

# Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka

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

FE Circular No. 40

Date: September 24, 2020

All Authorized Dealers in  
Foreign Exchange in Bangladesh

Dear Sirs,

## **Use of international cards for travels outside Bangladesh**

Chapter 19 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 outlines operational procedures in issuance of international cards against relevant entitlements and payments/online payments thereby for legitimate purposes under current account transactions. International cards are, in general, intended to be used by Bangladeshi cardholders while on travel abroad. General permission is, however, given to use international cards in Bangladesh for online payments as specified in the above stated chapter. International cards are useable for online purchase of air tickets by cardholders while on travel between destinations outside Bangladesh (such as New York to Philadelphia or Singapore to Kuala Lumpur or like). But online purchase of air tickets for such destinations through international cards cannot be used by travelers before proceeding abroad.

02. In view of the growing demand to purchase air tickets by travelers before proceeding abroad for subsequent air travels between destinations outside Bangladesh, it has been decided that international cards may be used for online purchase of air tickets by cardholders having visa, where applicable, for travels of such destinations outside Bangladesh. Bangladeshi travel operators may also provide such ticketing services to travelers for movements between destinations outside Bangladesh against payments by international cards. In this context, Authorized Dealers (ADs) shall, under merchant agreements, provide acquiring services to travel operators in Bangladesh for capturing online payments settled through international cards against sales of air tickets for above stated travels. Travel operators shall, having relevant registrations/permissions/licenses including membership with trade association representing the sector, have tie-up arrangements with internationally recognized travel operators/airlines. Acquiring services by ADs may also be applicable for capturing payments against such sales to foreign nationals/non-residents residing abroad or in Bangladesh. The payments so captured by ADs shall be retained in margin accounts of travel operators. Utilization of balances retained in margin accounts shall be guided by the following instructions:

- (a) Periodical remittances to counterparts abroad, net of agreed upon reasonable service charges/ commissions;
- (b) Refund to travelers in case of cancellation of travel;
- (c) Encashment of service charges/commissions;
- (d) Deduction and payment of applicable taxes thereon.

03. Remittance requests by travel operators to ADs shall be supported by invoices and statements stating sales of air tickets, cancellation of travels, utilization of air tickets, payment of applicable taxes, if any, etc., and reconciliation thereof to arrive at payable amount. ADs shall preserve documents for 5 years for onsite inspection by Bangladesh Bank.

04. Subject to observance of the above instructions, hotel booking and purchase of railway/ship/bus tickets for travel between destinations outside Bangladesh may be arranged by travel operators for which ADs may provide services of receiving payment in margin accounts and settling dues payable to counterparts abroad.

05. As usual, ADs shall adhere to KYC and AML/CFT standards with regards to the transactions.

06. Tour operators desirous to provide the services shall, through their ADs, intimate to Foreign Exchange Policy Department at Bangladesh Bank, Head office of their agreements/arrangements with international travel operators made in line with this circular before one month of commencing business.

Please bring the above instructions, effective immediately, to the notice of your concerned clientele.

Yours faithfully,



(Mohammad Khurshid Wahab)  
General Manager  
Phone: 9530123