

‘Translated into English’

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka.

www.bb.org.bd

Circular Letter No.FEPD(Import)123/2010-544

Date: April 11, 2010

Head Office/Principle Offices of  
All Authorized Dealer banks

Dear Sirs,

**Compliance of the requirement of domestic value addition in  
the context of opening of back to back letters of credit**

Please refer to paragraphs 35 and 37, chapter 7 of the Guidelines for Foreign Exchange Transactions-2009, Vol-1 in terms of which foreign/local back to back letters of credit against export letters of credit are allowed to be opened subject to observance of domestic value addition requirement prescribed in the notification issued by the Ministry of Commerce.

02. Complaints are being raised that foreign/local back to back letters of credit are being opened for import/procurement of excess inputs without observance of the domestic value addition requirement prescribed in Import Policy Order issued through notification by the Ministry of Commerce. Such unauthorized activities are subject to contravention of Foreign Exchange Regulation Act, 1947.

03. In view of the facts stated above, you are advised to remain alert for meticulous compliance of paragraphs 35 and 37, chapter 7 of the Guidelines for Foreign Exchange Transactions-2009, Vol-1. You are also informed that the instruction of the Guidelines for Foreign Exchange Transactions-2009, Vol-1 regarding domestic value addition requirement is issued superseding any other instruction issued earlier.

Yours faithfully,

Sd/-

(Khandaker Abdus Salim)

Deputy General Manager

Phone: 7120375