

BGA/CUS/2023/311

## For all Honorable Members

**Sub:** Sending names of unscrupulous foreign buyers making unjustified discount demands.

**Reference:** The decisions made in the 77<sup>th</sup> meeting of the Discount Committee of Bangladesh Bank.

Dear Honorable Members and Colleagues,

Assalamu Alaikum.

We are bringing to your attention a matter concerning demands from some unscrupulous foreign buyers for discounts on export products. As you are aware, these demands are often made under various pretexts, such as non-receipt of goods as per contract/LC, approaching courts for voluntary declaration of bankruptcy after the release of goods from ports, or claiming discounts after the delivery of goods at foreign ports. These situations place an undue burden on exporters who in addition to repaying bank loans and interests, face numerous complexities, including the risk of factory closure when EXP are overdue. Unfortunately, after prolonged negotiations, exporters may find themselves compelled to accept these discount demands.

It is noteworthy that, as per the regulations of Bangladesh Bank, any discount above 5% requires the BGMEA to present a case-by-case explanation to the Discount Committee for approval. BGMEA has been diligently involved in presenting and justifying these cases to the Discount Committee. Sometimes, cunning tactics applied by fraudsters, insufficient documentation from exporters, and inadequate presentation by the AD banks concerned makes it difficult to get the approval of some cases. This challenging yet vital task has been carried out by BGMEA for a long period.

In a recent meeting held on 11/12/2023, BGMEA was able to explain to the Discount Committee that our manufacturers do not voluntarily offer discounts to foreign buyers. Instead, exporters are often compelled to provide discounts due to the cunning and unfair tactics used by fraudulent buyers, buying houses, and freight forwarders. On request from BGMEA, this matter has been officially recorded in the meeting minutes for the first time.

For any further information or assistance regarding the discount committee procedure, we request you to contact Mr. Md. Mohiuddin Rubel, a member of the discount committee from BGMEA, also the Director-in-Charge of BGMEA and the Additional Managing Director of Denim Export. He can be reached at phone: 01730334477 or via email at: rubel@denimexpert.com.

Furthermore, in line with the decisions made in the 77<sup>th</sup> meeting of the Discount Committee of Bangladesh Bank, we kindly request you to promptly inform BGMEA with relevant documents and proof of any instances where you encounter fraudulent buyers, buying houses, or freight forwarders attempting discount-related fraud so that these fraudsters can be identified and all banks and BGMEA members can be informed accordingly.

We appreciate your attention to this pressing issue and look forward to your cooperation.

Best regards,

Faruque Hassan  
President

**BANGLADESH GARMENT MANUFACTURERS & EXPORTERS ASSOCIATION (BGMEA)**

বাংলাদেশ পোশাক প্রস্তুতকারক ও রপ্তানীকারক সমিতি

• বাংলাদেশ তৈরি •