

CHAPTER 11

PRIVATE REMITTANCES**1. Transfer of assets of foreign nationals retiring from Bangladesh**

Foreign nationals leaving Bangladesh permanently after expiry of period of service in terms of relevant employment contracts, may transfer abroad their genuine savings out of salaries/benefits clearly stated in the employment contracts duly approved by the BIDA/BEPZA/BEZA or other competent government authorities. They shall also be eligible to transfer abroad the retirement benefits such as provident fund, pension, gratuity due as per employment contracts approved by the BIDA/BEPZA/BEZA, etc.

2. The ADs may, without prior approval of Bangladesh Bank, effect remittance of retirement benefits and savings including sale proceeds of investments in government securities made in accordance with Para 5 below (but not including sale proceeds of real assets such as household articles, real estates and other real assets, requests if any for remittance of such sale proceeds should be forwarded to Bangladesh Bank); as per instructions in the following paragraphs.

3. (A) Application and supporting documentation.

Application as per proforma at Appendix 5/80 duly filled in by the applicant and his employer should be accompanied by :

- (I) Form TM duly filled in and signed by the applicant;
- (II) (a) A certificate from the employer showing:
 - (i) Net salary and allowances for each year;
 - (ii) Provident fund and leave salary paid on retirement;
 - (iii) Bonus and other gratuitous payments for each year;
 - (iv) Whether the cost of passage for self and family is being paid by the employer.

A certified true copy of the employment contract approved by BIDA or competent authority of the Govt. of Bangladesh should be produced in support of the above.

Where any of the above payments are not covered by the original service contract, a certified copy of the resolution of the board of directors of the employer company allowing the payment and approval thereof from the Govt. Department which originally approved the employment of the foreign national should be submitted.

In case of persons employed in the private sector, certified true copies of the relative permission letters for employment issued by the appropriate Govt. Department should be attached,

(b) Bank's encashment certificate in support of receipt of funds, if any, from abroad.

(c) AD's certificate in regard to the applicant's investment in Govt. securities made for availing of the income tax relief showing also the amount realised from the sale proceeds and income accrued on the investments,

(d) Bank's certificate showing:

(i) Total amount of remittances made on account of family maintenance.

(ii) Total amount of remittances made on account of leave salary.

In case where the period of stay exceeds 10(ten) years, the bank's certificate should cover the period of last 10(ten) years.

(e) Statements of transactions in bank account for the last one year prior to the date of the application with explanation of sources of credit entries of Tk. 500(five hundred) or more other than those relating to receipt of salaries and allowances.

(f) Application for transfer of actuarial reserve and relative insurance record in respect of insurance policy, if any, is required to be submitted through the insurance company concerned.

The statements/certificates mentioned in the sub-para (b), (c), (d), (e) and (f) above are to be prepared by the ADs themselves on the basis of their own records.

(g) Clearance certificate in respect of income tax and other taxes payable.

(h) For remittance of pension/provident fund/gratuity on account of an employee retiring from a foreign-owned/foreign controlled organisation, a certificate signed jointly by the employer organisation and its nominated AD that the relevant pension fund/retirement fund out of which the retirement benefits are payable are maintained in Bangladesh and that no remittance towards contribution to any retirement fund maintained abroad has been made in respect of the applicant employee.

(B) Examination and processing of applications

(I) Before effecting remittance of retirement benefits the ADs should verify with reference to the terms of employment contract approved by the competent government department (currently BIDA/BEPZA/BEZA, etc.) that the benefits applied for remittance are indeed due as per terms of the employment contract. In case of applicants retiring from foreign owned/foreign controlled companies, the ADs shall satisfy themselves, with reference to the certificate mentioned at para 3(A)(II)(h) that the relative pension/retirement funds are maintained locally.

(II) Before effecting remittance of funds representing savings, the ADs shall carefully examine the applications and supporting documents to satisfy themselves that the amount applied for remittance are the genuine savings out of the applicant's own legitimate earnings in Bangladesh. For this purpose they will look into the information on earnings of the applicant such as approved salary, allowance, bonus etc., debits for the applicant's local expenses out of such earnings, outward remittances already made or to be made; and inward remittances received from abroad, if any.

Details of credits to bank account of the applicant during the preceding one year at least should be scrutinised to ascertain that only the items of the applicant's own legitimate earnings have been included in arriving at the amount of savings applied for remittance.

If on the basis of the above examination there emerges sufficient grounds to believe that the amount applied for remittance is in excess of the applicant's possible genuine savings, the AD shall effect remittance only to the extent of its own estimate of the applicant's genuine savings and thereafter refer the case to Foreign Exchange Operation Department, Bangladesh Bank for further consideration regarding the excess amount, with such additional explanation /representation as the applicant may wish to furnish.

(III) Pension payments: In cases where pension is payable at regular intervals after the initial lumpsum payment of retirement benefits, the ADs shall effect remittances of regular pension payments provided that life certificate in respect of the pensioner issued by the paying banker abroad is produced and the AD is satisfied on the basis of documentary evidence that the relative pension fund is maintained locally.

4. Remittances effected in accordance with the above instructions will be reported by the ADs to the concerned area office of Bangladesh Bank in the usual monthly returns. The ADs shall maintain full records of cases of remittance of retirement benefits and savings of foreign nationals disposed of by them, for eventual examination by the inspecting officials of Bangladesh Bank.

5. Investments by foreign nationals in certificates/securities etc.

All requests for investment by foreign nationals in Bangladesh Govt. securities such as defense savings certificate etc., for the purpose of claiming income tax relief against investment allowance should be submitted through the applicant's bank to the Bangladesh Bank for prior approval. While forwarding the application to the Bangladesh Bank, the bank will furnish a certificate to the following effect on the application form:

- (i) The investment is proposed to be made out of the applicant's genuine savings in Bangladesh.
- (ii) The applicant does not have local borrowings and overdrafts.
- (iii) The proposed investment is for qualifying for tax relief against the investment allowance allowed by income tax authorities.

If, however, the applicant has local borrowings and overdrafts, full details thereof should be furnished viz.,

- (i) The date on which the loan /overdraft was obtained;
- (ii) The purpose for which the loan /overdraft was obtained; and
- (iii) The amount of loan/overdraft outstanding as on the date of application for investment in Govt. securities.

6. Remittance of sales proceeds of real assets

Application for remittance of sale proceeds of real assets such as household articles and real estates, should be forwarded to the Bangladesh Bank with the following documents /certificates:

- (i) Statement of sale proceeds realised in respect of locally purchased articles of value Tk. 500(five hundred) or more mentioning:
 - a) Description;
 - (b) Purchase price;
 - (c) Date of purchase;
 - (d) Date of sale and
 - (e) Sale proceeds realised.

Relative sale receipts or their certified true copies should be produced.

- (ii) A statement of sale proceeds realised in respect of articles imported/brought from abroad of value Tk. 500 or more mentioning (a) description (b) landed cost in Bangladesh (c) date of import (d) date of sale (e) sale proceeds realised. Relative import documents and relative sale receipts or their certified true copies should be produced.

7. Legacies and other distribution of assets from the estates of deceased persons

Application for remittance of legacies and other distributions from estates of deceased persons due to beneficiaries resident outside Bangladesh should be forwarded to the Bangladesh Bank. Such applications should contain the following information and supporting documents:

- (i) Name, nationality and place of residence of the deceased at the time of his death. If the deceased person was resident of Bangladesh the period of such residence should be stated.

(ii) A copy of the relative clauses in the Will after probate has been granted or if the deceased died intestate, in the Letters of Administration; in both cases authenticated by a Notary Public, any Court, Judge or Magistrate in Bangladesh or in the country of residence of the deceased if he died abroad.

When making applications a full statement of the assets of the deceased in Bangladesh should be given including a statement of bank account and all other assets. The balance in the bank accounts representing income earned during the year should be stated separately in cases where the deceased was a person resident outside Bangladesh. The amounts which are not allowed to be remitted to the beneficiaries will be permitted by the Bangladesh Bank to be credited to a blocked account in the name of the executor or administrator with a bank in Bangladesh. If any security, shares and real estate which have been specifically bequeathed to persons resident outside Bangladesh are to be transferred to such beneficiaries, the application should also contain full particulars of such securities, shares and real estate.

8. Family remittance facility

(a) Foreign nationals who are resident in Bangladesh and who have an income in Bangladesh are permitted to make monthly remittances to the country of their domicile out of their current savings up to 75(seventy five) percent of their net income to cover their commitments abroad. Such monthly remittances may be sent to other countries where family members of them live in as declared by them in prescribed application form(Appendix 5/81).

(b) This remittance facility is not available to foreign born wives of Bangladesh nationals.

(c) The AD bank branch that receives the pay checks from the employer for credit of the personal account of the foreign national shall process and approve such remittance applications submitted as per Appendix 5/81 along with Form TM and attested copy of the employment contract duly approved by the BIDA or other relevant Govt. authority (renewed/revalidated up to date, where needed).

(d) Salary on which remittance entitlement is calculated would exclude monetary value of various facilities, such as, free house, transport, servants, boarding etc., as also cash payments towards conveyance, entertainment, house rent etc. The term 'net income' would in this context signify gross income of the applicant less all compulsory deductions such as, income tax, provident fund and pension fund, house rent and other deductions which are of a fixed nature. Bonus or commission receivable by foreign nationals cannot be added for calculating monthly entitlement in anticipation of the grant of bonus or commission, the inclusion will be made only after the net amount of bonus or commission has been actually paid by the employers and will be spread over the subsequent twelve months.

(e) Remittance of leave salaries of foreign nationals

Net salary (as calculated in terms of the preceding para) of the foreign nationals payable for the period of leave admissible to them as per their service contract duly approved by the Govt. will be remittable. In Such cases a declaration from the employer to be obtained to the effect that leave for which remittance is claimed has been earned exclusively on service tendered in Bangladesh. Such remittance should be effected on approach by the employer. The employer should also be advised that the remittance for the remaining period will not be admissible should the employee return to Bangladesh earlier than the period for which it was intended for. Family remittance facility will not be admissible for the period for which leave salary will be availed of.

(f) Foreign exchange issuance against family remittance facility/leave salary for travel abroad

Foreign exchange may be released for short travels abroad during approved employment period of the foreign national and his/her spouse and other family members; amounts so released should be adjusted from the monthly remittance entitlement, or from the leave salary remittable as per sub-para (e) above. Such release of foreign exchange would be against tickets evidencing confirmed date of travel within two weeks from the date of issuance of foreign exchange in TCs.

(g) Remittances effected in accordance with the above instructions will be reported to the Bangladesh Bank in the usual monthly returns of the ADs. The ADs shall maintain full records of such remittances, for eventual examination by inspection officials of Bangladesh Bank as also for reference while processing applications for remittance of savings on retirement from Bangladesh

9. Membership fees, fees for application, registration, admission, examination, etc.

The ADs may release foreign exchange towards remittance of membership fees of foreign professional and scientific institutions, both for individuals and corporate in Bangladesh. They are also allowed to remit fees for application, registration, admission, examination (TOEFL, SAT etc.) in connection with admission into foreign educational institutions on the basis of written application or demand notice/letter from the concerned foreign institution showing the amount to be remitted. The draft/TT etc. to be issued for such remittances should be payable direct to the Institution concerned and the transaction should be reported to the Bangladesh Bank in the usual monthly return.

Besides traditional mode of payment, international cards (ICs) may be used for online payment through internet of fees mentioned above. Individuals not holding ICs in their names may also make such online payment through internet using 'Virtual Card' for the required amount by an IC

issuing bank for use through its designated bank branch. Online IC transactions including Virtual Card transactions shall have to be reported to Bangladesh Bank in accordance with instructions at Para 20, Chapter 19.

10. Release of foreign exchange for study abroad

Prior approval of Bangladesh Bank is required to release foreign exchange for study of Bangladeshi students abroad at school level. However, ADs are allowed to release foreign exchange for admission and study by Bangladesh nationals in regular courses such as undergraduate, post graduate, language course pre-requisite to bachelor degree & professional diploma/certificate courses in recognised institutions abroad subject to verification of bonafides according to the following drill:

(A) Application and required papers

- (i) Application (Appendix 5/82) duly filled in;
- (ii) Original and photocopy of admission letter issued by the educational institution in favour of the student (such as the I-20 in the case of US institutions);
- (iii) Original and photocopy of estimate relating to annual tuition fee, board and lodging, insurance, incidental expenses etc. issued by the concerned educational institution (I-20 in case of US institutions);
- (iv) Attested copies of educational certificates of the applicant; and
- (v) Valid Passport.

(B) Examination and processing by AD

- (a) After scrutinising the application and the supporting documents submitted, the AD shall issue foreign exchange as per estimate furnished by the educational institution.
- (b) In each case of sale of foreign exchange, the front page of the original letter of estimate/acceptance letter issued by the concerned educational institute should bear clearly the round stamp of the foreign exchange issuing bank branch and also the signature of the officer of the said branch.
- (c) After verifying the original copies of papers referred to in para (A) above, the foreign exchange issuing ADs would attest the photocopy thereof and preserve the same. Thereafter, the original copies would be returned to the applicant.
- (d) Foreign exchange payable to the educational institution should be issued in favour of the institution concerned in the form of TT/MT/Draft. If payment on account of board and lodging/incidental expenses etc. are not required compulsorily to be in favour of the educational

institution, foreign exchange on these counts may be issued in favour of the student in the form of TC/Draft etc. Educational institutions sometimes require applicants to send advance amounts for processing of applications, retention of seats etc. If the papers of the foreign educational institution clearly state such requirement, advance remittance may be effected. ADs may also release foreign exchange for study of Bangladeshi students in permissible courses abroad in favour of the designated intermediary payment processing entity provided it is clearly mentioned in the admission documents (I-20, Admission Acceptance Letter etc.) of the concerned main educational institution that fees, charges etc. are to be remitted through their designated entity. Besides, on application from the concerned student, unused annual travel quota may also be allowed in freely convertible currency out of travel entitlement described in Para 1 of Chapter 12 of this Guidelines.

ADs may also release foreign exchange on account of Health Coverage/ Health Insurance/ Medical Insurance fee provided that such fees are mandatory for Visa/Admission in permissible courses supported by documentary evidence (I-20, Admission Acceptance Letter, Offer Letter etc.) from the concerned educational institution.

(e) The facility of purchase of foreign exchange/remittance will not be admissible for more than one academic year at a time.

(f) For each release of foreign exchange subsequent to the first release, the current progress report and current estimate of the educational institution should be taken into consideration. The ADs shall maintain separate file for each student with all relevant papers in readiness for perusal by inspecting officials of Bangladesh Bank.

(g) All purchases of foreign exchange throughout the entire duration of a course of study pursued abroad should be from one AD bank branch. For any intended change in this respect, the relevant file shall be transferred direct to the concerned new AD branch on written request by the student. Under no circumstance should the file be handed over to the student.

(h) Deposit in foreign currency to blocked accounts abroad for visa/admission processing against study purpose

If students intending to study abroad are required to deposit foreign currency to be blocked in designated bank accounts or student accounts abroad opened in accordance with the guidance of foreign educational institutes/embassies/high commissions, they are allowed to open such blocked accounts abroad to which necessary funds as set by foreign institutes/competent authority in foreign currency may be released after observing the following instructions:

(i) ADs shall get ensured with documentary evidence that the deposits will be refundable in case of non-availability of visa;

(ii) In case of non-availability of visa, ADs shall ask students/guardians to arrange repatriation of

remittance for which ADs shall obtain due undertaking from them;

(iii) ADs shall follow up students to the effect that they will proceed abroad within one year of remittance;

(iv) The deposits remitted as blocked fund for future use shall be adjusted as relevant expenses including foreign bank charges for the study with proper documentation therein.

(C) Release of foreign exchange for studying abroad in special cases

ADs are allowed to release foreign exchange for admission and study by Bangladesh nationals in regular courses such as undergraduate, post graduate & professional diploma/certificate courses in institutions abroad as per instructions mentioned above. Sometimes students get themselves admitted into the foreign institutions without taking away foreign currency from Bangladesh source. Besides, ADs may need to release foreign exchange in cases of changing institution, changing subject and opening of student file for new higher course by the students. In these cases, ADs may allow the remittances on being satisfied after scrutiny of following documents and in compliance with above mentioned paragraph:

a) Release of foreign exchange for the student studying abroad

- (1) Complete and satisfactory explanation regarding request for releasing foreign exchange for study abroad after leaving the country;
- (2) Documentary evidence in support of admission executed earlier ;
- (3) Academic results of previous semesters;
- (4) Sources and amount of the expenses incurred as of date.

b) Change of educational institution

- (1) Reasonable explanation by the applicant for the change;
- (2) Certificate evidencing that the new institute has agreed to accept the credits earned in the present institution.

c) Change of subject

- (1) Reasonable explanation by the applicant for the change.

d) Opening of student file for new higher course after completing one course

- (1) In compliance with the prevailing instructions on release of foreign exchange for study abroad.

11(A). Remittance of Consular Fees

Consular fees collected by foreign embassies in Bangladesh Taka and deposited in a Taka Account maintained with an AD solely for depositing the consular fee collections may be

remitted abroad without prior Bangladesh Bank approval. Besides, collection of visa processing fees through nominated resident agents of foreign embassies may be remitted abroad to bank account designated by embassies or their home offices. In this context ADs shall observe the following instructions :

- (i) Collection of visa fee shall be as per the rate determined by the concerned embassies;
- (ii) ADs shall obtain invoice from embassies/home offices supported by visa applicant-wise statement of collection;
- (iii) ADs shall ensure deduction of applicable taxes.

(B) Remittance of visa fee abroad

- (i) Visa fee is remittable abroad by individuals also if embassies of those countries are not located in Bangladesh on the basis of the demand of the foreign embassies concerned. Such fee is also remittable to the visa agents abroad nominated by the concerned countries as per invoice/requirement of the concerned embassies after deduction of applicable taxes.
- (ii) Online payment of visa processing fees through IC as per requirement of concerned Embassies/High commissions may be effected also. IC issuing banks may also issue Virtual Cards for individuals not holding IC to facilitate the online payment of visa processing fees

The AD shall report such remittance in the online monitoring system as well as usual monthly returns to the concerned office of Bangladesh Bank.

12. Remittance of immigration visa processing fees, evaluation fees, right of landing fee.

Immigration visa processing fees and evaluation fees for evaluation of educational certificates, demanded by foreign Immigration Authorities from resident Bangladesh nationals applying for immigration visa, may be remitted by ADs as per demand notes of the Foreign Immigration Authorities, on approach by the applicants. Besides, ADs may also allow remittance on account of 'right of landing fee/permanent residence fee' required for resident Bangladesh nationals finally proceeding abroad for migration. Such fees may be remitted in favour of immigration authority abroad upon establishment of bonafide of the demand. While processing the case of remittance on account of right of landing fee/permanent residence fee, ADs are advised to obtain the following papers/documents from the applicant:

- (i) application of the candidate;
- (ii) copy of passport;

- (iii) fee schedule;
- (iv) letter from authority (demand note/offer letter);
- (v) Nikah-nama (for spouse who has been selected);
- (vi) copy of medical report;
- (vii) money receipt for medical check-up.

Such remittances shall be reported to the area offices of Bangladesh Bank in the usual monthly returns.

Fees relating to immigration may also be remittable to the agents nominated by the concerned authorities complying the relevant instruction in this regard.

13. Remittance for family maintenance abroad by residents

Applications for remittance of moderate amounts of foreign exchange for maintenance of family members (dependent parents, spouses and children) living abroad may be forwarded by ADs to the Bangladesh Bank for consideration and prior approval. Each application should be supported by a certificate issued by the relevant Bangladesh Embassy regarding residency of the beneficiaries, extent of income abroad alongwith the Embassy's recommendation as to moderate requirement for family maintenance purpose. The certificate should also indicate the purpose for which the family member(s) went abroad, reasons for continued residence abroad and the probable period of stay abroad.

14. Registration/participation fee for attending training, seminar, workshop abroad

ADs may release foreign exchange on account of registration/participation fee of the Officials of Govt., Autonomous/Semi-autonomous institution, employees of banks and financial institutions operating in Bangladesh, faculty members of nationally recognised banking training institutions, employees/officials of company/firm/institution/NGO registered and operating in Bangladesh under the existing laws of the country subject to observance of following terms and conditions:

- a) the invitation letter is received in the name of applicant from the organising institution;
- b) the tour must be approved by the employer;
- c) the fee as indicated in invoice/demand note is reasonable;
- d) the programme of training/seminar/workshop is appropriate for the intending employee/official based on his/her job specification;
- e) the programme of training/seminar/workshop is financed out of budgetary allocation of the institution;

- f) request for remittance of more than one time for attending training/seminar/workshop in a year favouring a single person is to be justified;
- g) request letter to remit the fee from the employer is received;
- h) registration certificate of the concerned institution is received.
- i) remittance should be in the form of FTT/FDD only favouring organising institutions.

ADs shall report the transactions to the FEOD or other office of Bangladesh Bank in monthly returns/statements. ADs are also advised to collect and retain copies of completion certificate, travel documents from the applicants upon return to Bangladesh for eventual inspection by Bangladesh Bank.

15. Remittance for academic/research journal subscription

ADs may allow remittance of subscription fee for academic/research journals to be procured from abroad by public universities and medical colleges, recognised national research/training institutions, University Grants Commission (UGC) approved private universities and Govt. approved private medical colleges upto USD 3000 (three thousand) or equivalent for an institution per calendar year against production of invoice/relevant supporting documents subject to establishment of bonafides. Such remittances are to be reported to Bangladesh Bank .

16. Remittance towards publication related fees of articles in international journals

ADs may release foreign exchange towards remittance of fees for publication of articles in reputed international journals written by resident Bangladeshi nationals. While effecting remittance, ADs shall satisfy themselves about the genuineness of the invoices from the publishing companies/publishers abroad and deduction of applicable taxes.

17. Registration fee on account of medical check-up for migrant workers

Migrant workers before proceeding abroad may need medical check-up with medical centers approved by the concerned countries for which candidate-wise registration fee is payable to the approving authorities of the countries. In such cases ADs may, upon request from approved medical centers, remit fee to the bank account of the beneficiaries on account of registration fee for medical check-up services to migrant workers subject to production of invoice specifying details of the check-up and deduction of applicable taxes.

18. Other private remittances

Applications for remittances by private individuals for purposes other than those mentioned above should be made on Form TM on which full details of the purpose of the remittance should

be stated and full documentary evidence in support of the application should be attached. The ADs must satisfy themselves regarding the bonafides of each case through personal knowledge of the applicant, if any, or evidence which the applicant may be able to produce. After thus satisfying themselves, the ADs should certify the application and forward it to the Bangladesh Bank for consideration. In each case the nationality of the applicant should be stated and if the applicant is not a resident in Bangladesh, the country of residence of the applicant should be clearly stated. If the applicant is a foreign national, the period of residence in Bangladesh and his intention as to future residence should be declared. Particulars of any permit obtained by him for making monthly remittances to his country of domicile should be given.