

**FOREIGN EXCHANGE POLICY DEPARTMENT
BANGLADESH BANK
HEAD OFFICE
DHAKA.**

F.E CIRCULAR NO: 16

DATE : 18 /07/2002

All Authorised Dealers in Foreign Exchange
in Bangladesh.

Dear Sirs,

**Release of foreign exchange for education and
travel abroad, including travel on medical grounds**

We refer to the instructions contained in Para 10 of Chapter 18 and Paras 1(ii), 2,4,7 (ii) of Chapter-19 of 'Guidelines for Foreign Exchange Transactions, 1996, Volume-1'.

02. It has been decided that with immediate effect, the above mentioned instructions will be substituted as follows, -

" CHAPTER-18: Para: 10:

Foreign exchange may be released by the ADs for admission and study by Bangladesh nationals in regular courses in recognised educational institutions abroad subject to verification of bonafides according to the following drill:

(A) Application and required papers.

- (i) Application (Appendix 5/57) duly filled in;
- (ii) Original and photocopy of admission letter issued by the educational institution in favour of the student (such as the I-20 in the case of US institutions);
- (iii) Original and photocopy of estimate relating to annual tuition fee, board and lodging, incidental expenses etc. issued by the concerned educational institution (I-20 in case of US institutions);
- (iv) Attested copies of educational certificates of the applicant; and
- (v) Valid passport.

(B) Examination and processing by AD

- (a) After scrutinising the application and the supporting documents submitted the AD shall issue foreign exchange as per estimate furnished by the educational institution subject to adjustment with the travel entitlement. On application from

the concerned student, expenses in transit not exceeding US dollar 200 or its equivalent in other freely convertible currency may be allowed out of travel entitlement described in para 1 of Chapter 19 of 'Guidelines for Foreign Exchange Transactions, 1996, Volume-1'.

- (b) In each case of sale of foreign exchange, the front page of the original letter of estimate/acceptance letter issued by the concerned educational institute should bear clearly the round stamp of the foreign exchange issuing bank branch and also the signature of the officer of the said branch.
- (c) After verifying the original copies of papers referred to in para 10(A) above, the foreign exchange issuing ADs would attest the photocopy thereof and preserve the same. Thereafter, the original copies would be returned to the applicant.
- (d) Foreign exchange payable to the educational institution should be issued in favour of the institution concerned in the form of TT/MT/Draft. If payment on account of board and lodging/incidental expenses etc. are not required compulsorily to be in favour of the educational institution, foreign exchange on these counts may be issued in favour of the student in the form of TC/Draft etc. Educational institutions sometimes require applicants to send advance amounts for processing of applications, retention of seats etc. If the papers of the foreign educational institution clearly state such requirement, advance remittance may be effected.
- (e) The facility of purchase of foreign exchange/remittance will not be admissible for more than one academic year at a time.
- (f) For each release of foreign exchange subsequent to the first release, the current progress report and current estimate of the educational institution should be taken into consideration. The ADs shall maintain separate file for each student with all relevant papers in readiness for perusal by inspecting officials of Bangladesh Bank.
- (g) All purchase of foreign exchange throughout the entire duration of a course of study pursued abroad should be from one AD bank branch. For any intended change in this respect, the relevant file shall be transferred direct to the concerned new AD branch on written request by the student. Under no circumstance should the file be handed over to the student.

CHAPTER 19: Para 1 (ii):

The ADs may release foreign exchange upto US\$ 1000 or equivalent per person during a calendar year to Bangladesh nationals proceeding by air to destinations in SAARC member countries and Myanmar; within this annual limit, upto US\$ 500 or equivalent may be issued per person for overland travels to the aforesaid countries. For visits of Bangladesh nationals to destinations in countries other than those mentioned above, upto US\$ 3000 per person may be issued during a calendar year. The above limits are indicative, Bangladesh Bank will authorise release of foreign exchange for travel abroad beyond these indicative limits upon submission of documents regarding the bonafides of the expenses. Applications for such authorisation should be sent to Foreign Exchange Policy Department of Bangladesh Bank.

CHAPTER 19: Para 2:

All applications for foreign exchange for travel abroad on health grounds should be submitted in form as at Appendix 5/58, in duplicate. Upto US\$ 10,000 or equivalent may be released by the AD on the basis of the recommendation of the Medical Board set up by the Health Directorate or on the basis of the need established through recommendation of appropriate medical specialists and the cost estimate of the foreign medical institution. Requests for release of foreign exchange exceeding US\$10000 for treatment abroad should be forwarded by the AD with supporting documents to Bangladesh Bank, which will authorise release upon verification of the bonafides of the expenses.

CHAPTER 19: Para 4:

Authorised Dealers may release foreign exchange to private sector participants for attending seminars, conferences and workshops abroad at the scale of upto (i) US\$ 200 per diem for SAARC member countries and Myanmar and (ii) US\$ 250 per diem for other countries. Foreign exchange may be released only for the actual period of the seminar/workshop/conference to be held, on the basis of invitation letters received in the names of the applicants or their employer institutions. Photocopy of the invitation letter and all other related documents should be kept in record by the ADs for post facto scrutiny by the inspection officials of Bangladesh Bank. Release of foreign exchange beyond the above

mentioned indicative limits will be allowed by Bangladesh Bank upon submission of requests supported by documented proof of the expenses. Applications for such release should be sent to Foreign Exchange Policy Department of Bangladesh Bank.

CHAPTER 19 :Para 7(ii):

Importers are entitled to a business travel quota @ 1% of their imports settled during the previous financial year while non-exporting producers for the local market are entitled to such business travel quota @ 1% of their turnover of the preceding financial year as declared in their tax return; subject in both cases to upper ceiling of US\$ 5000. The same business organisation engaged in imports as well as production shall be allowed such business travel quota entitlement only on one count. Bangladesh Bank will grant release of foreign exchange for travel abroad beyond the above-mentioned indicative limit upon submission of documentary proof of the expenses. Applications for such release should be sent to Foreign Exchange Policy Department of Bangladesh Bank. "

03. For any further clarification regarding the above instructions, references should be made to the Foreign Exchange Policy Department of Bangladesh Bank. Please bring these instructions to the notice of all concerned; meanwhile please acknowledge receipt of this circular.