

## SECTION -II

### INSTRUCTIONS FOR MONEY CHANGERS

#### 4. Use of office space

Money Changer shall have no branch office. The premise to be used for money changing business shall not be used for any other business activity.

#### 5. Buying of foreign currency notes, coins and TCs

Money Changers are allowed to buy foreign currency notes, coins and TCs from incoming foreign and Bangladesh nationals coming/returning from abroad. For each such purchase an encashment certificate shall be furnished to the seller in prescribed format as per Appendix 5/4.

#### 6. Releasing foreign currency notes, coins and TCs

Money Changers may sell foreign currency notes, coins and TCs only to outgoing Bangladesh nationals against their annual private travel entitlements (per calendar year) subject to a maximum limit of USD 1000(One thousand) or equivalent in the form of cash and/or TC. Release of foreign exchange in excess of USD 200 (Two hundred) or equivalent shall require valid visa. Money Changers may also sell foreign currency notes, coins and TCs to outgoing foreign nationals having duly issued encashment certificates, subject to a maximum limit of USD 500 (Five hundred) or equivalent by re-conversion of Bangladesh Taka proceeds of foreign exchange sold by a tourist during his/her stay in Bangladesh. Any licenced money changer whether it encashed earlier or not may reconvert the unspent Bangladesh Taka belong to the foreign tourist upto USD 500(five hundred) or equivalent provided that the tourist submits system generated encashment certificate provided by any licenced money changer (Para 10.B). While providing reconversion, money changer shall stamp on the original encashment certificate to the effect that reconversion has been executed and preserve a copy thereof.

Besides, Money Changers may sell foreign currency of USD 1,000 (One thousand) or equivalent to be carried by each Hajj pilgrim against the scale at which foreign exchange may be sold to intending pilgrims for performing Hajj as declared through the Hajj Policy of Ministry of Religious Affairs, Government of the Peoples' Republic of Bangladesh.

Money Changers may release foreign exchange on account of overseas allowances of the cockpit and cabin crews allowed by Biman Bangladesh Airlines Ltd. as mentioned in Para 3(b), Chapter 12 of this publication.

While releasing foreign exchange for travel abroad, Money Changers shall verify and satisfy themselves that the travel for which the foreign exchange released earlier was actually undertaken or the issued foreign exchange was duly encashed. Each sale of foreign exchange

shall be recorded in the passport and air ticket (in case of air travel) of the outgoing passenger with seal and signature of authorised person of the Money Changer. For issuance of TC, signature of the buyer should be obtained on the TC as per usual norm. In each case of release of foreign exchange for travel abroad, photocopies of first six pages (in case of Machine Readable Passport, photocopies of two pages), pages containing visa (if available) and pages containing endorsement of foreign exchange of the passport duly signed by the authorised person of the Money Changer with seal shall be retained at least for five years for inspection by Bangladesh Bank officials. In case of release of foreign exchange to a foreign tourist against encashment certificate evidencing conversion of foreign currency into Taka, copy of the encashment certificate issued to the outgoing tourist shall be retained at least for five years alongwith the receipts/vouchers and other records of sale.

The Money Changers shall verify to satisfy themselves that the journey is to be undertaken not later than two weeks after the date on which the exchange is issued. In case of air travel the date of departure needs to be determined on the basis of air ticket and an undertaking from the passenger may be treated as the determining criterion for other cases. No exchange should be sold unless the date of departure is specified within the stipulated time.

#### **7. Stock of foreign currency and foreign currency account**

The initial stock of foreign currency notes and coins shall be built up by the Money Changers by way of permissible purchases from incoming foreign/Bangladesh nationals in the manner prescribed at Para 5 of this Section above and sales in the manner prescribed at Para 6 of this Section. The maximum stock of foreign exchange shall not exceed USD 25,000 (Twenty five thousand) or equivalent as at the close of each business day. Cash foreign exchange beyond this limit including entire TCs received from incoming passengers shall either be encashed with any AD or deposited to the foreign currency account with the designated AD bank of the concerned Money Changer. The balance of that account must not exceed USD 50,000 (Fifty thousand) or equivalent at any point of time. To mention, Money Changer may sell its stock of foreign currency to any AD as mentioned in Para 14, Chapter 5.

#### **8. Procurement of TC**

Money Changers may procure saleable TC only by using the balance of its own foreign currency account. Blank TC can not be procured from any TC issuing authority by using other sources of foreign exchange or by any cover fund in local currency.

#### **9. Fixation/display of buying/selling rate**

The Money Changers shall fix their own exchange rates for purchase and sale of foreign currency notes & coins and TCs and the rates shall be displayed prominently at their counters.

**10. A. Submission of Monthly Statement**

Details of all sales and purchases shall be recorded in the books properly and completely. All such records and books of accounts of the licensee must be made available for inspection by Bangladesh Bank officials as and when directed. Periodical returns/statements in prescribed form [as per Appendix 5/5] shall be furnished to FEOD, Head Office or concerned office of Bangladesh Bank on monthly basis within 10(ten) days from the end of each month.

**B. Online Money Changer Monitoring System**

Bangladesh Bank has developed 'Online Money Changer Monitoring System', a web based real time transaction reporting platform. Each transaction of Money Changer with customers shall have to be reported to the above mentioned system. Such reporting will generate an acknowledgement in PDF format with unique transaction ID and Bangladesh Bank monogram for each transaction. The printed copy of the acknowledgement report shall have to be delivered to the client. For details, Money Changers shall follow the instructions mentioned in the user guide attached with the system.

**11. Renewal of licence**

The licence shall be valid for a period of one year; which may be suspended at any time without showing any reason if, in the judgement of Bangladesh Bank, the licensee has contravened any instruction or regulation of Bangladesh Bank. The licence may be revoked by Bangladesh Bank at any time after giving the Money Changer a reasonable opportunity of explaining its position on the matter. Bangladesh Bank may not consider prayer for renewal unless volume of transactions in the previous year as per statements submitted to Bangladesh Bank reaches the threshold amount fixed by Bangladesh Bank from time to time. Presently for renewal of licence, the minimum required annual volume of foreign exchange transactions by Money Changers is USD 5.00 (five) lac in the city corporation areas of Dhaka and Chittagong and USD 3.50 (Three and a half) lac for other areas. Money changers failing to achieve the above target shall be considered ineligible for renewal of their licences. For renewal, the licensee shall apply to the General Manager, FEOD, Bangladesh Bank, Head Office, Dhaka (for Dhaka region) or to the General Manager of concerned Office of Bangladesh Bank (for other areas) not later than two months before the expiry of licence. Application for renewal shall be accompanied by copies of deed of house rent (in case of rented house) for the proposed renewal period, up-to-date tax payment certificate, return of asset-liability (Form-IT10B) submitted to Income Tax Office, audited balance sheet of the last year (where the applicant is a company). For non-submission of certificate evidencing payment of tax for the preceding year, an undertaking for submitting the same later on along with latest tax payment certificate should be furnished. The returns so submitted to tax authority must accompany documents evidencing minimum net asset of the licensee of Tk. 10 (Ten) lac for sole proprietorship and partnership firms. For joint stock

company, at the time of renewal, minimum paid up capital shall be Tk.10 (Ten) lac or more as per audited balance sheet. Subject to satisfactory performance in the previous year, licensee shall be advised by Bangladesh Bank in writing to deposit non-refundable renewal fee in favor of Bangladesh Bank through account payee bank draft/pay order. Certificate of renewal of licence shall be provided through AD bank if licence fee is deposited accordingly. Money Changers must preserve the licence and renewals issued by Bangladesh Bank with reasonable care.

## **12. Change of Office**

Any change in money changer's office location shall require prior approval of Bangladesh Bank. Applications for changing office location should be forwarded to the General Manager, FEPD, Bangladesh Bank along with deed of rent (in case of rented house), reasons for change etc.

## **13. Conversion to limited company and transfer of ownership**

Conversion of the status of a money changer from sole proprietorship or partnership to joint stock company and transfer of ownership of a money changer may be done only with prior approval of the Bangladesh Bank. Such requests may be accommodated by the Bangladesh Bank upon establishing the bonafides of the cases. Money changers shall submit such requests to the General Manager, FEPD, Bangladesh Bank, Head Office through their nominated ADs showing proper reasons.