

FEPD-1 Circular No. 15

Date: July 01, 2026

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Pilot framework for digital processing of trade documents under documentary collections and letters of credit through approved trade corridors

Dear Sirs,

Attention of Authorized Dealers (ADs) is invited to FE Circular No. 01 dated 06 January 2026, which introduced facilitation measures for secure electronic submission and processing of export documents under documentary collection arrangements.

02. With a view to further advancing digitalization in cross-border trade and enhancing efficiency, transparency, and resilience in trade finance operations, Bangladesh Bank hereby introduces a pilot framework for digital processing of trade documents covering both export and import transactions under documentary collections and letters of credit (LCs) through approved trade corridors. This framework aims to support interoperable, secure, and legally reliable electronic trade documentation, including Electronic Transferable Records (ETRs), in line with evolving international standards.

03. Scope and coverage: The instructions shall apply to:

(a) Export and import transactions under documentary collections (DP/DA) governed by latest URC and eURC Supplement; and

(b) Export and import transactions under documentary credits governed by UCP in force and applicable electronic presentation rules (eUCP, where applicable); and

(c) Related trade financing activities involving electronic trade documents within approved pilot arrangements.

04. Core principles for digital trade documents: All participants under this framework shall adhere to the following principles:

(a) Interoperability: Electronic trade documents shall be capable of being issued, transmitted, received, and verified across different systems without dependency on any single platform.

(b) Technology neutrality: No specific technology, platform, or vendor shall be mandated, provided minimum security and functional standards are met.

(c) Decentralized verification: Authenticity and provenance of electronic documents shall be verifiable independently of the issuing or transmitting system using cryptographic or equivalent mechanisms.

(d) Data privacy by design: Sensitive trade data shall remain under the control of the document owner and shall not be mandatorily stored in centralized or shared systems.

(e) Legal functional equivalence: Electronic trade documents, including ETRs, shall be treated as functionally equivalent to paper documents where they meet applicable legal and operational requirements.

05. Initiation of pilot trade corridors:

(a) ADs shall approach Bangladesh Bank for concurrence in principle for participation in the pilot framework and use of digital trade document processing arrangements.

(b) Requests shall specify:

- (i) Proposed trade corridor(s) (country/region pair)
- (ii) Counterparty banks and institutions
- (iii) Type of transactions (LC / Collection / mixed)
- (iv) Technology approach and interoperability features
- (v) Risk management and compliance arrangements

(c) Approval shall be granted subject to readiness, safeguards, and compliance with this framework.

(d) Trade corridors shall be identified to enable controlled, legally aligned and operationally testable pilot implementation in cross-border environments.

06. Legal and contractual arrangements

(a) Sales contracts, LCs, and collection instructions shall explicitly provide for electronic issuance, transmission, and acceptance of trade documents.

(b) Parties shall agree that electronic documents shall be:

- (i) Operationally valid and binding
- (ii) Acceptable for settlement, acceptance, and delivery purposes within the pilot framework

(c) Applicable rules (URC 522, UCP 600, eURC, eUCP) shall govern transactions to the extent mutually agreed among parties.

(d) ADs shall ensure that ETRs comply, to the extent practicable, with principles consistent with internationally recognized legal frameworks for electronic transferable records.

07. Electronic documents under documentary collections and LCs

(a) ADs may process trade documents in electronic form, including but not limited to:

- (i) Commercial invoices
- (ii) Transport documents (including electronic bills of lading where applicable)
- (iii) Bills of exchange / drafts

(b) Where documents constitute ETRs, ADs shall ensure that mechanisms are in place to preserve:

- (i) Singularity: Existence of a unique authoritative version of the document;
- (ii) Control: Ability to identify and transfer exclusive control to a single holder;
- (iii) Integrity: Protection against unauthorized alteration, including use of cryptographic methods or equivalent safeguards.

(c) Unique identifiers (e.g., digital fingerprints or hashes) shall be used where feasible to ensure document integrity.

(d) Where full electronic handling of title documents is not feasible, hybrid arrangements with physical fallback may be applied.

08. Endorsement, transfer and control mechanism

(a) Electronic endorsement of documents may be executed through:

- (i) digital signatures;
- (ii) secure platform-based transfer mechanisms; and
- (iii) authenticated interbank messaging systems, where required for communication of settlement instructions, endorsements, or operational messages, particularly where platform-based electronic channels are not available or mutually agreed.

These mechanisms may be used individually or in combination for the issuance, transmission, endorsement, authentication, and related processing of electronic trade documents under the approved pilot framework.

(b) Platform-generated audit trails and system logs shall constitute evidence of:

- (i) Endorsement
- (ii) Transfer of control
- (iii) Receipt and acceptance

(c) Transfer of ETRs shall ensure that only one party exercises control at any point in time.

09. Import transactions under LC arrangements and sales contracts

(a) Import transactions under LCs and documentary collection under sales contracts may be processed with electronic presentation of trade documents, subject to acceptance by the relevant banks involved, including issuing, advising, nominated banks, or settlement banks, as applicable.

(b) Where ETRs or electronic trade documents are not legally recognized or enforceable in the counterpart jurisdiction, ADs may:

- (i) accept electronic copies of documents for preliminary verification purposes; and
- (ii) require submission of physical documents of title or other original documents, where necessary for compliance, legal enforceability, or risk management.

(c) Release of goods under import transactions may be effected based on mutually agreed electronic confirmation and verification mechanisms established within the approved pilot framework, subject to compliance with applicable regulatory requirements and contractual terms between the parties.

10. Export transactions under LC and collection arrangements

(a) Exporters may submit documents electronically to ADs under LC and collection arrangements.

(b) ADs shall forward documents electronically to foreign banks through secure and interoperable channels.

(c) Realization of export proceeds shall be monitored in accordance with prevailing foreign exchange regulations.

11. Technology, security and data integrity

(a) ADs shall ensure secure transmission channels with:

- (i) Encryption
- (ii) Authentication
- (iii) Time-stamping
- (iv) Tamper-proof audit logs

(b) Systems shall comply with internationally recognized information security standards.

(c) Sensitive document data shall not be mandatorily stored in shared or public infrastructures.

(d) ADs shall establish and maintain appropriate digital interfaces, platforms, or secure channels to enable their customers (including exporters and importers) to electronically submit, access, track, and manage trade documents and related data flows under this framework. Such interfaces shall ensure data security, user authentication, auditability, and compatibility with interoperable digital trade document systems.

12. Use of technology service providers:

(a) ADs may utilize digital trade platforms, service providers, or open-source solutions that:

- (i) Support interoperability
- (ii) Enable independent verification of documents
- (iii) Meet acceptable governance and security standards

(b) Preference should be given to solutions that avoid vendor lock-in and support cross-platform compatibility.

(c) Costs associated with such services may be treated as normal banking charges.

13. ADs shall observe usual reporting requirements, including additional instructions based on pilot outcomes.

14. Implementation


(a) The pilot framework shall be implemented on a phased basis under approved trade corridors.

(b) Expansion shall be subject to satisfactory performance and regulatory assessment.

(c) Existing foreign exchange regulations shall remain applicable unless otherwise modified.

The provisions of FE Circular No. 01 dated January 06, 2026 shall continue to remain in force. The instructions contained therein shall apply, *mutatis mutandis*, to transactions not covered under the present pilot framework. Please bring the contents of this circular to the notice of relevant constituents.

Yours faithfully,



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