

Bangladesh Export Processing Zones Authority

House#19/D, Road#6, Dhanmondi R/A, Dhaka-1205

November 14, 1988

Sub: Guidelines for the enterprises of
CEPZ pertaining labour matters.

In order to ensure good industrial relations in the CEPZ, following guidelines are hereby issued for observance by all enterprises operating in the zone:

1. The worker of the factories operating in the zone are to be classified as under (a) permanent (b) Temporary (c) Apprentice
2. An Apprenticeship of a person shall be deemed to have ceased on completion of 6 months training as an apprentice, unless the apprenticeship period is extended for a further period not exceeding another 6 months, prior to the completion of first 6 months, and in the meanwhile his services are not dispensed with.
3. A worker, appointed by an enterprise in the zone, shall be issued with an appointment letter indicating the wages and the terms and conditions on his services. One copy each of all appointment letters issued to workers by an enterprise shall be forwarded to the Manager (I.R.), CEPZ.
4. Manager (I.R.) CEPZ need be consulted first before deciding a lay off of a factory by an enterprise.
5. Contents of representations, if any, received by an enterprise from workers asking for enhancement of wages & benefits etc. must be communicated to the Manager (I.R.) CEPZ by the following day from date of receipt of such representation.
6. Enterprises shall designate one of their officers to look after the labour relations/ labour welfare measures in their respective units. Manager (I.R.) CEPZ shall meet such designated officers once a month to ensure congenial industrial labour relations in the zone.
7. An Enterprise in CEPZ shall furnish all required information regarding wages, benefits, remuneration, given to workers, when requested for by the Manager (I.R.) CEPZ.
8. The Manager (I.R.) shall be responsible, under the overall supervision of BEPZA, for ensuring observance of all applicable factory and labour laws including the guidelines issued in this regard by BEPZA from time to time.

Sd/=

(ABU SAUD ABDUN NUR)

Member (Investment Promotion)

Bangladesh Export Processing Zones Authority.

Memo No. IP: G-19/1165

November 15, 1988

Copy forwarded for information and necessary action to:

1. Management of all enterprises in CEPZ.
2. Manager (I.R.) CEPZ.
3. Manager (Marketing) CEPZ.

Bangladesh Export Processing Zones Authority

House#19/D, Road#6, Dhanmondi R/A, Dhaka-1205

Instruction No 1 of 1989

Dated June 14, 1989.

In exercise of the powers conferred under Section 3A of the Bangladesh Export Processing Zones Authority Act, 1980 (Act No XXXVI of 1980), the Bangladesh Export Processing Zones Authority, hereinafter referred to as BEPZA, is pleased to issue following directives on SERVICE MATTERS CONCERNING WORKERS AND OFFICERS EMPLOYED IN THE COMPANIES OPERATING WITHIN THE EXPORT PROCESSING ZONES OF BANGLADESH.

PART-I

1. These instructions shall apply to:

Workers, officers and Apprentices of the Companies, unless the terms and conditions of service have been determined under a contract specifically entered into by and between a company and the said employee.

Companies operating in the zones may have their own rules regulating the terms and conditions of employment and in that event no rules or terms and conditions of employment of an individual company shall be less favourable than those contained in these instructions.

PART-II

2. Definitions:

- a) "Apprentice" means a learner who is paid an allowance or fixed pay during the period of his training;
- b) "Casual" worker is a person whose employment is of a casual nature;
- c) "Company" shall mean and include any undertaking registered in Bangladesh and operating in the Export Processing Zone or Zones of Bangladesh;
- d) "Employee" means any worker or officer in the company;
- e) "Employer" means the Board of Directors of the Company which inter-alia means the Chairman/ Managing Director/ Director of the Company or any other officer if so authorized by the Company in this behalf;

(Contd.....P/2)

- f) “Factory” means the factory of the company and it shall include any workshop premises or the precincts thereof located in the Export Processing Zones of Bangladesh where ten or more workers are ordinarily employed;
- g) “Pay” means the amount drawn monthly or weekly by an employee as basic pay.
- h) “Workers” means any person including an apprentice employed in the office or factory of a company to do any unskilled, technical, trade promotional or clerical or supervisory work for hire or reward, whether the terms of employment be expressed or implied, but does not include any person who is employed mainly in a managerial, executive, or administrative capacity.

PART-III

Classification of employees

3. Classification of employees-Employees shall be classified as follows:

- a) Permanent;
- b) Temporary;
- c) Probationer;
- d) On Contract;
- e) Apprentice;
- f) Casual;

4.

- (a) “Permanent-employee” is an employee who has been engaged on a permanent basis after satisfactory completion of four months service.
- (b) “Temporary employee” is an employee who has been engaged for work which is essentially of a temporary nature and is likely to be finished within a limited time.
- (c) “Probationer” is an employee who is provisionally engaged to fill a permanent vacancy in a post and has not completed the period of his probation. If a permanent employee is engaged as a probationer in a new post, he may be reverted back to his previous post if his work is found unsatisfactory at any time during the probationary period of six months.
- (d) Employee on contract –An employee “On Contract” is a person with whom a specific contract of employment has been entered into. But the said contract shall not be less favorable to the employee than those provided in these instructions.

- (e) Apprentice – means a learner who is paid an allowance during the period of his training.
- (f) “Casual” employee is a person whose employment is of a casual nature.

PART-IV

Service Record

- 5. Appointment letter:- An appointment letter, mentioning the terms and conditions of service, nature of work, pay and/or any other relevant matter shall be given to an employee concerned on his appointment, excepting in the case of casual employees.
- 6. Maintenance of Service records etc.:- Service records of the workers shall be maintained in a “Service Book” which will contain names & other particulars of the persons employed, date of employment, nature of work, rate of wages, leave taken & records of conduct etc.

PART-V

Leave and Holiday

- 7. Right to leave etc:-
 - (a) Leave is a privilege and cannot be claimed as a matter of right. The manager or the person empowered to grant leave shall have the discretion to refuse or revoke the leave of any description when the exigencies of his services so require.
 - (b) Leave entitlement shall be calculated on the basis of English calendar year.
 - (c) For the purpose of these instructions, the expression “Service” means-
 - (I). Actual days of work;
 - (II). Period of leave with pay;
 - (III). Compulsory “off” days;
 - (IV). Period of probation of the employee who is confirmed in a permanent post on the expiry of the probation period and
 - (V). The period of leave without pay not exceeding ten days.
 - (d) An employee shall be deemed to have completed a year’s service notwithstanding any interruption in service during the year on account of authorized absence.

- (e) An employee who remains absent for any period in excess of the period of leave originally sanctioned or subsequently extended shall be liable to disciplinary action unless he is able to explain his overstay in a satisfactory manner to his Manager. Such absence shall be treated as "Misconduct" and the employee shall be liable to such punishment as may be specified herein.
- (f) Friday or Holiday falling in between the first & the last days of any leave period shall count as part of the leave.
- (g) A "day or days off" which an employee becomes entitled to by virtue of having worked on a Friday or on a holiday notified by the Management shall be allowed to be affixed or prefixed to privilege leave.
- (h) If the application for leave is on medical ground, the employee shall submit with his application a certificate from the Doctor of the Company at Station where such Doctor is available or from a qualified registered Medical Practitioner at places where his employer's Doctor is not available stating the probable period for which leave is required.

8. Casual leave and sick leave:-

- (1) Every worker shall be entitled to casual leave with full wages for ten day in a year.
- (2) Every worker shall be entitled to fourteen days' sick leave on half-average wages in a year.

Provided that sick leave or casual leave admissible under this section shall not be accumulated and carried forward to the succeeding year.

9. Day-off:-

An employee when required to work on a Friday or holiday a "day off" shall be given as a substitute on any other day.

10. Maternity Benefit:-

A female employee who has completed a minimum of ten months service shall be entitled, on application, to maternity leave with pay for six weeks before a six weeks after the confinement on ground of maternity (Child-birth). This benefit may be granted only twice in the whole period of service life of a female employee.

Provided further that maternity leave for the second time shall be admissible only after a period of 3 years from the date of availing of first such leave.

11. Earned Leave

An employee shall be eligible for earned for leave with pay for every completed year of service as under:-

- (a) One day for every twenty two days of work performed by him during the previous period of 12 months.
- (b) If an employee does not, in any such period of 12 months service, takes such leave to which he is entitled under sub-para (a) either in whole or in part, any such leave not taken by him shall be allowed to be added to the succeeding year provided that an employee shall cease to earn any leave when the earned leave due to him amounts to thirty days. If earned leave is refused in the interest of the company, employee shall have the option to encash the leave so refused.

12. Festival leave

- (a) Every employee shall be allowed at least ten days festival holiday with pay in a Calendar year. The day or days and the dates for such festivals shall be fixed by the Management in such manner as they deem fit but in keeping with the general consensus of the employees.
- (b) The day or days and dates of festival holidays shall be fixed and conspicuously notified in the month of January i.e. at the beginning of the year.
- (c) An employee may be required to work on any festival holiday but two days compensatory holidays with pay shall be allowed to the employee within thirty days immediately after that holiday.
- (d) If an employee so desires in writing, two days' pay in lieu of compensatory holiday may be granted.

PART-VI

TERMINATION/ RESIGNATION OF EMPLOYMENT

13. Termination of service:-

For termination of the services of a permanent/ temporary employee by the employer, 120 days' notice in the case of permanent employee and 60 days' notice in the case of Temporary Employee shall be given by his employer

provided that pay for 120 days or 60 days, as the case may be shall be paid in lieu of such notice provided further that the worker whose employment is so terminated, shall be paid compensation at the rate of one month's pay for every completed year of service or for any part thereof in excess of six months in addition to any other benefits to which he may be entitled to under the terms of employment.

14. Resignation

- (1) A permanent employee shall be required to give one month's notice, should he wish to resign from the services of the company.
- (2) An employee who resigns from service of the company but fails to give the required notice shall surrender pay in lieu of such notice thereof.
- (3) The employer shall accept the resignation if due notice is given or due payment in lieu of notice is made or pay is surrendered in lieu of such notice.
- (4) Notwithstanding anything stated above no employee against whom a disciplinary proceeding is pending shall resign from the services of the company unless 60 days' have elapsed from the drawing up of the departmental proceeding.

Provided that the employer may allow such employee to resign on such conditions as he may deem fit.

15. Discipline and grievance Procedure (1) Where an employee of the Company in the opinion of the employer is inefficient, or (b) corrupt, or (c) guilty of misconduct, the employer may impose on him one or more of the penalties specified in Para 16, if after enquiry, he is found guilty of any of the above charges.

Note 1 'Misconduct' means conduct prejudicial to good order or service discipline un-becoming of an employee or a gentleman and shall include:-

- (a) Wilful insubordination or disobedience, whether alone or in combination with others, to any lawful or reasonable order of a superior;
- (b) Theft, fraud or dishonesty in connection with the business or property of the factory/ enterprise;

- (c) Causing damage to any property of the factory/ enterprise;
- (d) Taking or giving bribes or any illegal gratification;
- (e) Habitual late attendance or habitual absence from duty without leave or without sufficient cause.
Absence without leave for ten days in a year shall be regarded as habitual absence without leave.
- (f) Continuous absence for more than ten days without permission and without satisfactory cause of absence;
- (g) Habitual breach of any law, order, instruction applicable to him;
- (h) Habitual neglect or negligence of work;
- (i) Wilful abstention or absence from work singly or with others;
- (j) Drunkenness, fighting & riotous, disorderly or indecent behavior;
- (k) Taking part in or suspected or being engaged in subversive activities either alone or with others;
- (l) Collecting or canvassing or the collection of any money within the premises of the enterprise/ Company/ factory for any purposes not approved by the employer.
- (m) Smoking within the premises of the company or enterprise/ factory where it is prohibited;
- (n) Distribution or exhibition within the boundaries of the premises of the Company/ factory of any hand bill, pamphlets or poster without the previous permission of the competent authority.
- (o) Holding meeting within the boundaries of the premises of the Company/ factory without sanction of the employer;
- (p) Gambling within the boundaries of the premises of the Company/ factory;
- (q) Habitual indiscipline;
- (r) Leaving work without permission;
- (s) Sleeping while on duty;
- (t) Theft of any kind inside the premises of the factory/ company or within the zone.
- (u) Giving false information regarding name, age, qualifications, previous service etc;
- (v) Carrying on money lending or any other private business, within the premises of the factory/ company;
- (w) Sabotage or wastage caused to materials & stores of the company/ factory;
- (x) Malingering and slowing down work either alone or in collaboration with others;
- (y) Conviction in any court of law for any criminal offence;
- (z) Improper use or non use of protective clothing, uniforms (if any) while on duty;

16. Penalties:-

- (1) The following are the penalties which may be imposed by the employer upon an employee-
 - (a) Censure;
 - (b) Stoppage of increment or promotion on grounds of inefficiency, irregular attendance and misbehavior;
 - (c) Recovery from the pay of the employee of the whole or part of a pay to defray any pecuniary loss caused to the company/ enterprise by negligence, default or breach of orders or of contract on the part of the employee;
 - (d) Reduction in rank;
 - (e) Dismissal from service;
- (2) No penalty shall be imposed on any employee without disciplinary proceedings. If the employee concerned remains under suspension during the period of the enquiry, he will be entitled to subsist on allowance for the period of suspension equivalent to half of his average basic pay and full amount of house rent allowance and medical allowance. In the enquiry if he is found not guilty of the charges he shall be entitled to the rest of the amount of his pay for the period of suspension.

17. Enquiry procedure:

- (1) When an employee is to be proceeded against for any offence under Para 15 above, the employer shall:
 - (a) Frame a charge sheet specifying the charges brought against an employee and communicate it to the employee concerned (hereinafter called the accused) on which it is based;
 - (b) Require the accused to submit within three days from the day the charge has been communicated to him, a written statement of his defense.
- (2) The employer shall appoint an Enquiry officer/ Committee to hold an enquiry.
- (3) The employer may nominate any person/ officer to present the case in support of the charge sheet before the Enquiry officer/ Committee.
- (4) The enquiry officer/ Committee shall follow the following course of actions while conducting enquiry against any accused employee.

- (a) The Enquiry officer/ Committee shall issue a notice asking the accused to appear before the Enquiry officer/ Committee at a particular place stating the specific time of appearance with all documentary evidence and witnesses if any with a copy to the nominee of the employer/ company who will present the case in support of the charge sheet before the Enquiry officer/ Committee.
 - (b) The accused shall be entitled to cross examine the witnesses against him and he should be allowed to present witnesses in his defense.
 - (c) The Enquiry Officer/ Committee shall record the statement of the accused and witnesses of both sides and shall obtain signature of all the witnesses in their respective statements duly read over to them in the language they understand. If the accused so agrees, his signature should be obtained in the statements of all witnesses to keep a record that the evidence of all the witnesses were taken in his presence. If the accused refuses to sign the statement at the time of enquiry, this fact should also be recorded and signed by other witnesses and the Enquiry Officer/ Committee.
- (5) If the accused person admits the charge against him the Enquiry Officer/ Committee will record 'Pleads Guilty' and thereafter shall give his/ its findings.
 - (6) If the accused Pleads 'not guilty' then all witnesses in support of the charge sheet will be examined individually in presence of the accused. No witness shall be allowed to be present during the examination of another witness.
 - (7) If the accused, after being duly informed, absents himself from the enquiry without proper reason or permission, the enquiry shall proceed expert.
 - (8) The enquiry shall be confined to the charges and no irrelevant evidence shall be admitted by the Enquiry Officer/ Committee.
 - (9) The Enquiry officer/ committee shall submit his/ its report to the employer with his/ its findings.
 - (10) The employer, having regard to the findings on the charges, shall pass appropriate orders.

18. Suspension: An employee against whom a disciplinary action is proposed to be taken may be placed under suspension pending enquiry into the charges

Provided that the company may, instead of his suspension, require him to proceed on such leave as may be due and admissible to him from such date as may be specified in that order.

19. Grievance procedure- Any individual employee including a person who has been dismissed, discharged, laid off or otherwise removed from employment and who has a grievance in respect of any matter covered by these instructions and intends to seek redress thereof shall observe the following procedures:

- (a) The employee concerned shall bring his grievance to the notice of his employer in writing within 15 days of the occurrence of the cause of such grievance and the employer shall, within 15 days of receipt of such grievance, inquire into the matter and give the employee concerned an opportunity of being heard and communicate his decision, in writing, to the said employee.
- (b) If the employer fails to give a decision under clause (a) or if the employee is dissatisfied with such decision, he may make a representation to BEPZA within 30 days from last date of the decision with which he is dissatisfied or within 30 days from the last date of imposition of the first penalty under para 17(10), as the case may be.
- (c) On receipt of the said representation under clause (b) the Executive Chairman, may constitute a Committee of Enquiry with one or more officer of the BEPZA not below the rank of a deputy General Manager or equivalent who will enquire into matter giving due hearing to the parties concerned and submit the report to the Executive Chairman of BEPZA or to an officer designated by the Chairman for the purpose.
- (d) In deciding the matter the Chairman or such designated officer may pass such orders as he may deem just and proper.

20. "Lay off"

(a) Whenever a worker (other than a badli or casual worker) whose name is borne on the muster-roll of a company and who has completed not less than one year of continuous service under the employer is laid-off, he shall be paid by the employer, for all days during which he is so laid-off, except for such weekly holidays, as may intervene, compensation which shall be equal to half of the total of the basic wages and dearness allowance, and the full amount of housing allowance, if any, that would have been payable to him had he not been so laid-off:

(1) Provided that a badli worker whose name is borne on the master-rolls of the company shall cease to be regarded as such for the purpose of this section, if he has completed one year of continuous service in the company.

Provided further that no worker shall, unless there is an agreement to the contrary between him and the employer, be entitled to the payment of compensation in the aforesaid manner for more than forty-five days during any calendar year.

(2) Notwithstanding anything contained in the above proviso, if during a calendar year a worker is laid-off for more than forty-five days, whether continuously or intermittently, and the lay-off after the expiry of the first forty five days comprises periods of fifteen days or more the worker shall, unless there is an agreement to the contrary between him and the employer be paid for all the days comprised in every subsequent period of lay-off for fifteen days or more, compensation which shall be equal to one-fourth of the total of the basic wages and dearness allowance, and the full amount of housing allowance if any, that would have been payable to him had he not been so laid-off.

(b) In any case where, during a calendar year, a worker is to be laid-off, after the first forty-five days as aforesaid, for any continuous period of fifteen days or more, the employer may, instead of laying-off such a worker retrench him under section 21.

- (c) Master-roll for laid-off workers: Notwithstanding that the workers or any section thereof employed in a company have been laid-off, it shall be duty of every employer to maintain a master-roll, and to provide for the making of entries therein by or for the laid-off workers who may present themselves for work at the company for work at the company at the appointed time during normal working hours.
- (d) Workers not entitled to compensation in certain cases:-
 - (I). If he refuses to accept, on the same wages, any alternative employment not requiring any special skill or previous experience, in the same shop or the commercial or industrial establishment from which he has been laid-off, or in any other company belonging to the same employer and situated within a radius of five miles from the company.
 - (II). If he does not present himself for work at the company at the appointed time during normal working hours at least once a day if so required the employer; or
- (e) If such lay-off is due to unauthorized absence from work by workers in another part of the company.

21. Retrenchment:

- (1) Where any employee is to be retrenched on ground of redundancy and he belongs to a particular category of employee, the employer shall ordinarily follow the procedure of 'Last Come First go'. The employer may deviate from this order for reason of special efficiency of an employee and in exceptional circumstances.
An employee who has rendered a continuous service for not less than one year under his employer shall be given one month's notices or one month's pay in lieu of such notice for his retrenchment.

- (2) Re-employment of retrenched employee-where any worker is retrenched, and later on the company proposes to recruit any person within a period of one year from the date of such retrenchment, the employer is expected to give an opportunity to retrenched employee belonging to the particular category concerned.
- (3) A retrenched employee shall be entitled to receive one month's pay as compensation for every completed year of service or for any part thereof in excess of 6 month.

22. Discharge:-

An employee may be discharged from service for reason of physical or mental incapacity or continued ill-health or such other reasons not amounting to misconduct. Such employee having completed one year of continuous service, if so discharged, shall be paid compensation by the employer at the rate of one month's pay for every completed year of service or for any part thereof in excess of 6 months.

23. Stoppage of work:-

The employer may at any time, in the event of fire, catastrophe, break-down of machinery or plant, or stoppage of power supply, epidemics, civil commotion or other causes beyond his control, stop the work of any section of the company wholly or partly for any period. An employee who has completed not less than one year of continuous service under his employer may be laid-off in case of this stoppage of work, but he shall be paid compensation for all days during which he is so laid-off, at the rate of half of his basic pay including full amount of house rent and medical allowance if such allowances are paid as part of the pay every month as per rules of the company, provided that no employee shall be entitled to the payment of such compensation for more than 45 days unless there is an agreement between the parties. After 45 days of "lay off", if there is no agreement, the employees may be retrenched by giving him 30 days pay as notice pay and compensation @ one month's pay for every completed year of service or for any part thereof in excess of 6 months if the stoppage of work so continues after 45 days.

24. If an employee refuses to accept any notice, letter, charge sheet, or an other order or document addressed to him by his employer, it shall be deemed that such notice, letter, charge-sheet or document has been delivered to him if a copy of the same has been exhibited on the Notice Board and another copy has been sent to the address of the employee, as available from the record of the employer, by registered post.

25. Provident Fund:-

No employee, who is a member of a Provident Fund of the company shall be deprived of his subscription to Provident Fund due to retrenchment, dismissal, discharge or termination from service, if he is so entitled to it under the rules of the Fund.

26. If the services of an employee are dispensed with as a result of retrenchment, termination, retirement or by reason of his resignation before he has availed any of his earned leave, the employer shall pay in lieu of the unavailed Earned Leave.

27. In case of any general disagreement on any common issue between the employer and the employees, the matter may be referred to BEPZA in which event BEPZA may appoint an officer, not below the rank of a Deputy Secretary or equivalent to act as an Arbitrator or conciliator for settlement of such an outstanding issue.

28. Notwithstanding anything contained hereinabove, in case of an unauthorised absence from work or slowing down of work by a group, the company may discharge or dismiss some or all of such employees or inflict such other punishment on them by notice posted on the Notice Board, after obtaining written permission from the BEPZA. Before giving such permission, BEPZA may endeavour to cause an amicable settlement of the point at issue.

29. Settlement of individual grievances- In case of any individual grievance.

- (1) The employee concerned shall place his grievance before the competent Authority of the company through proper channel.

- (2) If the employee is not satisfied with the decision of the employer he may make a representation to the Manager (Industrial Relations) of the Zone who may dispose of the case himself or in appropriate cases refer the same to BEPZA for decision and BEPZA will give a decision in the matter after hearing the parties.

CHAPTER-VIII

Welfare

30. Washing facilities-

There shall be provided and maintained in every company a reasonable number of toilets and washing facilities.

31. FIRST AID to the injured-

There shall, in every factory, be provided and maintained, so as to be readily accessible during all working hours, FIRST-AID boxes or FIRST-AID Cupboards equipped with at least-

- (i). Sterilized dressings (small size)
- (ii). Sterilized dressings (Medium size)
- (iii). Sterilized dressings (Large size)
- (iv). Sterilized Burn dressings:
- (v). One (One ounce) bottle containing 2% alcoholic solution of iodine or its substitute ;
- (vi). One (One ounce) bottle containing rectified spirit.
- (vii). Analgetic tablets, ointment for burns & suitable surgical antiseptic solution;
- (viii). Roller bandages 4" wide;
- (ix). Roller bandage 2" wide;
- (x). Tourniquet;
- (xi). Suitable splints;
- (xii). One pair of scissors;
- (xiii). One packet of safety pins; and
- (xiv). a FIRST-AID leaflet.

32.REST ROOM/CANTEEN:

In every company there shall be a suitable rest room where employees can take rest or can eat their meals brought by them and where the number of the employees is more than 100 the employer shall provide canteen facilities for the employees. Rest room/ Canteen must have adequate drinking water available for the employees.

33. Protective Clothing: The Management shall provide proper protective clothing gears etc. to employees, who work on machines, handle toxic chemicals or perform specialized job or in cases where the Management considers protective clothing's or uniform necessary for them in the interest of preventing accidents.

34. Each company shall contribute a sum of money of BEPZA per year as prescribed by the Authority for the maintenance of EPZ Medical Centre established for providing First Aid medical services to the employees of the companies within EPZ.

CHAPTER-IX
SOCIA SECURITY

35. COMPENSATION FOR INJURY SUSTAINED WHILE ON DUTY

The relevant laws of the country shall apply.

CHAPTER-X
PAYMENT OF WAGES

36.Payment of Wages:

- (a) For employees paid on monthly basis, salary shall be paid by the 7th day of the following month.
- (b) For employees paid on weekly basis, wages shall be paid by the 1st working day of the following week.
- (c) For terminated employees, termination benefit and any other dues payable to the terminated employees shall be paid within 7 days from the date of termination.

37. The Authority may determine from time to time the minimum wages of the employees of any company operating within EPZ. The Authority shall communicate its decisions in this regard from time to time to the company concerned for implementation.

38. Every employee, having completed a minimum of six months continuous service, shall be entitled to 2(two) months basic wages as festival bonus in a year payable in 2 (two) installments i.e. one on the eve of Edi-ul-Fitre & the other on the occasion of Eid-ul-Azha for Muslim employees. For employees belonging to other communities, the festival bonus may be paid on the eve of their major religious festivals

39. Management of each company operating in EPZ shall establish a Provident Fund for the employees of the company and required rules shall be framed therefore for the operation of the said Fund.

40. BEPZA may, in its discretion, revise or amend the above instructions if it so likes or may issue, from time to time, such additional instructions, as it may deem fit, covering any matters pertaining to employees and such instructions shall be complied with by companies operating in EPZs of Bangladesh.

Sd/=

Dhaka
June 14, 1989

(ABU SAUD ABDUN NUR)
Member (Investment Promotion)
Bangladesh Export Processing Zones Authority.

Bangladesh Export Processing Zones Authority

House#19/D, Road#6, Dhanmondi R/A, Dhaka-1205

Instruction No 2 of 1989

Dated 23.08.1989.

In exercise of the powers conferred under Section 3A of the Bangladesh Export Processing Zones Authority Act, 1980 (Act No.– XXXVI of 1980), the Bangladesh Export Processing Zones Authority, hereinafter referred to as BEPZA, is Please to issue following directives on matters concerning fixation of minimum wages and other related benefits in respect of workers/ employees engaged in different operating within Export Processing Zones of Bangladesh.

PART-I

1. These instructions shall apply to :

Workers and Apprentices of the companies, unless the terms and conditions of service have been determined under a contract specifically entered into by and between a company and the said employee.

Companies Operating in the zones may have their own rules regulating the terms and conditions of employment and in that event, no rules or terms conditions of employment of an individual company shall be less favorable than those contained in these instructions.

PART-II

2. Definitions:

Unless speciacally mentioned otherwise, all terms used in these instructions shall be interpreted as per definition given in instruction no. 1 of 1989.

PART-III

3. Grades of Workers:

Workers have been graded on the basis of category of industries, viz. (i) Garments industry, (ii) Electronics industry, (iii) Terry Towel industry, (iv)Textile industry, (v) Leather/ Shoe industry, (vi) Heavy industries like Steel etc. (vii) Light industries, (viii) Misc.

4. General Matters:

- (a) These instruction spell out the minimum wages and other related benefits covering industries in categories 3 (i) to (iv) only.

Further instructions will issue in due course. Meanwhile, these instructions may be followed as a sort of model by other industries for whom minimum wages and other benefits are yet to be spell out.

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Minimum wages should at first be computed and determined in US dollar and then payment made in taka currency.

(b) Any other existing benefits, not included either under the term “Minimum wages” or otherwise specially Included in these instructions, shall continue to be paid by the companies under the rules of the respective companies.

PART-IV

5. Determination of minimum wages and other benefits:

A. GARMENTS INDUSTRY:

(a) In the Garments Industry, workers shall be graded and minimum wages/ other benefits determined and paid as indicated below;

<u>Gradation of workers</u>	<u>Minimum wages</u>	<u>Remarks</u>
(i) Apprentice (trainee)	US\$ 20(TK.658/-) (consolidated)	Training for 3 months; may be extended for another 3 month in the maximum.
(ii) Helper	i) US\$ 30(TK.887/-) *ii) US\$ 25 (TK.822.50)	On completion of training, a worker becomes permanent unless terminated during the training period, His scale of basic pay shall be TK. 500-60-800.
iii) Junior Operator (Jr.)	i) US\$ 35 (TK. 1151.50) *ii) US\$ 30 (TK. 987.00)	A Helper, when allowed to operate a machine, shall be deemed to have been upgraded as a Jr. Operator. His scale of basic pay shall be: TK. 600-75-975
iv) Operator	i) US\$ 45 (TK. 1480.50) *ii) US\$ 40 (TK. 1360.00)	Jr. Operator shall be promoted as an operator on completion of 2 years service as such. His scale of basic pay shall be: TK. 750-90-1200
v) Sr. Operator	i) US\$ 50 (TK. 1645.00) *ii) US\$ 45 (TK. 1480.00)	An operator having served for 2 years as such shall upgraded as Sr. operator. His scale of basic pay shall be: TK. 900-110 1450
vi) High skilled	i) US\$ 58 (TK. 1908.00)	On completion of 2 years service as Sr. operator, a worker shall be eligible for promotion as High skilled worker but subject to attaining required skill. His scale of basic pay shall be: TK. 1260-140-2240.

* Minimum wages indicated with star marks will apply only to a company where provision exists for payment of production bonus under existing company rules, It should, however, be noted that minimum wages inclusive of production bonus (where applicable) should, in no case, be less than US\$ 30, US\$ 35, US\$ 40, and US\$ 50 for a Helper, Jr. operator, Operator and Sr. operator respectively.

- (b) In addition to above minimum wages, each company shall be liable to pay following additional benefits:
 - (i). Two months festival bonus in a year equivalent to two months basic pay;
 - (ii). Provident Fund Contribution at applicable rate by each company as may be determined from time to time. The Current rate is 8.33% of basic pay;
 - (iii). Production bonus and attendance bonus, if any will continue to be paid as per existing company rules.
 - (iv). The existing canteen facilities/ food if any being provided by the companies will continue as before;
 - (v). Existing transport facility, if any, being provided by the companies will continue to be provided as before.
- (c) After 3 to 6 months successful completion of training as the case may be, a worker shall be treated as a permanent worker.
 - (i). A Helper, when permitted to operate a machine, shall be deemed to have been upgraded as Junior (Jr.) operator;
 - (ii). Movement upward from the position of a Senior operator would be subject to attaining required skill and completion of required length of service.
 - (iii). Each worker should receive a minimum of 10% annual increase over his gross wages;
 - (iv). Any existing benefits, not included in minimum wages or covered herein above, shall continue to be paid/ provided for, as before.

B. ELECTRONICS INDUSTRY:

(a) In the Electronics industry, a worker shall be graded and minimum wages/ other benefits determined and paid as indicated below:

<u>Gradation of workers</u>	<u>Minimum wages</u>	<u>Remarks</u>
(a) Apprentice (trainee)	US\$ 22(TK.700/-) (consolidated)	Training for 3 months may be extended for another 3 month in the maximum.
b) Junior (Jr.) Operator	US\$ 38 (TK. 1250.20)	On completion of successful training a worker becomes permanent and is placed in scale of basic pay of TK. 750-75-1050-1350.
c) Operator	US\$ 50 (TK. 1645.00)	Having worked for 3 years a Junior operator become eligible for promotion as an operator in scale of basic pay of TK. 1050-120 2250.
d) Senior (Sr.) Operator	US\$ 60 (TK. 197400)	Having worked for 3 years an operator becomes eligible for promotion as a senior operator but subject to attaining required skill in the scale of basic pay of TK. 1530-130-2830

(b) In addition to above minimum wages, each company shall be liable to pay following additional benefits:

- (i). 2 festival bonus equivalent to 2 months basic pay shall be paid,
- (ii). Each industry shall contribute to the provided Fund account of the worker at rates as may be determined from time to time. The current rate is 8.33% of basic pay;
- (iii). Attendance bonus if any, will continue to be paid as per company rules;
- (iv). Tiffin/ Lunch/ if any being provided by the company shall continue to be provided as usual.
- (v). Existing transport facility, if any, being provided by the companies will continue to be provided as before;
- (vi). Each worker should receive a minimum of 10% annual increase over his gross wages.
- (vii). Any other benefits, not included in the minimum wages/ other benefits indicated above, will continue as before.

C. TERRY TOWEL INDUSTRY:

(a) In the Terry Towel Industry, minimum wages/ other benefits shall be as indicated below;

(i). In case of Apprentice

An apprentice (trainee) worker shall be given a consolidated wages of US\$ 20.00 (TK. 658.00) per month. Period of training would be for 3 months which may however be extended by another 3 months in the maximum.

(ii). In case of price rates workers

Subject to production of required quantities of good of acceptable quality (as appropriate to textile /Towel industry) price-rates of a weaver, who is employed on piece-rate basis should be so determined that each such piece-rated worker should be able to earn a minimum of US\$ 30.00 a month, working for usual hours of work as laid down in relevant labour laws.

(iii). In case of salaried workers:

The salaried workers in the industry should be given a minimum of US\$ 30.00 as minimum wages a month, the term “wages” would mean basic pay, Dearness allowance, house rent, medical allowance, conveyance allowance, production bonus, if any. Each worker should be given an annual increase of 10% over his wages.

Besides the above minimum wages, each company shall pay following additional benefits to the salaried workers:

- (i). 2 festival bonus equivalent to two months basic pay;
- (ii). Provident fund contribution at applicable rate by each company as may to determined from time to time. The current rate is 8.33% of basic pay;
- (iii). Attendance bonus, if any;
- (iv). Any other existing benefits, not mentioned above, should continue as before.

D. TEXTILE INDUSTRY:

(a) In the Textile Industry, workers shall be graded and minimum wages/ other benefits determined and paid as indicated below:

<u>Category/Grad of workers</u>	<u>Minimum wages</u>	<u>Remarks</u>
(i) Trainee	US\$ 20(TK.658/-) (consolidated)	Training for 3 months; may be extended upto a maximum of another 3 months.
(ii) Un-skilled worker (permanent)	US\$ 35(TK.1151/-)	On completion of training, a worker becomes permanent unless terminated during the training period, He will be places in the scale of basic pay of TK. 680-85-1105.
iii) Semi-skilled	US\$ 40 (TK. 1316/-)	Having worked as a permanent unskilled worker for one year, a worker will move to semi-skilled grade if employed to operate a loom or a machine. He will be placed in the scale of basic pay of TK. 750-90-1380.
iv) Skilled Grade-2	US\$ 45 (TK. 1480/-)	After two years work as semi-skilled worker, one will be placed in the scale of basic pay TK. 900-110 1560.
v) High skilled	US\$ 58 (TK. 1908/-)	On completion of 4 years work as a skilled worker grade-1 but subject to attaining required skill TK. 1260-140 2240.

The above wages would include following elements, namely, Basic pay, House rent, Dearness allowance, Conveyance allowance, Medical allowance, Production bonus, If any.

(b) In addition to above wages, each company shall be liable to pay following additional benefits:

- (i). Two months festival bonus in a year equivalent to two months basic pay;
- (ii). Attendance bonus if any will continue to be paid as per company rules;
- (iii). The existing canteen facilities/ food/ if any being provided by the industries will continue as before.
- (iv). Existing transport facility, if any, being provided by the enterprises will continue to be provided as before;
- (v). Each worker should receive a minimum of 10% annual increase over his gross wages.
- (vi). Any existing benefits, not included in minimum wages or covered herein above, shall continue as before.

6. (1) GENERAL PROVISION:

Instructions contained hereinabove indicate minimum wages and other benefits payable to the workers and employees by the companies operating within the EPZs. However, in cases where existing wages/ other benefits of a company are already higher than those mentioned in these instructions, all payments at existing rates shall continue unaffected. Existing benefits cannot be changed to the disadvantage of a worker or employee.

(2) Companies which have not introduced Provident Fund scheme for their workers/ employees are required to do so forthwith. Required Provident Fund Rules need be framed by the companies to facilitate proper maintenance of accounts and administration of Provident Funds of the workers/ employees of the respective companies.

(3) All companies located in EPZs shall comply with the instructions contained hereinabove unless altered or otherwise directed by BEPZA.

7. INTERPRETATION:

In the event of any confusion regarding the meaning of any word or term used in these instructions or in case of any dispute over the interpretation, all such cases should be referred to BEPZA whose decision shall, in all such matters, be treated as final.

8. EFFECTIVE DATE:

These instructions shall come into which effect from September, 1989.

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(ABU SAUD ABDUN NUR)

Member (Investment Promotion)

Bangladesh Export Processing Zones Authority.