

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka

www.bb.org.bd

FE Circular Letter No. 05

Date: February 02, 2025

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Forward sale and purchase in foreign exchange

Please refer to FE Circular No. 09 of January 26, 2025 regarding application of forward premium to determine forward exchange rate in foreign currency.

02. It has been observed that Authorized Dealers (ADs) are using different techniques to calculate forward exchange rates. To bring uniformity, a calculation of forward selling exchange rate is presented in the below table containing determination of forward premium:

Spot selling rate	Tenor in Days	T-Bill rate	Benchmark rate in FC	Differential	Forward Premium	Forward Rate
(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f) = (a)*(e)*(b)/360	(g) = (a)+(f)

03. With regard to forward buying rate, ADs shall consider spot buying rate to calculate the desired rate on adjustment of forward premium.

ADs are advised to observe the above procedure meticulously.

Yours faithfully,



(Monoar Uddin Ahmed)

Director (FEPD)

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