

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

FE Circular Letter No. 17

Date: May 29, 2022

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Encashment of value added portion of repatriated export proceeds

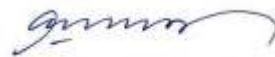
Please refer to paragraph 42(i), chapter 7 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1 (GFET) in terms of which Authorized Dealers (ADs) are permitted to retain repatriated export proceeds, on encashment of the local value added portion, in foreign currency (FC) in a single pool. These funds are useable only for settlement of different back to back import payments of relative exporters on maturity basis.

02. The retention of export proceeds in FC facilitates exporters to settle back to back liabilities without facing exchange loss. It is observed that value added portion is not encashed into Taka immediately on repatriation of export proceeds, resulting in delayed cash support to exporters for meeting working capital needs in Taka.

03. In view of the situation stated above, ADs designated for export transactions are advised to make Taka fund available to exporters through encashment of value added portion out of their repatriated export proceeds. The encashment of value added portion and the parking of remainder in single pool shall be executed by the following business day on receipt of export proceeds in nostro accounts of designated ADs.

Other relevant instructions shall remain unchanged. You are advised to bring the contents of this circular letter to all your AD bank branches for meticulous compliance.

Yours faithfully,



(Kazi Rafiqul Hassan)
Director (FEPD)
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