companies Ordinance, 1962. Further instructions, where necessary, will follow.

Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director.

Sumber: SBP, n.d.

Permissible modes of Financing

- (A) Financing by lending:
- (i) Loans not carrying any interest on which the banks may recover a service charge not exceeding the proportionate cost of the operation, excluding the cost of funds and provision for bad and doubtful debts. The maximum service charge permissible to each bank will be determined by the State Bank from time to time.
 - (ii) Qard-e-Hasana loans given on compassionate ground free of any interest or service charge and repayable if and when the borrower is able to pay.
- (B) Trade-related modes of financing including the following:-
- (i) Purchase of goods by banks and their sale to clients at appropriate mark-up in price on deferred payment basis. In case of default, there should be no mark-up on mark-up.
 - (ii) Purchase of trade bills.
 - (iii) Purchase of moveable or immoveable property by the banks from their clients with Buy-Back Agreement or otherwise.
 - (iv) Leasing
 - (v) Hire-purchase
 - (vi) Financing for development of property on the basis of a development charge.

The maximum and the minimum rates of return to be derived by the banks from these modes of financing will be as may be determined by the State Bank from time to time.

(C) Investment type modes of financing. These modes include the following:-

- (i) Musharika or profit and loss sharing.
- (ii) Equity participation and purchase of shares.
- (iii) Purchase of participation term certificates and Modaraba certificates.
- (iv) Rent-sharing

The maximum and minimum rates of profit to be derived by the banks from such transactions will be as may be prescribed by the State Bank from time to time. However, should any losses occur, they will have to be proportionately shared among all the financiers.

Sumber: SBP, n.d.

ANNEXURE—II

Possible Modes of Financing for
Various Transactions

Nature of Business	Basis of Financing
I. Trade and Commerce	
(a) Commodity operations of the Federal and Provincial Governments and their agencies.	Mark-up in price.
(b) Export Bills purchased/negotiated under Letters of Credit (Other than those under reserve)	(i) Exchange Rate differential in the case of foreign currency bills.
	(ii) Commission or mark-down in the case of Rupee bills.
(c) Documentary Inland Bills drawn against Letters of Credit purchased/discounted.	Mark-down in price.
(d) Import Bills drawn under Letters of Credit.	Mark-up in price.
(e) Financing of exports under the State Bank's Export Finance Scheme and the Scheme for Financing Locally Manufactured Machinery.	Service charge/Concessional Service charge.
(f) Other items of trade & commerce.	<u>Fixed investment</u>
	Equity participation, P.T.Cs., leasing or hire-purchase.
	<u>Working Capital</u>
	Profit and loss sharing or mark-up.
II. Industry	
	<u>Fixed Investment</u>
	Equity participation, P.T.Cs., Modaraba Certificates, leasing, hire-purchase or mark-up.
	<u>Working Capital</u>
	Profit & loss sharing or mark-up.

Sumber: SBP, n.d.

Nature of Business	Basis of Financing
III. Agriculture and Fisheries	
(a) Short-term Finance.	Mark-up. In the case of small farmers and small fishermen who are at present eligible for interest free loans finance for the specified inputs etc. upto the prescribed amount may also be on mark-up basis. The mark-up amount may however be waived in the case of those who repay the finance within the stipulated period and payment of the mark-up made by the State Bank to banks by debit to Federal Government Account.
(b) Medium and Long-term Finance	
(i) Tubewells & other wells.	Leasing or hire-purchase. in addition to ownership of machinery, banks may create charge on the land in their favour as in the case of other loans to the farmers under the Passbook System.
(ii) Tractors, trailers and other farm machinery and transport (including fishing boats, solar energy plants etc.)	Hire-purchase or leasing.
(iii) Plough-cattle, Milch Cattle & other live stock.	Mark-up.
(iv) Dairy & Poultry.	PLS/mark-up/hire-purchase/leasing.
(v) Storage and other farm construction (viz. Sheds for animals, fencing etc.).	Leasing or rent sharing basis with flexible weightage to the bank's funds.
(vi) Land Development	Development charge.

Sumber: SBP, n.d.

Nature of Business	Basis of Financing
(vii) Orchards, including nurseries.	Mark-up, development charge or PLS basis.
(viii) Forestry.	Mark-up, development charge or PLS.
(ix) Water Course improvement.	Development charge.
IV. Housing	Rent sharing with flexible weight-age to bank's funds or buy-back cum mark-up.
V. Personal Advances (other than those for business purposes & housing)	
(a) Consumer durables (cars, motor cycles, scooters and house-hold goods).	Hire-purchase.
(b) For consumption purposes.	Against tangible security with buy-back arrangement.

Sumber: SBP, n.d.

B. BCD Circular 1984 No. 26: Rate of service charges recoverable on financing provided by way of lending other than "Qard-e-Hasana"

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 26

26th November, 1984.

All banks and development finance institutions.

Dear Sirs,

Elimination of 'Riba' from the Banking System-Rate of service charge recoverable on finances provided by way of lending other than "Qard-e-Hasana"

Please refer to item (A) (i) of Annexure I to BCD Circular No. 13 dated the 20th June, 1984.

2. The maximum rate of service charge which a bank/development finance institution may recover on its loans other than "Qard-e-Hasana" during an accounting year shall be calculated by dividing the total of its expenses excluding cost of funds and expenditure relating to bad assets and income taxation by the mean of its total assets at the beginning and end of the year and rounding off the result to the nearest decimal of a percentage point. An illustration of this is given in the annexure.

3. A bank/DFI may recover service charge during an accounting year on the basis of the rate determined by it which shall be communicated by it to each of its branches, as also intimated to the State Bank at least a week before commencement of each accounting year. However, immediately after its accounts for an accounting year are audited, it shall work out ~~the maximum rate at which service charge was recoverable during that~~ accounting year on the basis of the methodology laid down in para 2 above and in case the rate so worked out is less than the rate determined for the year earlier, it shall refund the excess recoveries if any, to its clients concerned within one month of audit of the accounts. It shall also submit to the

Sumber: SBP, n.d.

State Bank for post-facto audit, within five months of the close of the accounting year, the rate worked out as above alongwith a certificate, in case the rate is lower than the one determined earlier for the year, to the effect that excess recoveries have been refunded to the clients concerned.

4. The above instructions are being issued under the Banking Companies Ordinance, 1962.

5. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director

Sumber: SBP, n.d.

26th November, 1984

Name of Bank _____

Maximum Rate of Service Charge recoverable for the year
ended _____

CALCULATION SHEET

(Figures in Million of Rs.)

For the above year

1. Total Expenditure (total income less balance of profit i.e. gross profit, as per audited Profit and Loss Account)	4,775
2. LESS:	
(i) Interest and return on deposits, borrowings, etc.	3,600
(ii) Income taxation and provision for it if charged to Expenses Account	50
(iii) Bad assets provision and write-offs by direct debit to Expenses Account	25
(iv) Total of (i) to (iii)	3,675
3. Administrative Expenditure (1 minus 2 (iv))	1,100
4. Total Assets at the beginning of the year.	29,000
5. Total assets at the end of the year	35,000
6. Average of the total assets at the beginning and end of the year	32,000

Service Charge in percentage terms to the nearest decimal point

$$(3 \text{ divided by } 6 \text{ and multiplied by } 100) = \frac{1100 \times 100}{32,000} = 3.4\%$$

Sumber: SBP, n.d.

C. BCD Circular 1984 No. 31: Making of PLS term deposits by banks/GARINGDFIs with the State Bank

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 31

26th November, 1984

All banks and development finance institutions.

Dear Sirs,

Elimination of 'Riba' from the Banking System-Making of PLS Term Deposits by Banks/DFIs with the State Bank.

Please refer to BCD Circular No. 27 dated the 24th December, 1980.

2. The following amendment may be made in the last para under item "B Liquid assets" of para 1 of the aforesaid circular:-

The following words appearing at the end of the last but one sentence of the para may be deleted:-

"Other than Government commodity operations in which they will not be invested"

3. In addition to banks, development finance institutions which are authorised to take deposits will also hereafter be permitted to make, at their absolute discretion, term deposits of one year with the State Bank on the basis of participation in profit and loss. It would be at the absolute discretion of the State Bank how to invest these funds in various non-interest avenues.

Yours faithfully,

(SIBGHATULLAH)
Director

Sumber: SBP, n.d.

D. BCD Circular 1984 No. 32: Bank Charges

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 32

26th November, 1984

All banks and development finance institutions

Dear Sirs,

Elimination of 'Riba' from the Banking System—Bank Charges.

Please refer to BCD Circular No. 13 dated the 20th June, 1984.

2. Vide BCD Circular No. 7 dated the 28th March, 1984, bank charges, except charges for home remittances, have been deregulated. The schedules of bank charges received from the banks show that the following items of bank charges are based on interest:

- (i) Mark-up in the case of import bills under import letters of credit.
- (ii) Mark-down in the case of documentary bills drawn against inland letters of credit.

3. The schedules also provide for levy of overdue/penal interest in case of non-retirement/non-payment of inland cheques, bills etc. purchased.

4. In exercise of the powers vested in it under the Banking Companies Ordinance, 1962, the State Bank of Pakistan is pleased to direct that as from the 1st January, 1985, interest, wherever charged by a banking company/development finance institution in any of the items of bank charges, shall be replaced by a non-interest mode considered appropriate by it. Moreover, overdue/penal interest or mark-up on mark-up shall not be charged by a banking company/DFI as from that date. Instead, it may take legal steps for recovery of the overdue finance.

5. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)
Director

Sumber: SBP, n.d.

E. BCD Circular 1984 No. 33: Financing provided by the State Bank of Pakistan to banks and DFIs for meeting temporary liquidity difficulties (including T.T discounting facilities)

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 33

26th November, 1984

All Banks and development finance institutions.

Dear Sirs,

Elimination of 'Riba' from the Banking System—Finances provided by the State Bank of Pakistan to banks and development finance institutions for meeting temporary liquidity difficulties (including T.T. discounting facilities).

Please refer to BCD Circular No. 13 dated the 20th June, 1984.

2. Finance for meeting temporary liquidity difficulties (including T.T. discounting facilities) is at present being extended by the State Bank to banks/DFIs on the basis of interest. Such finance will, as from 1st January, 1985, be provided by the State Bank of Pakistan on profit and loss sharing basis as indicated below:-

(i) To Banks and N.D.F.C.

The finance will be provided on the basis of profit and loss sharing. The rate of profit to be derived by the State Bank from the finance will be equal to the rate of return which the bank obtaining the finance will pay on its savings accounts for the half year in question. If a bank or N.D.F.C. is not maintaining any savings account the rate of profit shall be the rate of return paid on its deposits of six months' maturity. Provisional payment of return may be made quarterly in the first week of each quarter on the basis of the return paid for the previous six months' period subject to adjustment. In case a bank incurs loss during the period, the profit received from it by the State Bank of Pakistan during that period will be refunded to it and the loss shared by all the financiers in proportion to the respective finances provided by them.

In the case of a bank which will start accepting PLS Deposits only on or after the 1st January, 1985, the provisional rate for the first two quarters may

Sumber: SBP, n.d.

be 8⁰/₁₀ per annum subject to adjustment on the basis of actual rate of return subsequently declared.

(ii) **To development finance institutions which do not accept deposits.**

The finance will be provided on the basis of profit and loss sharing with appropriate weight for State Bank or the financial institution's funds, which will be advised at the time of sanction of the limit. In the case of profit the amount of profit will be shared by the various financiers in proportion to the respective finances provided by them after allowing for the weightage. In the event of loss, the amount of loss will be shared by all the financiers in proportion to their respective finances. Provisional payment of profit may be made quarterly in the first week of each calendar quarter on the basis of audited accounts for the preceding accounting year of the borrowing DFI, subject to adjustment.

3. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director

Sumber: SBP, n.d.

F. BCD Circular 1984 No. 34: Determination of rate of profit on various types of PLS liabilities of the banks and DFIs

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 34

26th November, 1984

All Banks and development finance institutions.

Dear Sirs,

**Elimination of 'Riba' from the Banking System—
Determination of Rates of Profit on various Types
of PLS Liabilities of the banks and DFIs.**

In exercise of the powers vested in it under the Banking Companies Ordinance, 1962, the State Bank of Pakistan is pleased to direct that a banking company or development finance institution receiving PLS deposits shall declare rates of profit on various types of its PLS deposits on a half yearly basis for the half year ending 30th June and the half year ending 31st December each year after obtaining clearance from the State Bank in regard to the rates of profit proposed to be declared. The proposed rates should be worked out after compiling the relevant information in the enclosed proformae 'A', 'B', 'C', 'D' and 'E' which also give numerical illustrations for guidance in determining the rates. Proposals alongwith information in the aforesaid proformae in regard to the rates proposed to be declared for each half year shall be submitted to the State Bank by the 20th of the month succeeding the half year.

2. As explained in the proforma 'E' enclosed, while distributing non-interest income in the manner spelt out therein, the following weightages will be given to PLS deposits, PLS borrowings and equity:-

Type and Maturity	Weightage to be given
A. DEPOSITS:	
I. Special notice deposits:	
(i) Withdrawal at 7 to 29 days' notice:	0.65
(ii) Withdrawal at notice of 30 days or over:	0.75

Sumber: SBP, n.d.

Type and Maturity	Weightage to be given
II. Savings accounts:	1.00
III. PLS Call Deposits from other banks:	Weightage as agreed to by the banks concerned.
IV. Term deposits:	
(i) For terms upto and inclusive of 6 months:	1.00 + 0.05 for each month of the term of the deposit.
(ii) For terms in excess of 6 months:	1.3 for the first six months plus 0.01 for each subsequent month of the term of the deposit, subject to a maximum of 2.08.
B. PLS BORROWINGS:	Borrowings of various maturities will be given weightages as for term deposits of corresponding maturities.
C. EQUITY:	Not exceeding 5 as may be determined by the concerned bank.

The amount of non-interest income distributable on PLS deposits of each type/maturity will be converted into an annual percentage rate of profit and the rate rounded off to the nearest one-tenth of a percentage point as illustrated in proforma 'E'.

3. It would appear that if the non-interest earning assets are low as compared to PLS deposits, the rate of return on such deposits will be low as in such a situation a part of the funds will remain unutilised. The Banks/DFIs should carefully watch the growth of PLS deposits and ensure that their investments in non-interest bearing assets are substantially higher than the deposits. If for any reason this is not feasible at any stage, the unutilised funds

Sumber: SBP, n.d.

should be deposited with the State Bank on PLS basis as already permitted under BCD Circular No. 27 dated the 24th December, 1980 in the case of banks, which facility is being extended to DFIs also.

4. The figures in the annexed Statements should pertain only to the domestic operations of the nationalised commercial banks. The part of the cost of head office organisation attributable only to external operations will be secluded from domestic costs. Similarly, the cost of foreign banks organisations meant only for external operations will have to be distributed among the branches abroad and the share attributable to branches in Pakistan taken into account. The figures for these cost calculations as well as the provisions for bad and doubtful debts will have to be finally estimated by the State Bank of Pakistan for distribution of profits. This will, however, be without prejudice to the figures adopted by Income Tax authorities in due course which will be the basis of taxation of banks and allowing remittance of profits by foreign bank branches located in Pakistan.

5. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director

Sumber: SBP, n.d.

Statement 'A'

(Name of the Bank)

Average funds employed on earning assets during
the six months ended.....

(Rs.....000)

I. Funds employed on the basis of Interest.

Particulars	Average	
(i) Loans & Advances	80,000	
(ii) Balances held abroad	5,000	
(iii) Investments	35,000	1,20,000

II. Funds employed on non-interest basis.

(i) Assets based on trade-related modes of financing.	100,00	
(ii) Assets based on investment type modes of financing	110,000	
(iii) PLS deposits with other banks.	20,000	
(iv) Funds employed on the basis of other modes, if any.	10,000	2,40,000
Total:		3,60,000

The following assets will not be included in this statement:-

-
- (i) Loans on the basis of service charge.
 - (ii) Qard-e-Hasana.
 - (iii) Assets on which interest or return is not being taken to income account.

Sumber: SBP, n.d.

Statement 'B'

(Name of the Bank)

Income for the six months ended

(Rs. 000)

I. Interest-Based Income.

Income from	Amount of income.
(i) Loans & Advances.	4,800
(ii) Balances held abroad.	300
(iii) Investments.	3,100
(iv) Total:	7,200

II. Non-Interest Income.

Income from	Amount of Income.
(i) Assets based on trade-related modes of financing	7,000
(ii) Assets based on investment type modes of financing.	6,600
(iii) PLS deposits with other banks.	1,000
(iv) Non-fund based income.	800
(v) Other non-interest sources.	300
(vi) Total:	15,600
(vii) Less:	
(a) Proportionate Admin: cost as per Statement 'D'	4,930
(b) Provision for Bad/Doubtful Non-interest based assets.	380
	5,310
(viii) Balance (vi minus vii)	10,290
(ix) Less Management fee not exceeding 10% of viii.	1,029
(x) Net non-interest income (viii minus ix)	9,261

Sumber: SBP, n.d.

 (Name of the Bank)

**Average remuneratable liabilities for the six months
ended**

(Rs.....000)

<u>Particulars</u>	<u>Average</u>	
I. Interest bearing Liabilities:		
(i) Deposits.	70,000	
(ii) Borrowings.	10,000	80,000
	<hr/>	
II. PLS Liabilities:		
(i) Deposits.	140,000	
(ii) Borrowings.	20,000	160,000
	<hr/>	
III. Equity:		
(i) Capital.	20,000	
(ii) Reserves.	10,000	
(iii) Balance of Profit & Loss Account.	—	30,000
	<hr/>	
	Total:	270,000
		<hr/>

Sumber: SBP, n.d.

Statement 'D'

(Name of the Bank)

**Administrative cost for the six months ended _____
and its allocation between interest based income and
non-interest income.**

(Rs.....000)

I. Administrative Cost.

Particulars	Amount
Total expenditure excluding taxes on income.	18,000
<i>Less:</i>	
(i) Interest and/or return on deposits, borrowings etc.	10,500
(ii) Bad & doubtful assets written off directly.	295
Administrative cost.	<u>7,205</u>

II. Allocation of the Administrative Cost.

(i) Non-interest income as per statement 'B'	15,600
(ii) Interest-based income as per statement 'B'	7,200
(iii) Total:-	<u>22,800</u>
(iv) Ratio of (i) to (iii):	13:19
<hr/>	
(v) Administrative cost allocable to non- interest income (cost multiplied by the ratio, i.e. 13/19)	4,930

Sumber: SBP, n.d.

Nante of the Bank)

(Rs.....000)

**Distribution of net Non-Interest Income (item II(X)
of Statement 'B') for the six months ended**_____

1. Average earning assets as per statement 'A'.	3,60,000
2. Average remuneratable liabilities as per statement 'C'.	2,70,000
3. Ratio of 2 to 1 above.	3:4
4. Total Non-interest assets as per statement 'A'.	2,40,000
5. Total Non-interest assets deflated by the ratio at 3.	1,80,000
6. Manner of distribution of Non-interest income:	
(i) If the figure at 5 above is less than or equal to the average PLS deposits as per statement 'C' the entire net non-interest income as per statement 'B' will be distributed on the PLS deposits.	
(ii) If the figure at 5 above is more than the average of PLS deposits as per statement 'C' but less than or equal to the sum of average PLS deposits and PLS borrowings, the non-interest income will be applied to remunerate the entire PLS deposits plus such portion of the PLS borrowings which together with PLS deposits is equal to the amount at 5 above.	
(iii) If the figure at 5 above is more than the average of PLS deposits and PLS borrowings but less than or equal to the sum of PLS deposits, PLS borrowings and equity as per statement 'C', only such portion of non-interest income will be applied to remunerate the whole of PLS deposits and PLS borrowings and such portion of equity which together with PLS deposits and PLS borrowings is equal to the amount at 5 above.	
(iv) If the figure at 5 above is more than the sum of <u>average PLS deposits and PLS borrowings</u> and equity as per statement 'C', only such portion of non-interest income will be applied to these items as bears the same ratio to the total non-interest income as the sum of PLS deposits, PLS borrowings, and equity bears to the amount at item 5 above.	

Sumber: SBP, n.d.

- (v) The distribution of non-interest income to the various remuneratable liabilities will be made after giving the following weights to various items:-

<u>Particulars</u>	<u>Weightage</u>
I. DEPOSITS:	
1. Special Notice Deposits:	
(i) Withdrawable at 7 to 29 days' notice.	0.65
(ii) Withdrawable at notice of 30 days or more.	0.75
2. Savings Accounts.	1.00
3. PLS call deposits from other banks.	Weightage as agreed to by the banks concerned.
4. Term Deposits:	
(i) For terms upto and inclusive of 6 months.	1.00 + 0.05 for each month of the term of the deposit.
(ii) For terms in excess of 6 months.	1.3 for the first six months plus 0.01 for each subsequent month of the term of the deposit, subject to a maximum of 2.08.
II. PLS BORROWINGS:	
	Borrowings of various maturities will be given weightages as for term deposits of corresponding maturities indicated above.
III. EQUITY:	
	Not exceeding 5 as may be determined by the concerned bank.

Net non-interest income (Rs. 9,261,000) would thus be distributed as in the Annexure.

Sumber: SBP, n.d.

Annexure to Statement 'E'

(Rs.....000)

Type and Maturity of Non-Interest Liabilities	Average	Weightage	Weighted Average Liabilities	Income Allocation	Rate of Return	
					Annual Rate of return in terms of percentage	Rounded off to the nearest one-tenth of a percentage point.
I. DEPOSITS:						
1. Special Notice Deposits:						
(i) 7 to 29 days notice	30,000	0.65	19,500	828	5.52%	5.5%
(ii) Over 30 days notice	20,000	0.75	15,000	637	6.37%	6.4%
2. Savings Accounts:	30,000	1.00	30,000	1273	8.49%	8.5%
3. PLS Call Deposits:	20,000	1.00	20,000	849	8.49%	8.5%
4. Term Deposits:						
(i) 3 months	10,000	1.15	11,500	488	9.76%	9.8%
(ii) 6 months	10,000	1.30	13,000	552	11.04%	11.0%
(iii) 1 year	10,000	1.36	13,600	577	11.54%	11.5%
(iv) 5 years	10,000	1.84	18,400	781	15.62%	15.6%
II. BORROWINGS:						
Borrowings (1 year)	20,000	1.36	27,200	1154	11.54%	11.5%
III. EQUITY:						
	20,000	2.50	50,000	2122	21.22%	21.2%
Total:	180,000		218,200	9261		

Sumber: SBP, n.d.

G. BCD Circular 1984 No. 37: Rates of profit in case of trade related modes of financing

**STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.**

BCD Circular No. 37

10th December, 1984

All banks and development finance institutions.

Dear Sirs,

**Elimination of 'Riba' from the Banking System—
Rates of Profit in case of Trade-Related modes
of Financing.**

Please refer to item (B) of Annexure I to BCD Circular No. 13 dated the 20th June, 1984.

2. With effect from 1-1-1985 and until further instructions, the annual rates of profit earned by a bank/development finance institution in respect of trade-related modes of financing shall be within the ranges indicated below:-

	Range of Profit	
	Minimum	Maximum
(i) For exports under the Export Finance Scheme.	No. minimum	2- $\frac{1}{2}$ %
(ii) For Part I (Local Sales) of the Scheme for Financing Locally Manufactured Machinery.	-do-	7- $\frac{1}{2}$ %
(iii) For Part II (Export Sales) of the Scheme for Financing Locally Manufactured Machinery.	-do-	2-$\frac{1}{2}$%
(iv) For other purposes for which specific instructions have not been issued separately.	10%	20%

Sumber: SBP, n.d.

3. As already indicated in the BCD Circular referred to above, there should be no mark-up on the marked-up price. Similarly, there should be no compounding of overdue profit/service charge in other cases also.
4. The above instructions are being issued under the Banking Companies ordinance, 1962 and will supersede the instructions conveyed in BCD Circular No. 27 dated 26-11-1984.
5. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director

Sumber: SBP, n.d.

H. BCD Circular 1984 No. 38: Elimination of 'Riba' from the Banking System Rates of Profit in the case of Investment type modes of Financing

STATE BANK OF PAKISTAN
Banking Control Department
Central Directorate
Karachi.

BCD Circular No. 37

10th December, 1984

All banks and development finance institutions.

Dear Sirs,

**Elimination of 'Riba' from the Banking System—
Rates of Profit in case of Trade-Related modes
of Financing.**

Please refer to item (B) of Annexure I to BCD Circular No. 13 dated the 20th June, 1984.

2. With effect from 1-1-1985 and until further instructions, the annual rates of profit earned by a bank/development finance institution in respect of trade-related modes of financing shall be within the ranges indicated below:-

	Range of Profit	
	Minimum	Maximum
(i) For exports under the Export Finance Scheme.	No. minimum	2- $\frac{1}{2}$ %
(ii) For Part I (Local Sales) of the Scheme for Financing Locally Manufactured Machinery.	-do-	7- $\frac{1}{2}$ %
(iii) For Part II (Export Sales) of the Scheme for Financing Locally Manufactured Machinery.	-do-	2- $\frac{1}{2}$ %
(iv) For other purposes for which specific instructions have not been issued separately.	10%	20%

Sumber: SBP, n.d.

3. As already indicated in the BCD Circular referred to above, there should be no mark-up on the marked-up price. Similarly, there should be no compounding of overdue profit/service charge in other cases also.
4. The above instructions are being issued under the Banking Companies ordinance, 1962 and will supersede the instructions conveyed in BCD Circular No. 27 dated 26-11-1984.
5. Please acknowledge receipt.

Yours faithfully,

(SIBGHATULLAH)

Director

Sumber: SBP, n.d.

LAMPIRAN 2

Salah Satu Kebijakan Khusus *Bangladesh Bank* Terhadap Pengembangan Bank Islam

Sumber: BB, n.d.

BANGLADESH BANK

Website: www.bb.org.bd

Head Office

Department of Off-Site Supervision

Post Box No.-325

Dhaka.

DOS Circular No.-01

Date: 19/01/2014

Chief Executives
All Scheduled banks in Bangladesh

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

All scheduled banks in Bangladesh have to maintain Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) in Compliance with the instructions given in clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of section 33 of 'ব্যাংক-কোম্পানী আইন, ১৯৯১ (২০১৩ পর্যন্ত সংশোধিত)' respectively. Pursuant to the recent amendment of section 33 of ব্যাংক-কোম্পানী আইন, ১৯৯১, 1991, and in order to facilitate the maintenance of CRR and SLR by the scheduled banks, and to clarify some related topics the following instructions are being issued:

1. (a) Cash Reserve Ratio (CRR):

Every scheduled bank has to maintain a balance in cash with BB the amount of which shall not be less than such portion of its total demand and time liabilities as prescribed by BB from time to time, by notification in the official Gazette.

BB may also prescribe the procedure of maintenance of cash reserve pursuant to its monetary policy objectives.

At present, the required CRR is 6% on bi-weekly average basis of the average total demand and time liabilities (ATDTL) with a provision of

minimum 5.5% on daily basis of the same ATDTL. Banks are advised to follow the circular issued by Monetary Policy Department of BB in this regard.

(b) Components of Cash Reserve:

At present, banks are allowed to maintain cash reserve with local currency (Taka) only. The day end balances of the Taka current accounts maintained with different offices of BB will be aggregated to compute the maintained cash reserve of the day.

The balance so maintained shall be un-encumbered in all aspect. The encumbered (lien against discounting facility, etc. and capital lien in case of foreign banks) portion of the balance will be deducted while computing both the maintained amount and excess of cash reserve.

2. (a) Statutory Liquidity Ratio (SLR):

Every scheduled bank has to maintain assets in cash or gold or in the form of un-encumbered approved securities the market value of which shall not be less than such portion of its total demand and time liabilities as prescribed by BB from time to time.

BB may also prescribe the procedure of determination of assets and liabilities and percentages of maintainable assets in different classes.

At present, the required SLR is 13% daily for conventional banks and 5.5% daily for Islamic Shari'ah based banks and Islamic Shari'ah based banking of conventional banks of their average total demand and time liabilities. Banks are advised to follow the circular issued by Monetary Policy Department of BB from time to time in this regard.