

Foreign Exchange Policy Department
Bangladesh Bank
Head Office
Dhaka

website : www.bangladeshbank.org.bd

06 Ashwin, 1415

FE Circular No. 10

Date:-----

21 September, 2008

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

PAYMENT THROUGH INTERNATIONAL CARD

Reference is drawn to the Para No. 3, Chapter 20 and Para No. 1(v), chapter 19 of the Guidelines for Foreign Exchange Transactions (GFET) 1996 (Vol-1), Circular Letter No. বৈমূনী(অবা)43/99-575, dated 16/05/1999 and Circular Letter No. FEPD(Remittance-1)/44/2008-556, dated 23/06/2008 regarding issuance of International Credit/Debit Cards against (i) Balance in exporters' retention quota account (ii) annual personal travel quota entitlement of individual (iii) balance held in resident foreign currency deposit account and (iv) foreign exchange entitlement (fixed by the Government for each person intending to perform Hajj) of approved private Hajj Agencies for meeting food/lodging expenses of the pilgrims in Saudi Arabia respectively.

With a view to liberalising the system further, it has been decided that International Card (debit/credit/pre-paid as the case may be) may also be issued against:

- (1) foreign exchange entitlement fixed by the Ministry of Finance/competent authority for official or semi official visits abroad by the officials of Government/Autonomous/Semi-autonomous institutions etc. [Ref: Para 3, Chapter 19, GFET, 1996 (Vol-1)];
- (2) per diem foreign exchange entitlement for private sector participants for attending seminars, conferences, workshops abroad arranged by recognised international bodies [Ref : Para 4, Chapter 19, GFET, 1996 (Vol-1)];
- (3) balances held in private foreign currency accounts [Ref : Para nos. 1, 2 and 6, Chapter 10, GFET, 1996 (Vol-1) and
- (4) personal entitlement fixed by the Government of Bangladesh in each year for intending pilgrims for performing Hajj [Ref : Para 10, Chapter 19, GFET, 1996 (Vol-1)] .

All instructions issued so far relating to issuance of international cards and those relating to new issuances are outlined below for meticulous compliance by the ADs :

1. International Credit/Debit Card against ERQ Accounts

International Credit Card/Debit Card may be issued against the balances held in the exporters' retention quota (ERQ) foreign currency account as per entitlement mentioned in Para 1, Chapter 20 of the GFET 1996 (Vol-1). International cards may be issued in favour of upto three (3) top level executives of an exporting firm/organization holding retention quota FC Accounts. An exporting firm /organization may avail of the card facility from one card issuing company only. It will be upto the card issuing company to accept or decline a request from an ERQ Account holding exporting firm/organization for issuance of international cards. Cards issued against ERQ accounts may be used only for meeting the bonafide business purposes of the exporting firm/organization as mentioned in Chapter 20, Para 1 of the GFET 1996 (Vol-1).

Contd' to page 2

2. International Credit/Debit Card against RFCD Accounts

International Credit card/Debit Card may be issued against the balance held in Resident Foreign Currency Deposit (RFCD) Account [Chapter 10, Section III, GFET 1996 (Vol-1)] by authorised dealers in Bangladesh.

3 International Credit Card/Pre-paid Card against Travel Quota Entitlement .

ADs may issue international Credit Card/Pre-paid Card against the annual personal travel quota entitlements of the prospective cardholders as per Para 1, Chapter 19 of the GFET 1996 (Vol-1). While issuing card, the AD shall endorse on the passport, the value for which the card is issued. ADs are advised to establish effective control to ensure utilisation of foreign exchange issued for (1) SAARC countries & Myanmar and (2) Other than SAARC countries & Myanmar in the respective areas. It is clarified that the entitlement of usual annual travel quota in respect of (i) SAARC countries & Myanmar and (ii) other than SAARC countries & Myanmar are mutually exclusive.

4. International Credit Card /Pre-paid Card against Govt. Officials etc.

International Credit Card /Pre-paid Card may be issued favoring Officials of Government/Autonomous/Semi-autonomous institutions etc. for official/semi official visits abroad against foreign exchange entitlement fixed by the Ministry of Finance/competent authority from time to time [Chapter 19, Para 3 of the GFET 1996 (vol-1)]. In such case, the prospective cardholder shall be required to submit the letter of sanction for limit of foreign exchange and the Competent Authority' Order authorising the travel. While issuing the card, the AD shall endorse an amount not exceeding the entitlement (as fixed by the Government/Competent Authority) on the passport. It is clarified that the entitlement of usual annual travel quota (as mentioned in Para 1, Chapter 19) and entitlement described in Para 3, Chapter 19 are mutually exclusive for Officials of Government/Autonomous/Semi-autonomous institutions etc for official/semi-official visits abroad.

5. International Credit/Pre-paid Card for Private Sector Officials.

International Credit Card/Pre-paid Card may be issued favouring private sector participants for attending seminars, conferences and workshops abroad arranged by recognised international bodies [Ref : Para 4, Chapter 19 of the GFET 1996 (Vol-1)]. While issuing the card, the AD shall endorse an amount not exceeding the entitlement (as stated in the above Para of the GFET) on the passport. However, it is clarified that the entitlement of usual annual travel quota (Para 1, Chapter 19) and foreign exchange entitlement stated above as per diem (Para 4, Chapter 19) are mutually exclusive.

6. International Debit Card against Private Foreign Currency Accounts

International Debit Card may be issued against the balance held in Private Foreign Currency Accounts [against the balances held in accounts opened and maintained as per Para nos. 1, 2 & 6, Chapter, 10, GFET 1996 (Vol-1)].

7. International Debit/Pre-paid Card against Hajj Entitlement (for Private Sector Hajj Agencies)

In each year Government declares general permission for releasing foreign exchange favouring private sector Hajj Agencies to meet food, lodging etc. expenses of the pilgrims in Saudi Arabia against foreign exchange entitlement fixed for each individual. Foreign exchange within the approved limit under general authorisation may be issued in favour of approved private sector Hajj Agencies operating in Bangladesh by the ADs in the form of Debit Card/Pre-paid card besides cash/TC/FDD/FTT under the following arrangements:

(a) Hajj pre-paid card as issued within the said entitlement fixed by the Government for the respective year shall be used in Saudi Arabia only. Unused balance (if any) shall be encashed into Taka after return to Bangladesh and the card will be invalidated;

(b) The ADs shall have to be satisfied that endorsement of the same entitlement has not already been made/will not be made on the pilgrim pass by another AD.

While issuing the card, the AD shall endorse an amount not exceeding Hajj entitlement (as fixed by the Government) on the pilgrim pass.

8. International Pre-paid Card against Hajj Entitlement (for individuals).

International Prepaid Card may be issued to intending pilgrims (individual resident Bangladesh Nationals) for meeting expenses in Saudi Arabia while performing Hajj as per entitlement declared by the Government in each year [Para 10, Chapter 19, GFET (Vol-1), 1996] for using in Saudi Arabia only. While issuing the card, the AD shall endorse an amount not exceeding Hajj entitlement (as fixed by the Government) on the passport/pilgrim pass.

Hajj pre-paid card as issued within the said entitlement fixed by the Government for the respective year shall be used in Saudi Arabia only. Unused balance (if any) shall be encashed into Taka after return to Bangladesh and the card will be invalidated.

9. Payment of Mobile Phone Roaming Bill

Subject to entitlement in each of the categories mentioned above, International Cardholder may pay their mobile phone roaming service utilization bill to mobile phone operators in Bangladesh through International Card. For realization of roaming bills, the mobile phone operator will specify the bill under the category of SAARC (including Myanmar) and Non-SAARC countries including the amount of security deposit of the customer (if any).

10. Other Instructions

The following requisites, instructions etc., shall have to be meticulously complied with while issuing such international cards :

i) A declaration from the intending cardholder stating that he is not availing himself of any International Credit Card/Debit Card/Pre-paid Card from any other AD against the same account or the same entitlement;

(ii) In case the card is issued by a bank against any ERQ/RFC/FC account maintained in another bank, an authorization has to be obtained from the prospective card holder allowing the card issuing bank to have lien and debit authority for the said account from the bank maintaining that account;

(iii) Effective control system must be ensured by the issuing bank to guard against unwanted drawings in excess of the entitlement or balance in the respective foreign currency accounts (as the case may be). To facilitate monitoring towards limiting the liabilities on account of card use, the FC Account holding ADs may from time to time advise the card issuing bank about the credit balances of the FC Account;

(iv) The cards shall have to be withheld/invalidated as soon as the fund available in the ERQ/RFC/FC account is fully utilized/exhausted unless there is reasonable prospect of replenishment;

(v) In cases of issuances of International Cards against ERQ/RFC/FC accounts, the amount of the respective card shall be under lien so that under no circumstances related account is overdrawn. Yet for any unforeseen reason, if any account becomes overdrawn at any point of time, the same shall have to be immediately reported to the Bangladesh Bank clarifying the reason and remedial measure thereof;

(vi) All records, documents, accounting statements relating to issuance and use of credit cards should be kept ready and available for inspection /examination by Bangladesh Bank as and when required.

11. Reporting

Upon issuance of card(s), a report must immediately be sent to Foreign Exchange Policy Department (Division-2), Bangladesh Bank, Head Office, Dhaka as per proforma given in Appendix-1. Issuance of International Cards and release of foreign exchange thereagainst under the different categories of entitlement as mentioned above shall have to be reported to Bangladesh Bank [Foreign Exchange Policy Department (Division-2) and Statistics Department] by the Head Office/ Country Office of ADs by 12th of the following month with usual monthly returns according to the instructions furnished in appendix -2. Besides, a statement of utilization/payment of foreign exchange against international cards has to be submitted on monthly basis as per Appendix 3 by the Head Office/Country Office by 12th of the following month.

Instructions as mentioned in Para 3, Chapter 20 regarding International Credit Card would be deemed amended accordingly.

Please bring the contents of this circular to the notice of all concerned. Meanwhile, please acknowledge receipt hereof.

Yours faithfully,

(Ahmed Ehteshamul Haider)
Deputy General Manager
Phone: 7120375

Statement Regarding Issuance of International Cards

Name of the Bank and Branch :

1. Name and Address of the individual/exporting firm/organization(along with passport no. and nationality in case of individual):

2. Card Issued against (indicate/mark the appropriate):

(i) Exporters' retention quota (ERQ) accounts

(ii) Annual travel quota entitlement

(iii) Resident foreign currency deposit (RFCD) accounts

(iv) Entitlement for official visits abroad

(v) Per diem entitlement for private sector participants

(vi) Private foreign Currency Account

(vii) Hajj entitlement (Hajj Agencies)

(viii) Hajj entitlement (Individual)

2. Particulars of ERQ/RFCD/FC Account opened in the name of the exporting firm/organization/individual

(a) A/c number and date of opening:

(b) Name and address of the Bank

3. Name(s) and designation(s) of executive(s) of the exporting firm/organization to whom credit cards have been issued and date of issue along with Passport No and nationality:

4. Name and address of the card issuing organization:

Seal of the
card issuing bank

Signature of Authorised Officer of
the Card issuing bank :

Name and designation :

International Card : Reporting Return/Schedule

	International Card Issued	Reporting Return /Schedule
i	Against balances held in ERQ Accounts	EFCS-8, EFCP-2
ii	Against balances held in RFCD Accounts	App 5/6 (Vol-1)
iii	Against Travel Quota Entitlement	E3-P3, P
iv	Against official entitlement for govt. officials etc.	E3-P3, P
v	Against per diem entitlement for Private Sector Participants	E3-P3, P
vi	Against FC Account - other than Bangladeshi	-
	Against FC Account - Bangladeshi	FCS-7, FCP-4
vii	Against Hajj Entitlement (Hajj Agencies)	E3-P3, P
viii	Against Hajj Entitlement (Individual)	E3-P3, P

Monthly Statement of Utilization/Payment of Foreign Exchange Against International Cards

Reporting Month : Year

Name of the Bank :

Part - A

Sl. No	International Card Issued	No of cards under report	Limit Allowed	Expenses incurred during the month (in USD)	Paid to Card Issuing Organizations during the month (in USD)	Paid to Mobile Operators as Roaming Bill during the month (in USD)	Total amount paid (6+7)	Collected amount from the card holders in US\$
1	2	3	4	5	6	7	8	9
i	Against balances held in ERQ Accounts							
ii	Against balances held in RFCD Accounts							
iii	Against balances held in FC Account - other than Bangladeshi							
iv	Against balances held in FC Account - Bangladeshi							
v	Against Travel Quota Entitlement							
vi	Against official entitlement for Govt. officials etc.							
vii	Against per diem entitlement for Private Sector Participants							
viii	Against Hajj Entitlement (Hajj Agencies)							
ix	Against Hajj Entitlement (Individual)							
Total								
Sub-total (i+iv+v+vi+vii+viii+ix)								

Part - B

Country-wise payment (as mentioned in column 8 of Part -A) made by Authorised Dealer against International Card during the monthYear.....

Name of the Country Receiving Payment		Card against ERQ accounts		Card against travel quota entitlement		Card against official entitlement for govt. officials etc.		Card against per diem entitlement for Private Sector Participants		Card against Hajj Entitlement (private agencies)		Card Against Hajj Entitlement (Individual)		Card Against FC Accounts (Bangladesh Nationals)		Total payment made in USD
Country	Code	Amount in USD	Purpose code	Amount in USD	Purpose code	Amount in USD	Purpose Code	Amount in USD	Purpose Code	Amount in USD	Purpose Code	Amount in USD	Purpose code	Amount in USD	Purpose code	17 (3+5+7+9+11+13+15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	

Note : The above statement is to be submitted to Foreign Exchange Policy Department (Division-2) and Statistics Department of Bangladesh Bank with monthly returns .

Signature :
 Full name :
 Designation :
 Department :
 Contact Phone No :
 Date :