

Foreign Exchange Investment Department

Bangladesh Bank

Head Office

Dhaka.

Bangladesh Bank Website: www.bangladeshbank.org.bd

FEID Circular Letter No. 01/2013

Date: 28 January, 2013

Head Offices/Principal Offices of
All Authorized Dealers (ADs) in Bangladesh.

Dear Sirs,

**Facilitation of permission/renewal/inclusion procedure
under Section 18A of Foreign Exchange Regulation (FER) Act, 1947.**

Pursuant to Section 18A of the FER Act, 1947, every Bangladeshi individual or organization needs to take general or special permission from Bangladesh Bank to act as a local agent in the trading or commercial transactions or as a technical or management adviser of any person resident outside Bangladesh or of any organization not registered in Bangladesh. To avoid delay in starting relevant business functions due to time lag in obtaining permission, the following decisions shall come into force with immediate effect:

(a) For taking permission, application along with relevant documents signed by the competent official of the organization shall be submitted to AD bank in conformity with the instructions given in App. 6/3 of Guidelines for Foreign Exchange Transactions (Vol.-1), 2009 and Circular Letter No. 02/2010 dated 23/11/2010 of this department.

(b) An electronic copy of forwarding (with recommendation) letter (as per Annexure-1) certifying the accuracy of the client's application and all other documents received and signed by the chief official of foreign exchange operations of AD bank shall be sent (gm.feid@bb.org.bd) to the General Manager, Foreign Exchange Investment Department of Bangladesh Bank. At the same time and on same date, hard copy of the forwarding letter and all other relevant documents shall have to be sent to the same recipient. The acknowledgement of the received message through electronic media will be informed to the AD bank on the following working day. This acknowledgment message will be considered as an ad-hoc permission and remain valid until further instruction is given. The aforementioned procedures will also be applicable for other area offices of Bangladesh Bank.

(c) After receiving the hard copy of application and other related documents sent at the same time and on same date, the concerned department/office of Bangladesh Bank will seek necessary explanation/information if any deficiency is found after detailed scrutiny. Bangladesh Bank will intimate instruction cancelling the initial ad-hoc permission if any satisfactory response of the explanation/information is not received within maximum 8 (eight) weeks. If the application is found in order and complete, a formal permission letter will be issued.

(d) If the forwarding letter of the AD bank is not sent in accordance with the prescribed format (Annexure-1) and as per the instructions of this circular, then it will not be acknowledged and hence, the applicant will not be considered as permitted primarily.

(e) In case of submission of certificate of commission earnings and repatriation/commission statement by the permitted local agents and for the local agents whose activities are related to both inward and outward remittance, the instructions stated in FEID Circular Letter No. 02 dated 23/11/2010 shall have to be followed. Mentionable that, if commission statement is not found along with the application or quarterly commission statement is not submitted to the Foreign Exchange Operation Department as per the aforesaid circular, cancellation of permission may be considered by Bangladesh Bank.

P.T.O.

(f) The existing procedure of obtaining permission for foreign nationals under Section 18A of FER Act, 1947 to work in Bangladeshi branch/liaison office of foreign organization permitted under Section 18B of the aforesaid act shall remain unchanged.

ADs are advised to play active role in implementing the decisions stated above and bring those to the notice of all concerned. In this context, concerned ADs shall be brought under punitive/disciplinary action if any kind of business function including export-import is hampered or if any complaint regarding customer harassment is proved due to their negligence/slackness.

Please acknowledge receipt.

Yours faithfully,
Sd/-
(Nurun Nahar)
Deputy General Manager
Phone: 9512605

E-mail Application of the AD Bank

Annexure-1

Ref. No:

Date:

The General Manager
Foreign Exchange Investment Department
Bangladesh Bank
Head Office
Dhaka.

Dear Sir,

Application for Permission (or renewal of permission, or inclusion
of new principal) to work as Local Agent (or Local Buying Agent, or Local Indenting Agent,
or Local Shipping Agent, or Local Cargo Freight Forwarding Agent, etc.) under
Section-18A of Foreign Exchange Regulation Act, 1947.

Bangladesh Bank Permission No:-----.

We are submitting the application of ----- (Name of the Agent) which is a local owned/foreign owned/local-foreign joint venture firm/company to work as Local Agent (or Local Buying Agent, or Local Indenting Agent, or Local Shipping Agent, or Local Cargo Freight Forwarding Agent, etc.) on behalf of their foreign principal(s) ----- (Name of the Principal(s)) for granting permission under Section-18A of Foreign Exchange Regulation Act, 1947.

We hereby certify that all the required documents mentioned in the App. 6/3 of Guidelines for Foreign Exchange Transactions (Vol.-1), 2009 and Circular Letter No.-02/2010, dated: 23/11/2010 has been received from ----- (Name of the Agent) and verified by us. We also certify that all the documents are found genuine and correct. We have already submitted all these documents (hard copy) to your good office for granting permission under Section-18A of Foreign Exchange Regulation Act, 1947.

We hereby also certify that all commissions/fees/service charges accrued as per agreement/ contract between ----- (Name of the Agent) and ----- (Name of the Principal) have been repatriated in Bangladesh and accurately furnished in the Commission Statement(as per Circular Letter No.-02/2010, dated: 23/11/2010) attached with all other documents submitted to Bangladesh Bank. There are no unrepatriated overdue commissions/fees/service charges from the abovementioned principal(s).

We recommend hereby to kindly accord permission to ----- (Name of the Agent) under Section 18A of Foreign Exchange Regulation Act, 1947.

Sincerely Yours,

Name:

Designation:

Phone:

Fax:

E-mail: