

**Foreign Exchange Policy Department**

Bangladesh Bank

Head Office

Dhaka

[www.bb.org.bd](http://www.bb.org.bd)

FE Circular No. 18

Date : April 16, 2014

All Authorized Dealers of  
Foreign Exchange in Bangladesh

Dear Sirs,

**Issuance of guarantee in foreign currency favoring local project authorities on behalf of residents.**

Please refer to [paragraph 11, chapter 16 of Guidelines for Foreign Exchange Transactions, Vol-1, 2009](#) in terms of which Authorized Dealers (ADs) are allowed to issue, on behalf of residents, bid bonds/performance bonds/guarantees in foreign currency in favor of local project authorities against goods/services procurement tenders financed by international/foreign donor agencies, on the condition that in case the guarantee is invoked the claim there against would be paid only in Taka equivalent and not in any other currency.

02. It has now been decided that ADs may, on behalf of residents, issue bid bonds/performance bonds/guarantees in foreign currency favoring local project authorities against goods/services procurement tenders financed by Government subject to observance of the instructions stipulated in the paragraph mentioned above.

Please bring the content of this circular to the notice of all concerned.

Yours faithfully,



(Md. Zakir Hossain Chowdhury)  
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