

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

FE Circular No. 51

Date: 19 November, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Outward remittances on account of software maintenance/support fees

Please refer to paragraph 37, chapter 10 of the Guidelines for Foreign Exchange Transactions-2018 (GFET) in term of which Authorized Dealers (ADs) may continue to effect remittances of periodical maintenance/support fee for software during the tenure of the agreement for which maiden approval was accorded by Bangladesh Bank.

02. To facilitate the transactions, it has been decided to accord general authorization to ADs to effect remittances on account of software maintenance/support fees. Accordingly, ADs shall no longer need to seek a first time approval from Bangladesh Bank. ADs shall, while effecting remittances, observe the following instructions:

- (a) ADs shall have to be ensured of the concerned software having legitimate license;
- (b) ADs shall obtain valid agreements for the maintenance/support services executed with foreign service providers.
- (c) Remittance requests from the remitters shall be supported by invoices;
- (d) An undertaking from remitters to the effect that they have not remitted the payments from other ADs and shall not do the same in future, and they will bring back the remitted amount or its parts in case of non-receipt or partial receipt of services.
- (e) Regulations regarding payments of tax at source, value added taxes and other levies applicable on the payments need to be complied with.

03. In the context of subsequent payments, ADs shall observe relevant instructions as noted above and certificates from service recipients regarding satisfactory use of services against earlier payments.

04. The above facilities shall equally be applicable to banks having approval from their own competent authorities and industrial enterprises operating in domestic processing areas of EZs having sales in Taka. However, in case of the availability of foreign exchange out of legitimate sources in the respective foreign currency accounts of concerned customers of EZs, ADs shall first use such balances before utilization of their own sources by conversion of Taka fund.

05. The transactions under the above authorization shall be executed by an AD designated

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by remitters who can change the AD as per mutual understanding. In case of change, designated AD shall forward the remittance files direct to new designated AD with intimation to Bangladesh Bank.

06. As usual, ADs shall observe due diligence with regards to customers' 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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