

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

FE Circular No. 06

Date: February 10, 2021

All Authorized Dealers in Foreign Exchange and all
licensed Mobile Financial Service Providers in Bangladesh

Dear Sirs,

Repatriation facilities by MFSPs to ITES exporters

Please refer to FE Circular No. 44 of December 28, 2017 and its subsequent circulars in terms of which Authorized Dealers (ADs) are permitted to use Online Payment Gateway Service Providers (OPGSPs) for repatriation of payment against small value service exports in non-physical form such as data entry/data process, off-shore IT service, business process outsourcing etc.

02. To facilitate small value ITES exports, it has been decided to allow Mobile Financial Service Providers (MFSPs) licensed by Bangladesh Bank for repatriation of export proceeds in association with internationally recognized OPGSPs/digital wallets and/or aggregators having operation in multiple countries (hereinafter referred to as foreign payment service providers, PSPs).

03. In accordance with above decision, MFSPs shall -

- (a) have standing arrangements with foreign PSPs.
- (b) maintain settlement accounts in equivalent Taka with ADs, under agreements for this particular purpose, through whom repatriation of export proceeds shall be channeled by foreign PSPs.
- (c) make fund available to digital wallets of eligible exporters upon credit of the fund in settlement accounts.
- (d) maintain electronic records of transactions in details and make available to Bangladesh Bank as and when required.

04. ADs shall observe, in connection with operation of the transactions, the following instructions:

- (a) ADs shall transfer the fund, on receipt in their nostro accounts, to settlement accounts in equivalent Taka of MFSPs. While executing the transfer, ADs shall comply with deduction and payment of taxes, if applicable.
- (b) As an alternative to (a) above, ADs may maintain accounts in the name of foreign PSPs at their desire in foreign currency/Taka as per foreign exchange regulations (cf. paragraph 1(i), chapter 13 and paragraph 8(b), chapter 14 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1) to facilitate the said transfer by debit the accounts. Overdraft facilities may be allowed for the accounts so maintained provided that ADs shall have payment guarantees, from banks acceptable to them, for the adequate amounts based on the transaction flows.
- (c) ADs may maintain ERQ accounts in the name of ITES exporters to be arranged in association with MFSPs up to the extent of permissible limit from repatriated proceeds. In this case, ADs shall make fund available to ERQ accounts as per standing arrangement in foreign currency before transfer of the fund to settlement accounts of MFSPs.

05. MFSPs entering into arrangements with foreign PSPs shall intimate through their designated ADs to Payment Systems Department and Foreign Exchange Policy Department at Bangladesh Bank head office with necessary details. They shall observe admissible procedures to execute transactions in accordance with regulatory instructions issued by Bangladesh Bank from time to time.

06. Due diligence in respect of the transactions needs to be observed regarding foreign exchange/payment systems regulations, KYC and AML/CFT standards and relevant laws/regulations in force. As usual, ADs shall observe usual reporting routine to Bangladesh Bank with specification of purposes.

Please bring the contents of this circular to the notice of your concerned constituents.

Yours faithfully,



(Md. Ali Akbar Faraji)
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