

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

SPA Circular No.1

Date: 03/09/2020

All Authorized Dealers in Foreign Exchange and
Airlines/Shippinglines/General Sales Agents/
Travel Agents in Bangladesh

Dear Sirs,

Remittance of surplus earnings by foreign airlines operating in Bangladesh

Please refer to paragraphs 1 and 2(A), chapter 10 and relevant paragraphs, chapter 12 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 and subsequent circulars regarding the instructions on remittances of surplus earnings of foreign airlines operating in Bangladesh.

02. To bring simplification in transaction modalities of foreign airlines, it has been decided that surplus earnings may be calculated on the basis of passage and freight collections. Accordingly, ADs shall allow remittance on account of surplus earnings against passage and freight based on actual realization provided that (i) all collections are supported by bank statements, (ii) minimum provision at 10 percent on total passage collections is maintained for refund of unavailed journeys and (iii) necessary adjustments are made for all disbursements including accrued expenses, refunds, and income tax paid/payable. Unused portion of the provision so maintained may be added back in the following periods. Remittance is, however, to be allowed out of the fund available, without borrowed one, in the designated bank account. In addition, it has also been decided that:

(a) Requirement of Form P/Form P-2 from outgoing passengers against sales of tickets in local currency will no longer be required. Accordingly, submission of documents as per Appendices 5/56 and 5/57 stipulated at paragraph 2(A)(i) and 2(A)(ii), chapter 10 of GFET shall stand revoked. As such, instructions in relevant paragraphs at chapter 12 of GFET shall stand amended. The instruction to phase out Form P/Form P-2 shall equally be applicable for foreign shipping Companies and Bangladeshi airlines/shipping Companies operating in international routes. In accordance with revised instructions, applications shall, as required under paragraphs 12(b), 14(a) and 17, chapter 12 of GFET, be forwarded to Bangladesh Bank without these forms.

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(b) Submission of statement of passage as per appendix 5/44 will not be required for IATA member airlines. Instead, airlines will henceforth submit IATA system generated documents – (i) BSP airline billing summary and (ii) BSP Settlement Report, including system generated counter sales and excess baggage sales report containing full details of each transaction, and a summary statement of revenue and expenditure as per Annexure-A.

(c) Airlines shall no longer be required to submit copies of documents, excepting bank statements, documents against payment of different types of applicable taxes such as FATT, excise duty, embarkation fee, TDS and so on, in support of disbursements. Instead, they shall retain the documents at their end for submission to ADs and inspection team of Bangladesh Bank, as and when required as per paragraph 12(v), chapter 12 of GFET.

03. In case of non-IATA member airlines, above instructions shall be applicable excepting 2(b) above.

04. Other relevant instructions in this regard shall remain unchanged. As usual, ADs shall observe KYC and AML/CFT standards, follow usual reporting routine to Bangladesh Bank, and ensure compliance of regulations concerning duties/taxes applicable against the transactions.

Please bring the above instructions, effective immediately, to the notice of your concerned constituents.

Yours faithfully,



(Maksuda Begum)
General manager
Phone: 9530127

Encl. As stated

Figure in Taka

For the month of.....

Name of the airlines:

Declaration by airlines

Signature:

Name of designated official of airlines/authorized agent:

Designation:

Date:.....