

Foreign Exchange Policy Department
Bangladesh Bank
Head Office
Dhaka.
www.bangladeshbank.org.bd

FE Circular No.- 01

Date: February 12, 2008

All Authorized Dealers of
Foreign Exchange in Bangladesh.

Dear Sirs,

Guidelines to be followed to act as an agent (as Satellite Channel Distributor) of Foreign Principal(s) under Section 18A of Foreign Exchange Regulation Act, 1947.

It is mandatory for all resident individuals/organizations to have permission of the Bangladesh Bank under Section 18A of the Foreign Exchange Regulation Act, 1947 to act as an agent (as Satellite Channel Distributor) of Foreign Principal(s).

A copy of guidelines to be followed to have such permission, renewal thereof and subsequent permission for effecting remittance outward is enclosed herewith.

Yours faithfully,

Encl. 03 (Three).

(Ahmed Ehteshamul Haider)
Deputy General Manager
Phone: 7120375

Guidelines to be followed to act as an agent (as Satellite Channel Distributor) of Foreign Principal(s) under Section 18A of Foreign Exchange Regulation Act, 1947.

1. It is mandatory for all resident individuals/organizations to have permission of the Bangladesh Bank under Section 18A of Foreign Exchange Regulation Act, 1947 before commencing business or receiving any proposal to act as an agent (as Satellite Channel Distributor) of Foreign Principal(s). To obtain such permission, application shall have to be submitted to the General Manager, Foreign Exchange Investment Department along with the following documents:

- (a) Copy of the up to date Trade Licence issued in favor of the individual/organization;
- (b) Copy of No Objection/Clearance Certificate issued by the Ministry of Information to remit payment in favor of foreign principal(s);
- (c) Copy of No Objection/Clearance Certificate issued by the Ministry of Information/competent government regulatory authority for importing and telecasting foreign pay channels locally and importing decoders for television signal;
- (d) Copy of the Clearance Certificate from the Office of the Chief Controller of Import and Export for import of decoders of television signal;
- (e) Copy of the Licence from BTV (STVTR and Commercial);
- (f) Copy of VAT Registration Certificate;
- (g) Copy of TIN Certificate/Tax Clearance Certificate;
- (h) Copy of Contract/Agreement signed with the foreign principal(s) (the contract/agreement shall include the date of execution of contract; rate of commission; validity of the contract/agreement; names and addresses of both the parties; name and designation of the authorized signatory on behalf of both the parties; signature of the authorized signatory of both the parties on all the pages in case the contract is of more than one page, and the term pertaining to the settlement of disputes, if arise, by the local law, etc.);
- (i) Copy of Memorandum and Articles of Association and Certificate of Incorporation in case of a limited company (certified by the Register of Joint Stock Companies and Firms) and the copy of Board resolution in favor of authorized person(s) to act on behalf of the company;
- (j) Copy of Partnership Deed and letter of authority delegated to the authorized person(s) by all the partners in case of a partnership firm;
- (k) Copy of contract/agreement signed with all local cable operators by the agent/distributor containing detailed information on fees,;
- (l) Declaration by the agent/distributor at the beginning of the year regarding maximum projected/estimated amount to be remitted in favor of the foreign principal(s) during the year. Besides, statement of income realized from the local customers on monthly basis along with VAT Returns stating amount and number of customers;
- (m) Copy of No Objection Certificate from Bangladesh Telecommunication Regulatory Commission to use frequency for the instruments of satellite channel transmission and to use the instruments of telecommunication transmission.

2. Bangladesh Bank reserves the right to suspend/cancel the accorded permission in case any complaint is raised against the agent/distributor about his illegal, unlawful and objectionable activities and activities against the law/order or interest of the country . Besides, suspension/cancellation of the permission will be effected if it appears to the Bangladesh Bank to the effect that the concerned agent/distributor is committing immoral/illegal activities.

3. The audited financial statements of the concerned year must contain the clear information about the income received from this sector as it will be considered before allowing any outward remittance. In that case, amount determined after adjustment of commission receivable by the agent/distributor as mentioned in the contract, government tax and others, if any, from the gross income, can be remitted abroad after obtaining permission of the Bangladesh Bank. To obtain permission for remittance, the concerned authorized dealer bank shall have to submit the following documents to the Bangladesh Bank after proper scrutiny thereof:

(a) A statement containing information on monthly collection of fees by individual cable operator; government tax paid by the cable operators; amount receivable by the local agent/distributor as fees; other deductibles (if any) and amount to be remitted in favor of the foreign principal(s);

(b) Copy of permission of the Bangladesh Bank under Section 18A of the Foreign Exchange Regulation Act, 1947;

(c) Copy of the monthly statement of revenue collected from the local customers by the agent/distributor;

(d) Copy of invoice received from the foreign principal(s) (based on the statement of monthly collections).

(e) The auditors' certificate on outward remittance stating whether source tax is deductible or not, if so whether source tax is deducted or not;

(f) Copy of TIN Certificate and copy of documents pertaining to the payment of deducted income tax;

(g) An undertaking by Chief Executive of the agent/distributor (as per annexure attached) to the effect that in case of excess remittance to the foreign principal(s) due to error in calculation or by mistake or otherwise, the amount so remitted will be brought back/repatriated/adjusted;

(h) Audited Balance Sheet, Profit and Loss A/C Statement and other financial statements for the year to which the remittance relates;

(i) Number of imported Decoder(s)/IRD(s) by the distributor from the principal (as per Letter of Permission from the Office of Chief Controller of Export and Import, Commercial Invoice and Packing List) and a detailed list of cable operators to whom the Decoder(s)/IRD(s) was(were) distributed.

4. Upon being satisfied about the genuineness/correctness of the documents listed above, the authorized dealer bank on behalf of the agent/distributor shall apply to the Foreign Exchange Policy Department (Remittance Section-II) along with TM Form and all other necessary/relevant documents for sending remittance abroad. Remittance can only be made after obtaining approval from the above mentioned department :

5. Bangladesh Bank reserves the right to change/amend/cancel the whole or part of the guidelines from time to time.