

**THE BANGLADESH BANKS (NATIONALISATION)
ORDER, 1972**

PRESIDENT'S ORDER NO. 26 OF 1972

[26th March, 1972]

WHEREAS it is expedient to provide for the taking over of the undertaking of certain banks in Bangladesh and for matters connected therewith or incidental thereto;

NOW, THEREFORE, in pursuance of the Proclamation of Independence of Bangladesh, read with the Provisional Constitution of Bangladesh Order, 1972, and in exercise of all powers enabling him in that behalf, the President is pleased to make the following Order:-

1. (1) This Order may be called the Bangladesh Bank (Nationalisation) Order, 1972.

(2) It extends to the whole of Bangladesh.

(3) It shall come into force at once.

2. In this Order, unless there is anything repugnant in the subject or context,-

- (a) "Bangladesh Bank" means the Bangladesh Bank established by the Bangladesh Bank (Temporary) Order, 1971 (A. P. O. No. 2 of 1971);
- (b) "Board" means the Board of Directors of a new bank;
- (c) "Chairman" means the Chairman of the Board;
- (d) "Director" means a Director of a new bank;
- (e) "existing bank" means a bank specified in column 1 of the Schedule;
- (f) "Government" means the Government of the People's Republic of Bangladesh;
- (g) "Managing Director" means the Managing Director of a new bank;

- (h) “New bank” means a bank specified in column 2 of the Schedule;
- (i) “prescribed” means prescribed by rules or regulations made under this Order;
- (j) “Schedule” means the Schedule to this Order.

3. The provisions of this Order and any rule or regulation made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

4. (1) On the commencement of this Order, there shall be constituted such new banks as are specified in column 2 of the Schedule.

(2) Every new bank shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Order, to acquire, hold and dispose of property, and to contract, and may sue and be sued in its name.

(3) Notwithstanding anything contained in this Order, every new bank may, until the 30th day of April, 1972, or until such time as the Government may, by notification in the *official Gazette*, fix, ¹[* * *], use the name and seal of the existing bank concerned.

(4) The head office of every new bank shall be at Dacca.

5. ²[(1) The paid-up capital and reserve capital of every new bank shall be not less than, that required to be maintained under section 13 of ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন) which shall be subscribed by the Government in such form and manner as may be determined by the Government] ³[:

¹ The words “whichever is earlier” were omitted by Article 2 of the Bangladesh Banks (Nationalisation)(Amendment) Order, 1972 (President’s Order No. 38 of 1972).

² Clause 1 was substituted by section 2 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

³ The colon (:) was substituted for the full-stop (.) and the proviso was inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Act, 1980 (Act No. VI of 1980).

Provided that the Government may, by notification in the official Gazette, increase, from time to time, the amount of authorised capital or subscribed capital or both of any new bank if such increase is considered necessary in the interest of the business of the bank.]

¹[(2) The entire capital of each new bank shall stand vested in, and allotted to, the Government.]

6. On the commencement of this Order, the undertaking of every existing bank shall be transferred to and shall vest in, the new bank specified against such bank in column 2 of the Schedule.

7. (1) The undertaking of each existing bank shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the commencement of this Order in the ownership, possession, power or control of the existing bank in relation to the undertaking within the territory of Bangladesh or in relation to the business of such undertaking outside Bangladesh, and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the existing bank in relation to the undertaking within the territory of Bangladesh.

(2) If, according to the laws of any country outside Bangladesh, the provisions of this Order by themselves are not effective to transfer or vest any asset situated in that country which forms part of the undertaking of an existing bank to, or in, the corresponding new bank, the affairs of the existing bank in relation to such asset shall, on and from the commencement of this Order, stand entrusted to the chief executive officer for the time being, of the new bank concerned, and the chief executive officer may exercise all powers and do all such acts and things as may be exercised or done by the existing bank for the purpose of effectively transferring such assets.

¹ Clause 2 was substituted by section 2 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

(3) The chief executive officer of the corresponding new bank shall, in exercise of the powers conferred on him by clause (2), take all such steps as may be required by the laws of any such country outside Bangladesh for the purpose of effecting such transfer or vesting, and may either himself or through any person authorised by him in this behalf realise any asset of the existing bank.

(4) Unless otherwise expressly provided by this Order, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the commencement of this Order and to which the existing bank is a party or which are in favour of the existing bank shall be of as full force and effect against or in favour of the corresponding new bank, and may be enforced or acted upon as fully and effectually as if in the place of the existing bank the corresponding new bank had been a party thereto or as if they had been issued in favour of the corresponding new bank.

(5) If any suit, appeal or other proceeding of whatever nature in relation to any business of the undertaking which has been transferred under Article 6 is pending by or against the existing bank, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the existing bank or of anything contained in this Order but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank.

¹[7A. Notwithstanding anything contained in Article 6 or 7, the undertaking shall not embrace and shall be deemed never to have embraced liabilities and obligations of whatever kind of existing bank whereunder such existing banks undertook liability (whether absolutely or otherwise) to do or carry out or procure the carrying out of acts or things outside Bangladesh, or the transfer or remission from outside Bangladesh to the territory of Bangladesh or to persons normally resident or carrying on business within that territory of any assets or property (including documents, cash, funds or choses in action).

¹ Articles 7A and 7B were inserted by Article 2 of the Bangladesh Banks (Nationalisation) (Second Amendment) Order, 1972 (President's Order No. 132 of 1972).

7B. Nothing in Article 6 or Article 7 shall divest or be deemed to have divested existing banks of any liabilities or obligations referred to in Article 7A.]

8. (1) The Government shall give compensation to each existing bank for acquisition of such of its undertaking as has not already vested in Government by or under any law, and such compensation shall be distributed among the shareholders of the existing bank in the manner prescribed by rules made under this Order:

Provided that the total compensation payable to an existing bank under this clause shall not exceed the total paid up value of the shares held by the shareholders, among whom such compensation is to be distributed.

(2) The compensation payable under clause (1) shall be determined and paid in such form and manner as may be prescribed by rules made under this Order.

9. (1) The general superintendence, direction and management of the affairs and business of a new bank shall vest in a Board of Directors which shall ¹[, subject to such general or special orders as the Government may give it from time to time,] be entitled to exercise all such powers and do all such acts and things as the new bank is authorised to exercise and do.

²[(2) Until the first Board of Directors is appointed by the Government under Article 10, the Managing Director appointed under Article 11 shall, subject to such general or special orders as the Government may give from time to time, exercise all powers, do all acts and things as may be exercised or done by the Board.]

¹ The commas and words “, subject to such general or special orders as the Government may give it from time to time,” were inserted by Article 2 of the Bangladesh Banks (Nationalisation) (Second Amendment) Order, 1972 (President’s Order No. 132 of 1972).

² Clause (2) was substituted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Act, 1974 (Act No. XX of 1974).

10. The Board shall consist of the Managing Director¹[* * *] and six Directors to be appointed by the Government at least three of whom shall be from amongst persons who, in the opinion of the Government, have had experience and shown capacity in the field of finance, banking, trade, commerce, industry or agriculture.

11.²[(1) The Managing Director shall be appointed by the Government in consultation with Bangladesh Bank, on such terms and conditions as the Government may determine.]

(2) The Managing Director shall—

- (a) be a whole-time officer and the chief executive of the bank;
- (b) exercise such powers, perform such functions and discharge such duties as may be entrusted by the Government or as may be prescribed or as may be assigned by the Board from time to time.

³[(3) The Government, in consultation with the Bangladesh bank, may remove the Managing Director from his office, if he —

- (a) becomes incapable of performing his duties; or
- (b) has done any act which is manifestly detrimental to the interest of the bank; or
- (c) is or at any time has been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude; or
- (d) has been sentenced by a Court for a term of imprisonment exceeding one year; or

¹ The commas and words “, who shall be the Chairman of the Board,” were omitted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

² Clause 1 was substituted by section 3 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

³ Clause 3 was added by section 3 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

- (e) found to be a lunatic or of unsound mind; or
- (f) is or at any time has been adjudicated insolvent; or
- (g) has defaulted in payment of dues of banks and financial institutions; or
- (h) absents himself from three consecutive meetings of the Board without leave of absence granted by the Chairman.]

¹[11A. ²(1) The Government may appoint one or more Deputy Managing Directors for each new bank in consultation with Bangladesh Bank, on such terms and conditions as it may determine and may transfer a Deputy Managing Director of a new bank as the Deputy Managing Director of any other new bank.]

(2) The Deputy Managing Director shall-

- (a) be a whole-time officer of the new bank;
- (b) exercise such powers, perform such functions and discharge such duties as may be entrusted by the Government or as may be prescribed or as may be assigned by the Board from time to time.]

³(3) The Government, in consultation with Bangladesh Bank, may remove any Deputy Managing Director from his office if he becomes incapable of performing his duties, or has done any act which is manifestly detrimental to the interest of the bank.]

⁴[12. (1) Subject to other provisions of this Order, a Director, other than the Managing Director, shall hold office for a term of three years and shall be eligible for re-appointment.

¹ Article 11A was inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1983 (Ordinance No. LIX of 1984).

² Clause 1 was substituted by section 4 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

³ Clause 3 was added by section 4 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

⁴ Article 12 was substituted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1977 (Ordinance No. XII of 1977).

(2) The authority which appointed a Director may at any time remove him from office without assigning any reason and appoint in his stead another person to fill the vacancy.]

13. No person shall be, or shall continue to be a Director who—

(a) is or at any time has been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude; or

¹[(aa) has been sentenced by a court for a term of imprisonment exceeding one year; or]

(b) is a minor;

(c) is found to be a lunatic or of unsound mind;

(d) is or at any time has been adjudicated insolvent; or

(e) absents himself from three consecutive meetings of the Board without leave of absence granted by the Chairman or, in the case of the Chairman, by the Government ²;

(f) has defaulted in payment of dues of banks and financial institutions.]

14. (1) If a Director becomes subject to any of the disqualifications specified in Article 13, he shall be deemed to have vacated his office as such and thereupon his office shall become vacant.

(2) A Director may resign his office by giving notice thereof in writing to the Government and on such resignation being accepted by the Government shall be deemed to have vacated his office.

(3) Where any vacancy occurs in the office of a Director, it shall be filled in accordance with Article 10.

¹ Clause (aa) was added by section 5 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

² Clause (f) was added by section 5 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).

15. A Director, other than the Managing Director, shall be paid such fees for attending the meetings of the Board or of any committee of the Board as may be prescribed by regulation.

¹[**15A.** (1) The Government shall appoint one of the Directors other than the Managing Director to be the Chairman of the Board.

(2) Subject to his continuing to hold office as a Director, the Chairman shall hold office as Chairman for the terms of his office as Director and shall be eligible for re-appointment.

(3) In the event of a casual vacancy in the office of the Chairman a successor shall be appointed by the Government from amongst the Directors for the unexpired term or for the period of absence, as the case may be, but the person so appointed shall not hold office beyond the date of expiry of the term of office of his predecessor.]

16. The Board may constitute from amongst its Directors such committees as it may deem necessary to assist it in the discharge of its functions.

17. (1) The meetings of the Board shall be held at such times and at such places as may be prescribed by regulations:

Provided that a meeting may also be otherwise convened by the Chairman when he so thinks fit and shall be convened if two or more Directors so request in writing addressed to the Chairman:

Provided further that a meeting of the Board shall be held at least once in every three months.

(2) To constitute a quorum at a meeting of the Board not less than three Directors shall be present.

(3) At a meeting of the Board each Director shall have one vote, and in the event of equality of votes the Chairman shall have a second or casting vote.

¹ Article 15A was inserted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

(4) No Director shall vote on any matter in which he is directly or indirectly interested.

(5) If for any reason the Chairman is unable to be present at a meeting of the Board, a Director authorised in writing by the chairman shall preside at the meeting.

18. Every Director shall, before entering upon his office, make a declaration of fidelity and secrecy in such form as may be prescribed.

19. (1) All acts done by the Managing Director of any new bank, acting in good faith, shall, notwithstanding any defect in his appointment or in the procedure, be valid.

(2) No act or proceeding of any Board shall be invalid merely on the ground of the existence of any vacancy in, or defect in, the constitution of such Board.

(3) All acts done by a person acting in good faith as a Director of any new bank shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in any law for the time being in force:

Provided that nothing in this Article shall be deemed to give validity to any act by a Director after his appointment has been shown to be invalid or to have terminated.

20. (1) The Managing Director and every officer or other employee of any new bank shall be indemnified by such bank against all losses and expenses incurred by him in or in relation to the discharge of his duties except such as have been caused by his own wilful act or default.

(2) A Director of any new bank shall be responsible for any loss or expense caused to such bank by the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of such bank, or by the insolvency or wrongful act of any customer or debtor, or by anything done in or in relation to the execution of the duties of his office, unless such loss, expense, insufficiency or deficiency was due to any wilful act or default on the part of such Director.

21. (1) Every new bank shall carry on and transact all kinds of banking business.

(2) Without prejudice to the generality of the foregoing provision, every new bank may, in particular, carry on and transact the following kinds of business, namely:-

- (a) advancing and lending of money, and opening of cash credits upon the security of-
 - (i) stocks, funds and securities in which a trustee is authorised to invest trust money by any law for the time being in force;
 - (ii) debentures or other securities for money issued under the authority or any law for the time being in force or under the authority of the Government;
 - (iii) goods which, or the documents of title to which, are deposited with or assigned to, the bank as security for such advances, loans or credits;
 - (iv) debentures of companies with limited liability, subject to such directions as may be issued by the Board;
 - (v) shares of companies with limited liability, in accordance with such directions in this regard as may be issued from time to time by the Bangladesh Bank;
 - (vi) goods, including tea crops and raw or finished jute products which are hypothecated to the bank as security for such advances, loans or credits;
 - (vii) accepted bills of exchange and promissory notes endorsed by the payees;
 - (viii) immovable property or documents of title relating thereto, subject to such directions as may be issued from time to time by the Bangladesh Bank:

Provided that any advances or loans which are guaranteed by the Government may be made without any specified security.

- (b) selling and realisation of proceeds or sale of any such promissory notes, debentures, stock receipts, bonds, annuities, stocks, shares, securities or goods which, or the documents of title to which, have been deposited with, or pledged, hypothecated, assigned or transferred to, the bank as security for such advances, loans or credits or which are held by the bank or over which the bank is entitled to any lien or charge in respect of any such advance or loan or credit or any debt or claim of the bank, and which have not been redeemed in accordance with the terms and conditions, if any, of such deposits, pledge, hypothecation, assignment or transfer;
- (c) advancing and lending of money to Courts of Wards upon the security of estates in their charge or under their superintendence and the realisation of such advances or loans and any interest due thereon;
- (d) issuing of letters of credit;
- (e) buying and selling of gold and silver whether coined or uncoined;
- (f) receiving of deposits and keeping cash accounts and accepting of jewellerys, title deeds, and other valuable goods on such terms as may be agreed on;
- (g) managing, selling and realising of all properties, whether movable or immovable, which may in any way come into the possession of the bank in satisfaction or part satisfaction of any of its claims, and the acquisition and holding of, and generally the dealing with, any right, title or interest in any property, movable or immovable, which may be the bank's security for any advance or loan may be connected with any such security;
- (h) transacting of pecuniary agency business on commission and entering into contracts of indemnity, suretyship or guarantee with specific security or otherwise and the underwriting, participation in, and carrying out of the issue of any stocks, shares, debentures and other securities;
- (i) administration of estates for any purpose whether as an executor, trustee or otherwise and the acting as agent on

commission in the transaction of the following kinds of business, namely:-

- (i) buying, selling, transferring and taking charge of any security or any share in any public company and also receiving the proceeds thereof, whether principal, interest or dividend;
- (ii) remittance of such proceeds by public or private bills of exchange, payable either in Bangladesh or elsewhere;
- (j) drawing of bills of exchange and the granting of letters of credit payable out of Bangladesh;
- (k) buying of bills of exchange payable out of Bangladesh;
- (l) borrowing of money for the purpose of the bank's business, and the giving of security for money so borrowed by pledging assets or otherwise;
- (m) paying, receiving, collecting and remitting money, bullion and securities under any agreement with the Bangladesh Bank as its agent on behalf of the Government, or undertaking and transacting any business which the Bangladesh Bank may from time to time entrust to it;
- (n) establishing and discontinuing of branches and agencies;
- (o) acquiring, maintaining and transferring of the bank's residential and business premises;
- (p) taking over of the business, including the capital, assets and liabilities of any other bank, with the sanction of the Government;
- (q) granting of advances or loans to any other bank for any purpose authorised by the Board;
- (r) with the previous permission of the Bangladesh Bank:-
 - (i) investing of the funds of the bank in any bank incorporated outside Bangladesh, and
 - (ii) participation in the management and administration of any such bank in which the funds of the bank have been invested; and
- (s) generally doing of all such matters and things as may be incidental or subsidiary or conducive to the promotion or advancement of the business of the bank, including foreign exchange business.

(3) Notwithstanding anything contained in clauses (1) and (2), the bank may carry on and transact such other business as the Government or the Bangladesh Bank may direct from time to time.

¹[**21A.** (1) A new bank may, if the Government so directs, take over the business of any bank which has vested in the Government under section 3 of the Enemy Property (Continuance of Emergency Provisions) (Repeal) Act, 1974 (XLV of 1974) or under any other law, hereinafter referred to as the vested bank.

(2) Notwithstanding anything contained in any other law for the time being in force, the business of a vested bank taken over by a new bank on the direction of the Government at any time before the commencement of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1978 (XXXIX of 1978), shall be deemed to have been taken over under this Article.

(3) The undertaking of a vested bank the business of which has been, or is deemed to have been, taken over by a new bank under this Article shall stand transferred to, and vested in, the new bank.

Explanation -The undertaking of a vested bank shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the taking over of the vested bank in the ownership, possession, power or control of the vested bank within the territory of Bangladesh and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the vested bank in relation to its undertaking within the territory of Bangladesh.]

¹ Article 21A was inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1978 (Ordinance No. XXXIX of 1978).

22. (1) A new bank shall not transact the following kinds of business, namely:-

- (a) it shall not make any advance or loan or grant any facility in contravention of any law in force or any instruction of the Bangladesh Bank;
- (b) it shall not make any unsecured advance or loan to any Director or to any concern in which a Director is interested:

Provided that no facility to any member of the staff shall be denied merely because he is also a Director.

(2) Notwithstanding anything contained in clause (1), the bank is authorised to grant advances or loans or to make *exgratia* payments, with the prior approval of the Government, to its officers and staff for the purpose of providing amenities and facilities for their betterment.

23. (1) Every new bank may, subject to ¹[other provisions of this Article and] any regulation made in this behalf, appoint or employ such persons as it considers necessary for the efficient performance of its functions on such terms and conditions as it may determine.

(2) Every officer or other employee of an existing bank shall become, on the commencement of this Order, an officer or other employee, as the case may be of the new bank concerned and shall ²[, unless altered by the Government in the interest of equity and uniformity,] hold his office or service in that bank on the same terms and conditions and with the same rights and privileges as to provident fund, gratuity, pension and other matters as were enjoyed by them immediately before such commencement and shall continue to do so unless and until his employment in the new bank is terminated or until his remuneration or terms and conditions are duly altered by the new bank :

¹ The words “other provisions of this Article and” were inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1977 (Ordinance No. XXVIII of 1977).

² The commas and words “, unless altered by the Government in the interest of equity and uniformity,” were inserted by Article 2 of the Bangladesh Banks (Nationalisation) (Second Amendment) Order, 1972 (President’s Order No. 132 of 1972).

Provided that an officer or other employee may, within such time as may be specified by the new bank, exercise his option not to continue in the service of the new bank.

(3) Notwithstanding anything contained in any terms and conditions of service or in any award, settlement or agreement for the time being in force, every new bank may, with the prior approval of the Government, alter the remuneration (whether by way of reduction or otherwise) and other terms and conditions of service of any officer or other employee of the bank, and if such alteration is not acceptable to an officer or other employee, the bank may terminate his employment by giving him compensation equivalent to three months' remuneration in case of a permanent officer or employee and one months' remuneration in case of temporary officer or employee.

Explanation.- The compensation to an officer or other employee under clause (3) shall be in addition to any pension, gratuity or other benefit to which the officer or employee may be entitled under the terms and conditions of his service.

(4) If any question arises as to whether any person was an officer or other employee of an existing bank or not immediately before commencement of this Order, the question shall be referred to the Government whose decision shall be final and binding on the parties.

(5) The transfer of service of any officer or other employee from an existing bank to a new bank shall not entitle any such officer or other employee to any compensation, other than the compensation mentioned in clause (3), and no such claim shall be entertained by any Court, tribunal or other authority.

¹[(6) Notwithstanding anything contained in this Article, the Government may appoint the General Manager of a new bank on such terms and conditions as it may determine and may transfer a General Manager of a new bank as the General Manager of any other new bank.]

¹ Clause (6) was inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1977 (Ordinance No. XXVIII of 1977).

24. (1) The accounts of every new bank shall be audited by not less than two auditors, being chartered accountants within the meaning of the ¹[Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973)], who shall be appointed by the Government for a term not exceeding three years on such remuneration as it may fix.

(2) Notwithstanding anything contained in clause (1), the Bangladesh Bank may appoint such auditor as it thinks fit to examine and report upon the accounts of any new bank.

(3) Every auditor shall be supplied with a copy of the annual balance-sheet and statement of profit and loss and he shall examine it with the accounts and vouchers relating thereto, and shall have a list delivered to him of all books kept by the bank, and shall at all reasonable times have access to the books, accounts and other documents of the bank, and may employ accountants or other persons to assist him in the investigation of such accounts, and may, in relation to such accounts, examine any Director or officer of the bank.

(4) The auditors shall report to the ²[Board] upon the annual balance-sheet and accounts, and in their report they shall state whether, in their opinion, in balance-sheet is a full and fair balance-sheet containing the prescribed particulars and properly drawn up so as to exhibit a true and correct view of the state of the bank's affairs, and in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

³(5) The bank shall, within 90 days after the end of every financial year, furnish to the Government and the Bangladesh Bank a copy of the auditors report along with a copy of the

¹ The words, comma, figures, brackets and letters "Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973)" were substituted for the words, comma, figures and brackets "Chartered Accountants Ordinance, 1961 (Ordinance X of 1961)" by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

² The word "Board" was substituted for the word "Government" by section 6 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003)

³ Clause 5 was substituted by section 6 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003)

audited balance sheet and a copy of profit and loss account for the year and a report on the working of the bank during the year:

Provided that the Bangladesh Bank may in special circumstances extend the said period of 90 days for furnishing of such report by a further period not exceeding 90 days.]

¹[(6) The audited balance sheets and the profit and loss accounts received by the Government under clause (5) shall be published in *official Gazette* and shall be laid before the Parliament.]

25. After making provision for bad and doubtful debts, depreciation of assets and such other matter as may be prescribed, every new bank may, out of its net profits, establish a reserve fund and any surplus remaining thereafter shall be paid to the Government.

26. Any reference to any existing bank in any law, other than this Order, or in any contract or other instrument shall, in so far as it relates to the undertaking which has been transferred by Article 6, be construed as a reference to the corresponding new bank.

27. No provision of law relating to the winding up of companies including banking companies shall apply to any new bank, and the new bank shall not be wound up save by order of the Government and in such manner as it may direct.

²[**27A.** (1) Notwithstanding anything contained in this Order, the Government may, if in the national interest it deems it expedient so to do, transfer, by agreement, the entire undertaking of any new bank to any company registered under the Companies Act, 1913 (VII of 1913), on such terms and conditions as may be settled with such company.

¹ Clause (6) was inserted by Article 2 of the Bangladesh Banks (Nationalisation) (Second Amendment) Order, 1972 (President's Order No. 132 of 1972).

² Article 27A was inserted by section 2 of the Bangladesh Banks (Nationalisation) (Amendment) Ordinance, 1983 (Ordinance No. XLVII of 1983).

(2) Where the entire undertaking of any new bank has been transferred under clause (1), such new bank shall, on such date as the Government may by order notified in the *official Gazette* specify, stand dissolved.

Explanation.- The undertaking of a new Bank includes its business, projects, schemes, assets, rights, powers, authorities and privileges, its properties, movable and immovable, reserve funds, investments and deposits and its borrowings, liabilities and obligations of whatever nature.

(3) The Government may, for the purpose of removing any difficulty in relation to the transfer of the undertaking of a new bank under clause (1) or the dissolution of such bank under clause (2), make such order as it considers expedient and any such order shall be deemed to be, and given effect to as, part of the provisions of this Order.]

28. The Government may, by notification in the *official Gazette*, make rules for the purpose of giving effect to the provisions of this Order.

29. (1) The Board of any new bank may, with the previous approval of the Government, make regulations, not inconsistent with the provisions of this Order and the rules, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provision of this Order.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for-

- (a) the calling of the meetings of the Board or of any committee, fees for attending the meetings thereof and the conduct of business thereat;
- (b) the delegation of powers and functions of the Board to the ¹[Chairman, Managing Director], Director, officer or other employee of the bank;

¹ The words and comma "Chairman, Managing Director" were substituted for the words "Managing Director" by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

- (c) the conditions subject to which the bank may grant loans;
- (d) the manner of determining the sufficiency of the security for the purpose of business;
- (e) the manner and conditions subject to which the bank may borrow in foreign currency;
- (f) the form of returns and statements required to be prepared under this Order;
- (g) the duties and conduct of advisers, officers, other employees and agents of the bank;
- (h) the recruitment, remuneration, promotion and other terms and conditions of service of the officer and other employees of the bank;
- (i) the establishment and maintenance of pension, provident or other fund for the benefit of officers and other employees of the bank including the dependents of such officers and other employees;
- (j) the provision of a seal of the bank and the manner and effect of its use;
- (k) the disclosure of interest, direct or indirect, of any Director or any member of a committee in any business concern;
- (l) taking over the management and control of any industrial or business concern committing a breach of its agreement with the bank;
- (m) publication of audited balance-sheet and profit and loss account;
- (n) generally for the efficient conduct of the affairs of the bank;

(3) All regulations made under this Article shall be published in the *official Gazette* and shall come into force on such publication.

30. If any difficulty arises in giving effect to the provisions of this Order, the Government may make such Order, not inconsistent with the provisions of this Order, as may appear to it to be necessary for the purpose of removing the difficulty.

31. All laws relating to banker and banking companies shall, subject to such adaptations and modifications as may be made from time to time, shall be applicable to the new banks.

32. (1) The existing banks shall stand dissolved in Bangladesh on such date as the Government may, by notification in the official Gazette, appoint ¹[:

Provided that any dissolution of an existing bank shall preclude such bank thereafter from being treated as if it were incorporated pursuant to or by virtue of Bangladesh law, but shall not otherwise destroy or be deemed to have destroyed the corporate existence of such existing bank where the existing bank is a foreign corporation.]

(2) Notwithstanding anything contained in clause (1), the Board of Directors, of existing banks if any, shall, on the commencement of this Order, stand dissolved and the Chairman and other directors of such Boards shall cease to function.

¹ The colon (:) was substituted for the full stop (.) and the proviso was inserted by Article 2 of the Bangladesh Banks (Nationalisation) (Second Amendment) Order, 1972 (President's Order No. 132 of 1972).

¹[THE SCHEDULE

(See Article - 4)

Existing Bank	New Bank
Column 1	Column 2
The National Bank of Pakistan The Bank of Bahawalpur Ltd. The Premier Bank Ltd.	Sonali Bank
The Habib Bank Ltd. The Commerce Bank Ltd.	Agrani Bank
The United Bank Ltd. The Union Bank Ltd.	Janata Bank
The Muslim Commercial Bank Ltd. The Standard Bank Ltd. The Australiasia Bank Ltd.	Rupali Bank
The Eastern Mercantile Bank Ltd.	Pubali Bank
The Eastern Banking Corporation Ltd.	Uttara Bank]

¹ The schedule was substituted by section 7 of the Bangladesh Bank (Nationalisation) (Amendment) Act, 2003 (Act No. X of 2003).