

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

FE Circular No. 33

Date: October 18, 2021

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Repatriation of export proceeds through Online Payment Gateway Service Providers

Please refer to FE Circular No. 44, dated December 28, 2017 and its subsequent circulars in terms of which Authorized Dealers (ADs) are allowed to repatriate remittances through Online Payment Gateway Service Providers (OPGSPs) against small value service exports for which ADs are required to enter into standing arrangements with internationally recognized OPGSPs and maintain separate nostro collection account for each OPGSP. Service exporters availing of this facility are, among others, allowed to open notional accounts with only those OPGSPs having arrangements with ADs in Bangladesh.

02. To widen the scope of repatriation of income against service exports, it has been decided that ADs may allow their service exporter-customers to enter into arrangements, including maintenance of merchant accounts, with international market places/platforms. In addition to such accounts, service exporters may maintain notional accounts, without limiting to licensed OPGSPs, with internationally reputed payment service aggregators, payment facilitators, digital wallets or other legitimate payment systems licensed by the regulatory authorities concerned. Accordingly, ADs shall facilitate repatriation of service income deposited in their nostro accounts by international market places/platforms including eligible foreign payment operators, regardless of having arrangements and maintaining separate nostro collection accounts. In this context, ADs shall obtain-

(a) detailed information from their service exporter-customers regarding maintenance of merchant accounts with international market places/platforms and/or notional accounts with eligible foreign payment operators.

(b) declaration on the nature of services to be provided by service exporter-customers with supporting information and documents thereon;

(c) undertaking from their customers to the effect that they will arrange repatriation of the service income within statutory period either by way of (i) concerned market places/platforms or eligible foreign payment operators, or (ii) credit to their merchant/notional accounts for immediate transfer to Bangladesh. Accordingly customers' due diligences and other regulatory compliances need to be observed.

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03. While on receipt of inward remittances in nostro accounts on account of service income by way of international market places/platforms or eligible foreign payment operators as per 2 above, ADs shall observe following procedures:

(a) ADs shall credit the receipts in equivalent local currency to respective bank accounts, or arrange to transfer the same to digital wallets maintained with Mobile Financial Service Providers licensed by Bangladesh Bank. At the option of their service exporter-customers, ADs may make the fund available to ERQ accounts up to the permissible limit before transfer the equivalent local currency to respective bank accounts/digital wallets.

(b) In case exporters' ADs are different, at the option of service exporters for maintaining ERQ accounts, ADs repatriating service income shall transfer the repatriated fund through nostro/clearing accounts of Bangladesh Bank to concerned ADs in invoicing currency. For such transfer, beneficiary ADs will follow reporting routine to Bangladesh Bank.

(c) Regulations on deductions of applicable taxes and payment thereof need to be complied with.

04. Service income is to be repatriated in permissible currencies as per paragraph 5, chapter 8 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1 (GFET) and within statutory period as prescribed at paragraph 13 *ibid*. Service exporters can operate no accounts abroad for store of value other than merchant or notional accounts as per 2 above.

05. At the option of international market places/platforms and eligible foreign payment operators, ADs may maintain KYC and AML/CFT compliant foreign currency accounts and non-resident Taka accounts in their names as per paragraph 1(i), chapter 13 and paragraph 8(b), chapter 14 of GFET for payments on account of service income by debit to the accounts, subject to observance of relevant instructions as noted at 3 above.

06. As usual, ADs shall observe reporting routine to Bangladesh Bank with appropriate codification and comply with the relevant foreign exchange regulations, AML/CFT norms and any other relevant laws/regulations in force.

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

Yours faithfully,



(Kazi Rafiqul Hassan)
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