

FE Circular Letter No. 02

Date: January 19, 2025

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Wage Remittance: Amendment of Drawing Arrangement and Security Deposit.

Please refer to paragraph 4, appendix 6/2 of Guidelines for Foreign Exchange Transactions-2018 (GFET) Vol.1 regarding security deposit requirements for exchange houses with Authorized Dealers (ADs) in Bangladesh.

02. To cope up with the changing situation, necessary amendments required in the provisions of drawing arrangement framework are outlined below:

(a) AD banks are allowed to perform drawing arrangements with exchange houses abroad in three modalities: (i) Draft Drawing (ii) EFT (iii) Pin-Code. 'EFT' and 'Pin-Code' shall be referred to as "Pre-Fund" and "Post-Fund" modalities respectively and these will be renamed accordingly.

(b) 'Draft Drawing' modality as described in paragraph 4 (i), appendix 6/2 of GFET shall stand revoked. AD banks are instructed to communicate with their foreign counterparts having drawing arrangements under this modality and convert it to "Pre-Fund" modality upon complying with existing regulations.

(c) The security deposit and minimum balance requirements for 'Pre-Fund' modality as described in paragraph 4(ii), appendix 6/2 of GFET shall be withdrawn. AD banks are instructed to communicate with their foreign counterparts having drawing arrangements under such modality to adjust the security deposit maintained in Non Resident Foreign Currency (NRFC) accounts through remittance disbursement.

(d) The minimum balance requirement in Non Resident Taka (NRT) account for 'Post Fund' modality as described in paragraph 4(iii), appendix 6/2 of GFET shall be Tk 2.00 million instead of 'Equivalent Taka of USD 25,000.00'. AD banks are advised to apply prevailing exchange rate on the date of minimum balance received in foreign currency for the necessary conversion. Security deposit requirement in NRFC account under this modality shall remain unchanged.

(e) For delivery of remittances under 'Post-Fund' modality, AD banks shall take reimbursement against their Taka disbursement in equivalent foreign currency, converted by prevailing exchange rate, from their respective foreign counterparts within the time frame as per underlying tie-ups not more than T+2 days.

ADs are advised to bring the contents of this circular letter, effective from February 01, 2025, to the notice of their foreign counterparts having drawing arrangements and update their operational procedures as needed.

Yours Faithfully,



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