

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

FEID Circular Letter No. 01

Date: 18 July, 2017

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Setting up help desk to assist foreign investors to boost foreign direct investment (FDI)

Attention of authorized dealers (ADs) is drawn to the Section-I, chapter-9 of the Guidelines for Foreign Exchange Transactions-2009 (GFET), Volume-1 and its subsequent circulars outlining policy guidelines for Foreign Direct Investment (FDI) in Bangladesh. The regulatory instructions stipulate that foreign investors are free to make investment in Bangladesh in the industrial enterprises excepting a few reserved sectors without prior Bangladesh Bank authorization. In addition, Bangladesh Bank has adopted benign regulatory framework in line with the high priority prearranged by the Government to attract FDI in Bangladesh. To materialize the vision authorized dealer banks can play an indispensable role through proactive guidance to potential foreign investors. Therefore, to facilitate potential investors to make productive investment in Bangladesh, you are advised to set up at least one dedicated FDI help desk comprising of competent officials in the Head Offices and or main branches of Authorized Dealers in Dhaka and Chittagong.

The indicative terms of reference for the FDI help desk are enclosed at "**Annexure-A**"

ADs are advised to open the FDI help desk within 30 days from the date of issuance of the circular letter and intimate it to Foreign Exchange Investment Department, Bangladesh Bank, Head Office, Dhaka with the name and contact details of focal point appointed in the FDI help desk.

Please bring the contents of this circular letter to the notice of all concerned immediately.

Yours faithfully,



Enclosure: As stated

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Indicative guidelines regarding terms of reference (TOR) for the FDI help desk

01. The help desk shall have to maintain ready references of regulations regarding FDI in Bangladesh include in particular, but not exclusively:

a) Procedures to make FDI in Bangladesh as mentioned in Section-I Chapter-9 of GFET-2009, Vol-1 and FE Circular No. 09, dated March 19, 2017;

b) Parking of proceeds on account of equity capital in temporary non-resident Taka account (NRTA) as stipulated in Paragraph 2(C), Chapter-9 of GFET-2009, Vol-1;

c) Routine reporting to Bangladesh Bank within 14 days of issuance/transfer of shares as per Paragraph 2(A) and 2(B), Chapter-9 of GFET-2009, Vol-1;

d) Loan facilities from domestic sources as per Paragraph 4, Chapter-16 of GFET-2009, Vol-1 and FE Circular No. 12, dated March 11, 2014, FE Circular No. 11, dated March 23, 2017 & FE Circular No. 18, dated April 12, 2017;

e) External borrowing in foreign currency as per Chapter-15 of GFET-2009, Vol-1 and FE Circular No. 13, dated March 12, 2014;

f) External borrowing in foreign currency by industrial enterprises in Export Processing Zones (EPZs) as per Section-11, Chapter-16 of GFET-2009, Vol-1 and FEID Circular No. 03, dated May 06, 2014;

g) Foreign Private Investment (Promotion & protection) Act, 1980;

h) Remittance on account of dividend as per Paragraph-31, Chapter-10 of GFET-2009, Vol-1;

i) Repatriation of sale proceeds against sales of shares held by non-resident to resident as per Paragraph-3(B), Chapter-9 of GFET-2009, Vol-1 amended vide FE Circular No. 32, dated August 31, 2014;

j) Remittance of royalty, technical knowhow or technical assistance fees, operational services fees, marketing commission etc. as per Paragraph-25, Chapter-10 of GFET-2009, Vol-1;

k) Remittance of expatriates' salary as per Paragraph-8, Chapter-11 of GFET-2009, Vol-1 and FE Circular No. 06, dated-April 15, 2013;

l) Cross border foreign exchange transactions with regards to export and import payments by multinational companies;

m) Foreign exchange transactions by the enterprises of Economic Zones (EZs) in Bangladesh as per GFET-2009, Vol-1 & Vol-2 and FE Circular No. 21, dated May 11, 2017;

n) FEID Circular Letter No.01, dated August 08, 2016 as regards fake investment proposal in Bangladesh;

o) Any up-to-date instruction regarding FDI issued by Bangladesh Bank from time to time.

02. ADs also shall have to undertake the following measures to boost FDI:

a) To inform the foreign investors about potential investment opportunities in Bangladesh;

b) To inform the foreign investors regarding benign investment policy regime in Bangladesh;

c) To Publish the opening of the help desk in mostly circulated mass media;

d) To maintain separate books to keep records of investors' complaint and suggestion;

e) To upgrade the Human Resources quality of FDI help desk through rigorous training at home and abroad.

03. The help desk shall make arrangement for the investors to conduct with other relevant authorities such as RJSC, BSEC, CCI&E, NBR, BIDA, BEPZA, BEZA, Hi-Tech Park Authority etc. for non-banking issues, where necessary.