

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

FE Circular No. 41

Date: October 04, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Repatriation of royalty, technical know-how and technical assistance fees of industrial enterprises in Domestic Processing Areas (DPAs) of Economic Zones (EZs)

Please refer to paragraph 4, chapter 20 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 read with paragraph 30, chapter 13 of GFET in terms of which all foreign payment obligations by industrial enterprises operating in EZs are met out of balances held in their foreign currency accounts. Industrial enterprises operating in DPAs of EZs do not have sources of income in foreign currency as per FE Circular No. 13 of June 05, 2018.

02. To facilitate transactions for meeting foreign payment obligations, it has been decided that Authorized Dealers may, on behalf of industrial enterprises in DPAs of EZs, effect outward remittance on account of royalty, technical know-how and technical assistance fees from taka account subject to observance of the instructions stipulated at paragraph 11, chapter 20 of GFET. ADs shall, before effecting the transactions, satisfy themselves that the industrial enterprises do not have sources of income in foreign currency and shall have been ensured of deductions and payments of applicable taxes.

03. In case of the availability of foreign exchange out of legitimate sources in the respective foreign currency accounts of concerned customers, ADs shall first use such balances before utilization of their own sources by conversion of Taka fund. ADs shall, in no circumstances, utilize the combined sources for making outward remittances on behalf of industrial enterprises operating in export processing areas of EZs.

04. As usual, ADs shall comply with Section 3(4) of FER Act, 1947, including observance of due diligence with regards to KYC and AML/CFT standards, reporting routine to Bangladesh Bank and so on.

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

Yours faithfully,



(Mohammad Khurshid Wahab)
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