

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

FE Circular No. 04

Date: March 14, 2022

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

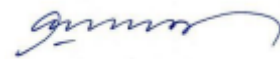
Retention of export proceeds in foreign exchange

Please refer to paragraph 41, chapter 7 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), volume 1 permitting relevant portion of export proceeds to retain in foreign exchange in the subsidiary ledger of Authorized Dealers (ADs) concerned for settlement of back to back (BTB) letters of credit (LCs). Paragraph 42(i) *ibid* permits ADs to maintain export proceeds, on encashment of value added portion, in single pool for settlement of BTB LCs. Export proceeds are also permissible, as per paragraph 42(ii) *ibid*, to be retained in foreign exchange for a period of 30 days for settlement of import bills other than BTB LCs.

2. To facilitate export trade, it has now been decided that export proceeds received in advance as declared on Advance Receipt Voucher (ARV) in accordance with paragraph 20, chapter 8 of GFET may be retained in foreign exchange as per paragraph 41 or 42 of chapter 7 *ibid* depending on the nature of import bills.

Other relevant instructions shall remain unchanged. Please bring the contents of this circular to the notice of your clientele concerned.

Yours faithfully,



(Kazi Rafiqul Hasan)
General Manager
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