

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

FE Circular No. 32

Date: August 09, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Deposit products for Non-Resident Bangladeshis (NRBs) working abroad

Inward remittances sent by wage earners is well accommodated in the existing foreign exchange regulatory framework. Bangladesh Bank has simplified its regulations to facilitate inward wage remittances through banking channel. As a part of the program, remittance channel through exchange houses abroad has been developed. Under the program, Authorized Dealers (ADs) can establish drawing arrangements with overseas exchange houses. Moreover, massive financial inclusion program of Bangladesh Bank is strengthening nationwide distribution networks of inward remittances.

02. The existing regulations allow NRBs to maintain foreign currency accounts and non-resident taka accounts in Bangladesh. They are also allowed to make direct and portfolio investment in Bangladesh, including investment in saving instruments of Government in the form of time deposits. To encourage NRBs in saving their hard earned income in Bangladesh, it has been decided that ADs can introduce deposit products in taka for NRBs. The guidance note for the products is as follows:

(a) The deposit accounts in the name of NRBs may be opened in the form of savings for a period of one year and above. The accounts may also be opened without initial installment for the persons proceeding abroad for employment.

(b) Non-AD bank branches providing remittance delivery services can also maintain the accounts.

(c) The deposits in the accounts shall be either monthly or quarterly.

(d) The accounts shall be credited in taka after conversion of foreign currency: (i) out of wage remittance channeled through banks or exchange houses abroad, (ii) foreign currency tendered by account holder himself while on temporary visit to Bangladesh subject to production of FMJ Form for currency in case of exceeding permissible limit and (iii) transfer from foreign currency accounts of the account holders.

(e) Interest/profit of the deposit products shall be commercially competitive as per market trend. Being the source of deposit is foreign currency, ADs may encourage NRBs with incentive in interest/profit.

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(f) Taka loans to such deposit product holder for meeting his personal requirements in Bangladesh may be granted keeping the deposit accounts as lien, subject to adherence to usual lending norms.

(g) During the tenor of deposit product, if the deposit product holder returns to Bangladesh permanently, the deposit products may continue to be maintained with deposits from local sources subject to conversion of the products into same type of products available to residents and necessary adjustment of interest/profits or installment size, if any, as per agreement.

(h) On maturity, based on option of the deposit product holder, ADs may pay the proceeds of the deposits including interest/profit to the beneficiaries/nominees of the product or may be credited to interest/profit bearing fixed deposit accounts opened in their names. In case of NRBs residing in Bangladesh permanently after their return, the proceeds can be made available to them either in one time settlement or pension type monthly/quarterly settlement.

03. Bangladesh Bank may consider applications of non-residents to repatriate payments abroad from the balances held in the deposit products on maturity/before maturity to meet subsistence expense. In submitting the applications to Bangladesh Bank, ADs shall observe the following instructions:

(a) Applications for remittances shall be made with full documentary evidences in support of the requirements.

(b) The nationality of the applicants shall be stated and if the applicant is not a resident in Bangladesh, the country of residence of the applicant shall be clearly stated. If the applicant is a dual national, the period of residence in Bangladesh (if any) shall be declared.

04. As usual ADs shall observe account opening/maintaining procedures/regulations including KYC and AML/CFT standards and applicable taxes/levies at source on interests/profits.

05. ADs shall display the deposit products in their websites with full disclosure of their features. They shall also intimate the launching of such products to Foreign Exchange Policy Department of Bangladesh Bank, Head Office.

Please inform the contents of this circular to all your concerned constituents.

Yours faithfully,



(Mohammad Khurshid Wahab)
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