

Foreign Exchange Investment Department
Bangladesh Bank
Head Office
Dhaka
www.bb.org.bd

FEID Circular Letter No. 02

Date: 19/09/2019

Head Offices/Principal Offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Repatriation of residual balance or refund of borrowing from head office of branch office, liaison office or representative office or any other places of business operating in Bangladesh

In terms of paragraph 28, chapter 10 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 Authorized Dealers (ADs) are permitted to remit profits of branches of foreign firms and companies operating in Bangladesh.

2. It has been decided that henceforth all entities including branches of foreign firms and companies established in Bangladesh with permission from competent authorities for business/profit motive and operating in compliance with reporting formalities under Section 18B(1) of the Foreign Exchange Regulation Act, 1947 are allowed to remit profits to their head offices abroad through their nominated ADs without prior approval of Bangladesh Bank in terms of paragraph 28, chapter 10 of GFET. ADs are required to submit applications for post-facto checking within 30 days of profit remittance along with relevant documents to Foreign Exchange Investment Department, Bangladesh Bank, Head Office, Dhaka.

3. Bangladesh Bank considers applications submitted by ADs for outward remittances of residual balances after closing branch office, liaison office or representative office or any other places of business operating in Bangladesh and for refund of borrowing availed from their head offices. But it is observed that in most of such cases applications are submitted without proper supporting, resulting in unavoidable delays in disposing of the issues. To bring ease in approval process for such outward remittances, ADs are advised to apply to Foreign Exchange Investment Department of Bangladesh Bank, Head Office with all relevant documents, mutatis mutandis, as mentioned in **Annexure-A**.

Please bring the instructions of this circular letter to the notice of all concerned.

Yours Faithfully,



(Abu Saleh Mohammed Shahab Uddin)
Deputy General Manager
Phone: 02-9530488

Annexure-A

Applicable documents of the branch, liaison or representative office or any other places of business to be submitted along with application for repatriation of residual amount or borrowing from Head Office

1. Approval letter from competent authorities for closing office in Bangladesh;
2. Approval of competent authorities waiving restrictions (if any) on outward remittance by local operation of foreign companies;
3. Board resolution of the head office regarding the decision to close office in Bangladesh;
4. Audited Financial Statements for the last 03 (three) years;
5. Auditor's certificate:
 - i) indicating the calculation procedure through which the remittable amount has been arrived at supported by audited financial statements of the applicant, and indicating the manner of disposal of assets;
 - ii) confirming that all liabilities in Bangladesh including arrears of gratuity and other benefits to employees etc., of the office have been either fully met or adequately provided for; and
 - iii) confirming that no income accruing from sources outside Bangladesh (including proceeds of exports) has remained un-repatriated to Bangladesh.
6. Income tax clearance certificate of the office;
7. Confirmation from the applicant/Head Office that no legal proceedings in any Court in Bangladesh are pending and there is no legal impediment to the remittance;
8. Work permit cancellation and income tax clearance certificate of the foreign expatriate(s) working in the office (if any);
9. Encashment certificates for the funds received from head office abroad;
10. Public notice for office closing;
11. Document in support of final office rent settlement;
12. Bank statement of the office (last one year);
13. If the branch/liaison /representative offices availed any local loan, then CIB certificate;
14. For project work, Award/Bills from work order giver;
15. Approval letter from competent authorities for borrowing from Head Office abroad;
16. Any other document(s), specified by Bangladesh Bank while granting approval.