

CHAPTER 5

SECTION- I

OUTWARD REMITTANCES

1. (i) General

Barring a few remittances of special nature, most outward remittances either in its entirety or upto a certain limit set by Bangladesh Bank may be approved by the ADs, following declaration of Taka as convertible for current account payments from March, 1994. However, the limits of release of foreign exchange set forth in this Guidelines are indicative; all bonafide requests beyond these indicative limits and payment transfer requests for a current international transaction not specifically included in this Guidelines will be accommodated by Bangladesh Bank upon establishing the bonafides of the expenses.

(ii) All remittances from Bangladesh to a foreign country or local currency credited to non-resident Taka accounts of foreign banks or convertible Taka account constitute outward remittances of foreign exchange. ADs must exercise utmost caution to ensure that foreign currencies remitted or released by them are used only for the purposes for which they are released; they should also maintain proper records for submission of returns to Bangladesh Bank as also for the latter's inspection from time to time.

2. Reporting Forms

(a) In all cases of purchase of foreign currency, an application must be made to an AD. For payments against imports into Bangladesh, the prescribed application form is form IMP (Appendix 5/16) and for other types of remittances form TM (Appendix 5/9). Form TM must be used by ADs even when remittance is approved by Bangladesh Bank in any other manner, for instance by issuing a special permission/approval letter. On receipt of the application from the client/customer, the ADs may effect the sale of foreign exchange if they are empowered to approve the application. If the transaction requires prior approval of Bangladesh Bank, the application should be forwarded by the AD to Bangladesh Bank for consideration.

(b) Outward remittances for imports are to be reported to the 'Online Import Monitoring System' of Bangladesh Bank. Outward remittances (other than for import of goods) are to be reported to the 'Online TM Monitoring System' of Bangladesh Bank. Here ADs are advised to mention "TM ID number (unique number generated from the online system of Bangladesh Bank after posting)" at the upper left corner of hard copy of form TM.

3. Applications for Bangladesh Bank's prior approval for outward remittances, wherever required, should be submitted to the Bangladesh Bank only through the ADs and not by their customers directly; all such applications should be forwarded by the ADs to Bangladesh Bank by

their own messengers or by post. While applying to Bangladesh Bank for releasing foreign exchange on behalf of customers, AD should submit necessary papers/documents duly attested by the authorised official of the AD alongwith their recommendations/comments.

4. Dealing with approved applications

In respect of the special permissions/approvals from Bangladesh Bank, the ADs should see that these have been approved by duly authorised officers and that they bear the Bangladesh Bank's embossing seal. In case the authorisation is signed by an official of Bangladesh Bank whose specimen signature is not available with them, authentication of the authorisation should be made from the nearest office of the Bangladesh Bank. It is important that once the permissions have been accorded by Bangladesh Bank, the ADs carry out the transactions only on behalf of the original applicants for whom the permissions have been given.

5. Permission for recurring remittances

The amount released must not exceed the authorised limit. Also, the instructions, if any, given in the approval with regard to the amounts to be released periodically e.g. monthly or quarterly must be strictly adhered to.

6. Period of validity of Bangladesh Bank's approval

All authorisations for selling foreign exchange for outward remittances given by the Bangladesh Bank remain valid for a period not exceeding 30(thirty) days from the date of approval unless they are expressly stated as valid for a specified longer period or unless they have been revalidated for a further period. The ADs should not effect any remittance against approval of Bangladesh Bank which have lapsed.

7. Disposal of application forms

All forms (IMP & TM) covering remittances effected by the ADs shall be preserved by AD as mentioned in Para 4, Chapter 1(Vol-1). For the disposal of the form IMP, please see Para 31(b), Chapter 7.

8. Cancellation of outward remittances

In the event of any remittance which has already been reported to the Bangladesh Bank on the prescribed return being subsequently cancelled either in full or in part, the ADs must report the cancellation of the outward remittance as an inward remittance in Form C(as applicable, Para- 10). The same shall be reported to the 'Online Inward Remittance Monitoring System' as well.

In reporting such transactions to the 'Online Inward Remittance Monitoring System, TM ID Number (as mentioned in Para 2) of concerned outward remittance shall have to be mentioned against the head 'Outward Reference' of the above mentioned system. Besides, TM ID Number shall have to be mentioned at the bottom right side of the hard copy of the Form C (where applicable). ADs shall preserve the documents in support of such cancellation.