

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

FEID Circular No. 02

Date: March 27, 2025

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Establishment of legal entities abroad

In terms of the powers conferred on Bangladesh Bank under Section 5(1)(e) of the Foreign Exchange Regulation Act, 1947, general permission is hereby granted to establish legal entities abroad with an amount up to 10,000 US dollar or equivalent by way of investment for supporting a Start-up business in Bangladesh.

02. In this case, applicants are required to submit applications to the Authorized Dealers (ADs) in the format as per Annexure-A. ADs, after effecting remittances up to 10,000 US dollar or equivalent on behalf of a resident enterprise, shall report the same to Bangladesh Bank, as per Annexure-B, within one month of registration/incorporation of such legal entities abroad but not later than six months from the date of remittance.

03. Subject to observance of the instructions illustrated in paragraph 2, ADs may effect remittances within the aforementioned limit on behalf of Bangladeshi nationals to establish legal entities abroad provided that applicants have innovative ideas to explore business abroad with linkage to reroute investment and earnings into Bangladesh in near future.

04. It has also been decided that Bangladesh Bank shall consider requests from resident companies to acquire shares abroad by exchanging their own shares/securities with the shares of companies abroad, rather than using cash consideration. Investment in companies abroad through exchange of resident companies' shares/securities is expected to be a strategic move to bring financial benefits to resident companies. Bangladesh Bank shall consider the proposals in which the shares/securities swap ratio is determined in accordance with global best practices. ADs shall forward applications to Foreign Exchange Investment Department (FEID) with detailed information as per Annexure-C.

05. ADs are requested to comply with the following instructions before execution of remittance and/or forwarding the application to Bangladesh Bank:

- (a) ADs can make payments abroad on behalf of a resident enterprise and/or individual for establishment of only one legal entity abroad under this authorization;

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- (b) If the resident investor no longer needs to use the foreign exchange remitted under the guidance of this circular to establish/register/incorporate the entity abroad within reasonable time period, the unutilized amount shall be repatriated into Bangladesh;
- (c) Resident enterprises applying for remittance as prescribed in paragraph 2 shall be in operation for less than 10 (ten) years in Bangladesh;
- (d) Funds shall be remitted from internal sources, not from borrowings from banks and/or refinance facilities in Bangladesh;
- (e) ADs are required to satisfy themselves about the innovativeness of the products, processes and/or services, commercial viability and scalability of the business model;
- (f) Investment destination must be favorable for the business model of the proposed entity and the business environment thereof must be conducive to bring future financial benefits to Bangladesh;
- (g) Bangladeshi investors shall submit annual reports as per Annexure-D to Bangladesh Bank for the year ended as per accounting year of the destination country through their designated ADs. In addition, audited financial statements of the overseas entity shall be submitted to FEID, Bangladesh Bank no later than three months from the end of the accounting year of the destination country.
- (h) ADs shall promptly notify FEID, Bangladesh Bank regarding any change in the ownership structure of the overseas entity.

06. In all cases, ADs shall conduct due diligence regarding applicants on KYC norms, AML/CFT standards, legitimate sources of investments, etc.

Please bring the contents of this circular to the notice of your constituents.

Yours Faithfully,



(Abu Saleh Mohammed Shahab Uddin)

Director (FEID)

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**APPLICATION FORM FOR FOREIGN EXCHANGE FOR ESTABLISHING
LEGAL ENTITY ABROAD**

To

_____ Bank
(Name of the AD)

_____ Branch

Dear Sirs,

I hereby apply for permission to remit the sum of _____ (amount in currency of remittance) to _____ (country) in order to establish a foreign legal entity to explore business opportunity of my/my organization's Start-up initiative.

1. For individual Bangladeshi national

- a) Name and address of the applicant:
- b) National Identification Number (NID)/Passport Number:
- c) Phone number:
- d) Email address:
- e) Tax Identification Number (TIN):
- f) Profession:
- g) Designation and organization (if applicable):
- h) Declaration of the applicant to the effect that s/he/they are satisfied about the possibility of the innovativeness of the products, processes and/or services, commercial viability and scalability of the business model in the destination country:
- i) Experience in Start-up/endorsement from recognized body/institute/association:
- j) CIB record of the applicant:
- k) Name of the proposed overseas business entity:
- l) Nature of the proposed business (description of the products/services):
- m) Ownership structure of the proposed entity (partnership/private limited company/limited liability company):
- n) Investment destination (country):
- o) Estimated cost of establishment and running business:

Sl. No.	Type of expenses (estimated)*	Remittance amount	
		in currency of remittance	in equiv. currency of destination
1.	Registration fee		
2.	Legal/consultancy fee		
3.	Lease/rent of office space of first 12 months (if applicable)		
4.	Other expenses (please specify)		
Total **			

*After incurring the expenses, relevant documents/invoices shall be preserved by the applicant and ADs shall preserve copies of the documents upon receiving from the applicant.

**If the estimated expenses for establishment and running business exceed 10,000 US dollar or equivalent, applicant shall explain the source of fund for the additional expenses.

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2. For enterprises resident in Bangladesh

- a) Particulars of the applicant enterprise
 - (i) Name of the enterprise:
 - (ii) Address of the registered office in Bangladesh:
 - (iii) E-mail address of the resident enterprise:
 - (iv) Website (if available):
- b) Name, designation, telephone number and e-mail address of the contact person:
- c) Ownership structure of the resident applicant enterprise (proprietorship/partnership/private limited company/limited liability company):
- d) Trade license number:
- e) Nature of business of the resident enterprise (description of the products/services):
- f) Group affiliation of the enterprise (if any):
- g) Board resolution of the applicant enterprise regarding overseas investment (if applicable):
- h) CIB record of the enterprise and the owner(s)/director(s):
- i) TIN of applicant enterprise:
- j) TIN of the owner(s)/ director(s):
- k) Name of the proposed overseas entity:
- l) Nature of the proposed business (description of the products/services):
- m) Ownership structure of the proposed entity (partnership/private limited company/limited liability company):
- n) Investment destination (country):
- o) Estimated cost of establishment and running business:

Sl. No.	Type of expenses (estimated)*	Remittance amount	
		in currency of remittance	in equiv. currency of destination
1.	Registration fee		
2.	Legal/consultancy fee		
3.	Lease/rent of office space of first 12 months (if applicable)		
4.	Other expenses (please specify)		
Total **			

*After incurring the expenses, relevant documents/invoices shall be preserved by the applicant and ADs shall preserve copies of the documents upon receiving from the applicant.

**If the estimated expenses for establishment and running business exceed 10,000 US dollar or equivalent, applicant shall explain the source of fund for the additional expenses.

3. I hereby declare and undertake that, the foreign exchange applied for will be used for the purposes mentioned in FEID Circular No. 02/2025 and necessary supporting documents, as prescribed, are enclosed herewith. I further declare that, the foreign entity established in this way will reroute investment and repatriate earnings into Bangladesh in near future.

Yours faithfully,

Signature: _____

Name in full: _____

Designation and

Organization (if applicable): _____

Full residential address

in Bangladesh: _____

Date: _____



**PARTICULARS OF LEGAL ENTITY ABROAD
ESTABLISHED BY BANGLADESHI INVESTORS**

For individual Bangladeshi national

1. Name and address of the investor:
2. National Identification Number (NID)/Passport No:
3. Tax Identification Number (TIN):
4. Particulars of the legal entity established abroad:
 - a) Name and address:
 - b) Nature of business (description of the products/services):
 - c) Ownership structure of the entity (partnership/private limited company/limited liability company):
 - d) Date of registration/incorporation (supported by evidences):
 - e) Reason for not incorporating/registering the entity (if applicable):
 - f) No. of shares and paid up capital (in local currency):
 - g) Name and address of the shareholder(s):
 - h) Reason for not issuing shares (if applicable):
5. Justification for establishing the entity abroad:
6. Date of remittance:
7. Amount remitted:
8. Uses of remitted fund:

Sl. No.	Type of Expenses*	Remittance Amount		Remarks
		in currency of remittance	in equiv. currency of destination	
1.	Registration fee			Exchange rate (if applicable)
2.	Legal/consultancy fee			
3.	Lease/rent of office space (if applicable)			
4.	Other expenses (please specify)			
5.	Balance (if any)			
Total				

*Copies of relevant documents/invoices preserved by the AD shall be enclosed.

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For investor enterprises resident in Bangladesh

1. Name and address of the principal enterprise in Bangladesh:
2. Name and address of the proprietor/partners/directors:
3. Nature of business of the principal enterprise in Bangladesh:
4. Net worth of the principal enterprise in Bangladesh:
5. Annual turnover and the amount of profit earned in Bangladesh during the last financial year:
6. Tax Identification Number (TIN):
7. Particulars of the legal entity established abroad:
 - a) Name and address of the overseas entity:
 - b) Nature of business (description of the products/services):
 - c) Ownership structure of the entity (partnership/private limited company/limited liability company):
 - d) Date of registration/incorporation (supported by evidences):
 - e) Reason for not incorporating/registering the entity (if applicable):
 - f) No. of shares and paid up capital:
 - g) Name and address of the shareholder(s):
 - h) Reason for not issuing shares (if applicable):
8. Justification for establishing the entity abroad:
9. Date of remittance:
10. Amount remitted (in currency of remittance):
11. Uses of remitted fund:

Sl. No.	Type of Expenses*	Remittance amount		Remittance amount
		in currency of remittance	in equiv. currency of destination	
1.	Registration fee			Exchange rate (if applicable)
2.	Legal/Consultant fee			
3.	Lease/Rent of office space (if applicable)			
4.	Other expenses (please specify)			
5.	Saving balance (if any)			
Total				

*Copies of relevant documents/invoices preserved by the AD shall be enclosed.



**APPLICATION FOR EXCHANGING SHARES/SECURITIES BETWEEN
RESIDENT COMPANIES AND OVERSEAS COMPANIES
(to be formed under FEID Circular No. 02/2025)**

SI No.	Particulars	Resident Company	Overseas Company
1.	Name		
2.	Address of the enterprise		
3.	Date of incorporation/registration		
4.	Type of securities to be exchanged		
5.	Total paid up capital		
6.	Number of shares and face value		
7.	Fair value of share/securities to be exchanged		
8.	Swap ratio (at which shares/securities of the resident company will be exchanged for the shares of the overseas company)		
9.	Earnings of the last 03 financial years (according to audited financial statements)		



ANNUAL BUSINESS PROGRESS REPORT OF OVERSEAS LEGAL ENTITIES BY BANGLADESHI INVESTORS

1. Name of the Bangladeshi investor enterprise /entrepreneur:
2. Contact details of the investor enterprise/entrepreneur
 - a) Name of the contact person:
 - b) Name and address of the Bangladeshi entrepreneur/principal enterprise in Bangladesh:
 - c) Phone No:
 - d) Email address:
3. Name and address of the foreign entity:
4. Activities of foreign entity:
5. Reporting period:
6. Details of remittance and issuance of shares against the remitted fund:

Sl. No.	Date of outward remittance by bank branch	Amount of outward remittance (in currency of remittance)	Name and address of the shareholder(s) / owner(s)	No. of shares issued	Value of capital (in local currency)	Remarks
						Exchange rate with the currency of remittance
Total						

7. Details of additional capital investment (if any): Capital investment other than the fund remitted from Bangladesh (as listed in No. 6 above)
8. Financial information of foreign entity:

Asset	Liabilities	Profit/(loss) during the reporting period	Retained earnings	Cause of loss (if applicable)	Last dividend declared and repatriated (if applicable)	Remarks

