

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

FE Circular Letter No. 02

Date: February 05, 2023

Head offices/principal offices of all Authorized Dealers and
all licensed Mobile Financial Service Providers in Bangladesh

Dear Sirs,

Retention quota accounts for export of software, ICT and other services

Attention of Authorized Dealers (ADs) is invited to paragraph 23, chapter 8 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1 (GFET) and its subsequent circulars regarding the instructions relating to inward remittances against export of software, ICT services, business services, professional/research and advisory services, etc. provided by resident Bangladeshis. In addition to traditional banking channels, ADs can provide facilities to repatriate inward remittances against ICT and other services channeled through online payment gateway service providers, payment service aggregators, payment facilitators, digital wallets, or other legitimate payment systems in terms of FE Circular No. 44, dated December 28, 2017 and FE Circular No. 33, dated October 18, 2021. Licensed Mobile Financial Service Providers (MFSPs) are also allowed to repatriate inward remittances against ICT services as per FE Circular No. 06, dated February 10, 2021. Foreign currency out of inward remittances can be credited to exporters' retention quota (ERQ) accounts up to the prescribed limit as per paragraphs 27(c) and 27(d) of chapter 13 of GFET. Paragraph 2, chapter 19 of GFET permits ADs to issue international credit/debit/prepaid cards against the balances held in ERQ accounts.

02. In order to facilitate ICT companies, freelancers and other cross border service providers to bring their income in foreign currency into the country, ADs are advised to provide ERQ account services to service exporters so as to enable them to carry out remittance transactions from these accounts. ADs are also advised to issue international credit/debit/prepaid cards for nominated officials of companies, and freelancers against the balances held in their ERQ accounts for online payments abroad against bonafide requirements. Non-ADs providing banking services to freelancers shall make arrangements with nearby ADs/CTPCs/head offices/principal offices for opening ERQ accounts and issuing international cards. ADs providing settlement account services to MFSPs shall arrange to open ERQ accounts and to issue international cards to freelancers in accordance with FE Circular No. 06/2021.

As usual, ADs shall comply with regulatory instructions including reporting routine and regulations relating to taxes. Please bring the contents of this circular letter to the notice of all your constituents and ensure meticulous compliance thereof.

Yours faithfully,



(Md. Sarwar Hossain)
Director (FEPD)
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