Foreign Exchange Policy Department-1
Bangladesh Bank
Head Office
Dhaka
www.bb.org.bd

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Head offices/principal offices of all
Authorized Dealers in Bangladesh

Framework for import trade in Free Trade Zones (FTZs)

Dear Sirs,

In order to facilitate import trade into Free Trade Zones (FTZs) and ensure prudent risk management by banks, it has been decided to introduce a structured framework governing such transactions. Accordingly, the following instructions shall be followed by Authorized Dealers (ADs) and Offshore Banking Units (OBUs) providing financial services for transactions involving FTZs, in line with prevailing foreign exchange regulations.

1. Eligible entities for import into FTZs:

Imports into FTZs may be undertaken by the following entities operating within such zones:

(a) Industrial enterprises engaged in manufacturing, processing, or export-oriented production;
(b) Importers on record authorized to undertake trading activities; and
(c) Logistics service providers duly permitted to operate within FTZs.

2. Nature of imports into FTZs

(a) Imports into FTZs for storage, warehousing, or distribution may be undertaken on a consignment basis, whereby ownership/title of goods remains with foreign suppliers until such goods are:

(i) used in production; or

(ii) sold to ultimate buyers.

(b) For the purpose of bank financing and exposure recognition, such goods shall not be treated as owned inventory of FTZ enterprises entity until the occurrence of either of the above events.

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3. Treatment of purchase and sale transactions

(a) Purchase of goods from FTZs by buyers in Bangladesh, including those located in specialized zones or intra/inter FTZs, shall be treated as import transactions. Accordingly, usual import procedures, including IMP formalities, shall be duly followed.

(b) Where such purchases relate to industrial raw materials, usance import facilities of up to 270 days may be allowed in terms of FE Circular No. 51, dated December 29, 2025.

(c) Sale of finished or semi-finished goods by FTZ enterprises to buyers in Bangladesh, including those in specialized zones or intra/inter FTZs, shall be treated as export transactions for sellers and import transactions for buyers. Accordingly, EXP and IMP procedures shall be complied with by the respective parties.

(d) Payments against all such transactions shall be settled in freely convertible foreign currency. FTZ enterprises may retain sales proceeds in designated margin accounts in foreign currency for the purpose of onward settlement abroad in respect of underlying import obligations.

4. Tenor of import transactions

(a) Goods imported into FTZs under consignment arrangements may remain in the zone for a period of 48 to 60 months, subject to observance of the applicable regulatory requirements in this regard.

(b) Usance import transactions, including those supported by buyer’s credit or supplier’s credit, shall be subject to a maximum tenor of 270 days, in line with prevailing foreign exchange regulations.

5. Financing and exposure treatment

(a) ADs may extend financing to FTZ entities in a manner similar to financing facilities provided to enterprises operating in specialized zones, as outlined in Part-B of FE Circular No. 34, dated September 02, 2025.

(b) In respect of consignment-based imports, ADs/OBUs shall not recognize or assume exposure on the FTZ entity against goods where ownership/title remains with the foreign supplier. Consignment is recognized as imports only upon transfer of ownership to the FTZ/other entity through consumption in production or sale to ultimate buyers, supported by appropriate documentation including bill of entry. On transfer of ownership, credit facilities may be admissible as per (c) below.

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(c) For usance imports, ADs may arrange buyer's credit or extend supplier's credit facilities with a tenor not exceeding 270 days. OBUs may provide such financing in foreign currency in accordance with applicable regulations as per FE Circular No.11, dated January 30, 2025.

6. Risk management and due diligence

(a) Admissible financing shall be supported by appropriate documentation and aligned with the underlying transactions.

(b) ADs/OBUs shall undertake due diligence on FTZ clients, including assessment of contractual arrangements with foreign suppliers and buyers, verification of ownership structure, and evaluation of production and sales cycles.

Please bring the contents of this circular to the notice of relevant constituents.

Yours faithfully,

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