

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

FE Circular Letter No. 16

Date: October 08, 2023

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Settlement of import liabilities out of 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 maintain export proceeds, on encashment of value added portion, in single pool for settlement of back to back letters of credit (BBLCs). Export proceeds are also permissible, as per paragraph 42(ii), to be retained in foreign exchange for a period of 30 days for settlement of import bills other than BBLCs.

02. To bring clarity in retention of value added fund in foreign currency and usage thereof, ADs are hereby informed that:

(a) The retention facility of the value added portion for 30 days is applicable, vide FE Circular Letter No. 32 of September 06, 2022, for exporters producing outputs against procurement of input contents under BBLCs as stipulated in paragraph 42(i), chapter 7 of GFET. However, the transfer facility of retained value added portion is ceased through FE Circular Letter No. 09 of September 04, 2023.

(b) Paragraph 42(ii) and its subsequent circulars are applicable for exporters and eligible local suppliers producing outputs against (i) bulk imports, and/or (ii) local contents. This paragraph is also applicable for eligible local suppliers producing intermediate goods by import of input contents under BBLC opened against delivery orders received in the form of inland BBLCs. The unencumbered balance so retained is useable for specified purposes through other ADs in terms of FE Circular No. 10, dated April 15, 2018 and its subsequent amendments, if any.

(c) Transactions through FC accounts are to remain unchanged for industrial enterprises operating in EPZs/ EZs/HTPs.

ADs are advised to bring the contents to the notice of your relevant clientele.

Yours faithfully,



(Md. Sarwar Hossain)
Director (FEPD)
Phone: 9530123