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

FEPD-1 Circular No. 22 Date: July 22, 2026

All Authorized Dealers in
Foreign exchange in Bangladesh

Foreign exchange transactions by freelancers/individual service exporters

Dear Sirs,

In terms of the Foreign Exchange Regulation Act, 1947 and the regulatory framework issued thereunder, Authorized Dealers (ADs) are permitted to facilitate foreign exchange transactions of freelancers and individual service exporters. With a view to ensuring smooth execution of such transactions and consolidating the relevant regulatory provisions in a single reference, it has been decided to compile and restate the applicable instructions. Accordingly, the following guidelines are hereby issued governing foreign exchange transactions of freelancers/individual service exporters engaged in the export of services in non-physical form (e.g., ICT services, BPO, and online professional services):

1. Scope and applicability: Export procedures applicable to physical goods, including submission of EXP Form, shall not apply to the export of services conducted through the internet or other electronic media. However, the realization, repatriation, and reporting of export proceeds against such services shall be governed by the relevant provisions of the prevailing foreign exchange regulations.

2. Service export and receipt of payments:

(a) Freelancers may receive payments from non-resident customers upon delivery of services. Such transactions may not necessarily be supported by traditional export documents (e.g., invoices, shipping documents); however, they will be supported by appropriate electronic evidences.

(b) ADs may, upon due verification of such electronic evidence, credit the equivalent amount in local currency to the freelancer's account and retain eligible portions in foreign currency in Exporters' Retention Quota (ERQ) accounts.

3. Verification and documentation:

(a) In the absence of traditional documents, ADs shall satisfy themselves regarding the genuineness of transactions based on electronic records, including but not limited to emails, contracts, invoices (if available), platform statements, or other digital communications, along with inward remittance messages.

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(b) ADs shall ensure that freelancers possess the necessary capability and profile consistency to provide the underlying services.

(c) Inward remittances up to USD 20,000 (twenty thousand) or equivalent may be credited without submission of Form-C. However, transactions exceeding this threshold shall be supported by online Form-C (ICT), to be submitted through designated secure digital applications, unless otherwise permitted under relevant instructions, including those contained in FEPD-1 Circular No. 03 dated January 08, 2026.

4. Repatriation through OPGSPs:

(a) ADs may facilitate the repatriation of small-value service export proceeds through internationally recognized Online Payment Gateway Service Providers (OPGSPs).

(b) The maximum limit per transaction shall be USD 10,000 or equivalent.

(c) ADs shall maintain separate nostro collection accounts for each OPGSP, and funds shall be automatically swept from exporters' notional accounts to such accounts.

(d) No foreign exchange earnings shall be retained in notional accounts abroad; all proceeds must be repatriated to Bangladesh.

(e) ADs and concerned parties shall comply with the operational modalities and detailed instructions stipulated in paragraph 56 of FE Circular No. 31 dated July 31, 2025, issued by Bangladesh Bank.

5. Receipts through Cards, MFSPs, and PSPs

(a) ADs may issue dual-currency 'Freelancer Cards' to eligible freelancers for receipt of export proceeds, in accordance with the provisions and operational modalities outlined in paragraph 57 of FE Circular No. 31 dated July 31, 2025 issued by Bangladesh Bank.

(b) Mobile Financial Service Providers (MFSPs) and Payment Service Providers (PSPs), in association with foreign PSPs, may facilitate the repatriation of service export proceeds in line with the framework and instructions set out in paragraph 59 of FE Circular No. 31 dated July 31, 2025.

(c) Funds shall be credited to digital wallets or bank accounts of freelancers in accordance with underlying settlement mechanisms.

(d) ADs may maintain ERQ accounts in the name of ITES exporters in coordination with MFSPs and PSPs, up to the permissible retention limit out of repatriated export proceeds. In such cases, ADs shall ensure availability of funds in the ERQ accounts in foreign currency in accordance with standing arrangements, prior to onward transfer of funds to the settlement accounts of MFSPs and PSPs, in line with paragraph 59(2)(c) of FE Circular No. 31 dated July 31, 2025.

6. ERQ facilities and utilization

(a) Service exporters may retain up to 50% of net export earnings in foreign currency against export of software, data entry/processing, and other ICT-related services, and up to 30% in respect of other legitimate services, in accordance with Part-J of FE Circular No. 31 dated July 31, 2025.

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(b) The remaining portion shall be mandatorily converted into Taka and credited to local currency accounts.

(c) Balances in ERQ accounts may be used for bonafide current expenses such as foreign travel, software registration, domain/hosting fees, server maintenance, and import of equipment, including legitimate personal expenses.

7. Taxes and regulatory compliance

(a) ADs shall ensure deduction and payment of taxes, if applicable.

(b) All transactions shall comply with KYC, AML/CFT standards, and relevant foreign exchange regulations.

8. Time limit for repatriation: Export proceeds from services shall be repatriated within the prescribed time limits applicable to export of goods.

9. Prohibition on retention abroad: Retention of export proceeds abroad, in any form (including foreign accounts, assets, or virtual assets), other than permitted notional/merchant accounts under approved arrangements, shall constitute a violation of the Foreign Exchange Regulation Act, 1947.

10. Reporting and record-keeping: ADs shall report all transactions to Bangladesh Bank with appropriate purpose codes and maintain proper records for regulatory review.

Yours faithfully,

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