

## SECTION - II

### NON-RESIDENT FOREIGN CURRENCY DEPOSIT ACCOUNT

#### 10. Opening of account

All non-resident Bangladesh nationals and persons of Bangladesh origin including those having dual nationality and ordinarily residing abroad may maintain interest bearing time deposit accounts named "Non-Resident Foreign Currency Deposit (NFCD) Account" with the ADs.

11. Bangladesh nationals serving with Embassies/High Commissions of Bangladesh in foreign countries and also the officers/staff of the government/semi-government departments/nationalised banks and employees of body corporate posted abroad or deputed with international and regional agencies like IMF, World Bank, IDB, ADB etc. during their assignments abroad may open such accounts. Crew members of the Bangladeshi shipping companies are not entitled to open such accounts, but shore staff posted abroad may open such accounts. Accounts may also be opened with funds transferred from existing foreign currency accounts maintained by the wage earners with the ADs in Bangladesh.

#### 12. How to open the account

The accounts are in the nature of term deposits maturing after one month, three months, six months and one year. The accounts may be maintained in US Dollar, Pound Sterling, Euro or Japanese Yen; initially with minimum amount of USD 1000(one thousand) or Pound Sterling 500(five hundred) or equivalent. Accounts may be opened against remittances in other convertible currencies after conversion of those into US Dollar, Pound Sterling, Euro or Japanese Yen.

13. These accounts may be maintained as long as the account holders desire. Eligible persons are also allowed to open such accounts at any time after return to Bangladesh. NRBs may, after their return to Bangladesh, open NFCD accounts with ADs to credit their retirement benefits, periodical pensions, superannuation benefits etc. as per employment agreement with employers while on service abroad. The balances held in the accounts may be used for settlement of legitimate payment abroad, subject to production of documentary evidence and deduction of applicable taxes.

14. Eligible Bangladesh nationals may send application alongwith a set of specimen signatures of the opener of the account to an AD in Bangladesh duly verified by Bangladesh Mission abroad, or a reputable bank or any other person known to the AD in Bangladesh. The application forms may be had from Bangladesh Missions abroad and from the ADs in Bangladesh or their branches abroad. No set of specimen signatures will be required to be enclosed with the application form if the application is submitted to an AD with whom the applicant has already

been holding a foreign currency account. In such case a reference to the respective FC account number will serve as self-introduction and the account opening branch will verify the signature with the specimen signature maintained for the FC account.

### **15. Interest on deposits**

The ADs will pay interest on deposits into the accounts at the Eurocurrency deposit rates. In case of premature repayments, the interest amount will be forfeited to the depositing AD. The interest on deposits into this account is exempted from the tax payable under Income Tax Ordinance.

16. The ADs in Bangladesh may at their option sell foreign exchange deposits (in US Dollars only) to the Bangladesh Bank without any lower limit at the Bangladesh Bank's buying rate and repurchase the principal and interest at the Bangladesh Bank's selling rates prevailing on the day of repurchase. The ADs may also invest abroad the amounts deposited with them and pay interest to the depositors out of earnings from such investments.

### **17. Repatriation of principal and interest**

The account holder can freely repatriate the balance and the interest accrued thereon in foreign exchange to the country of his residence or anywhere he chooses and may at his option, convert the balance into local Taka at the prevailing exchange rate.

18. Foreign nationals and companies/firms registered and/or incorporated abroad, banks, other financial institutions including institutional investors and 100(hundred) percent foreign owned (A-Type) industrial units in the EPZs/EZs in Bangladesh, are also allowed to open and maintain NFCD accounts with the ADs. The minimum amount of time deposits in such cases should be USD 25,000(twenty five thousand) or its equivalent in Pound Sterling, Euro or Japanese Yen. Other terms and conditions in respect of these account-holders will be the same as those mentioned above for NFCD accounts of non- resident Bangladesh nationals.

### **19. Utilisation**

The ADs may utilise 50(fifty) percent of the balances of NFCD accounts for (i) discounting of usance export bills of Type A and Type B units of EPZs/EZs and (ii) payment of back to back LC opened on sight basis. Amounts so utilised should immediately be replenished on realisation of respective export proceeds.

### **20. Reporting**

Separate monthly statements summarising currency wise transactions in the NFCD accounts of all AD branches of a bank should be submitted from the head offices/principal offices of the banks as per proforma at Appendix 5/86, by the 15th of the following month that which it relates to the FEOD, Head Office or other offices of Bangladesh Bank.