

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka

[www.bb.org.bd](http://www.bb.org.bd)

FE Circular No. 22

Date: 15/05/2017

All Authorized Dealers in  
foreign exchange in Bangladesh

Dear Sirs,

**Use of balances held in exporter's retention quota (ERQ) accounts**

FE Circular No. 03, dated January 22, 2017 permits importers to use foreign currency fund from their ERQ accounts maintained with other Authorized Dealers (ADs) or from ERQ accounts of their subsidiaries/sister concerns for settlement of import payment. It is hereby clarified that transfer of unencumbered foreign currency between ERQ accounts of same exporters maintained out of export receipts with different ADs is permissible for bonafide transactions as per paragraph 29(i), chapter 13 of Guidelines for Foreign Exchange Transactions-2009 (GFET), Vol-1. Other instructions of the above mentioned circular shall remain unchanged for settlement of import payment with fund received by transfer from ERQ accounts of exporters' subsidiaries/sister concerns.

Payment for bonafide business expenses is permissible out of balances held in ERQ accounts as per instructions of paragraph 29(i), chapter 13 of GFET. It has now been decided that nominated ADs may effect remittance on account of repayment of foreign loan in terms of paragraph 2, chapter 15 of GFET out of balances held in ERQ accounts or by fund of unencumbered foreign currency transferred from ERQ accounts maintained with other ADs of the same borrowers. Such remittances may also be effected by nominated ADs out of fund transferred from ERQ accounts of borrowers' subsidiaries/sister concerns, subject to observance/compliance of the instructions or conditions stipulated in FE Circular No. 03, dated January 22, 2017 and loan approval letter of the competent authority.

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

Yours faithfully,



(Jagannath Chandra Ghosh)

Deputy General Manager

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