

Foreign Exchange Policy Department  
Bangladesh Bank  
Head Office  
Dhaka  
[www.bb.org.bd](http://www.bb.org.bd)

**FE Circular No. 15**

**Date: June 10, 2018**

All Authorized Dealers in  
Foreign Exchange in Bangladesh

Dear Sirs,

**Remittance on account of head office expenses by  
branches of foreign banking companies operating in Bangladesh**

FE Circular 07, dated 21/01/1976 and FE Circular No. 58, dated 17/11/1979 restrict branch offices of foreign companies including banking companies to remit head office expenses abroad.

02. It is observed that branch operations of foreign banking companies need to share expenses of their head offices against benefits accrued to operations in Bangladesh. These expenses of head offices are incurred on account of the general management, administration and strategy of the whole company including its foreign branches. Head offices allocate these expenses to their branches in accordance with standard practices. To facilitate smooth operations of branches of foreign banking companies in Bangladesh, it has been decided that Authorized Dealers may remit such expenses without prior approval from Bangladesh Bank subject to observance of the following instructions:

(a) Gross remittable amount (before deduction of source tax) shall not exceed the limit as allowed in income tax regulations of the country;

(b) The remittance is subject to compliance of taxes regulations like deduction and payment of applicable source tax and VAT.

(c) Head office expenses need to be supported by certificate issued by the head office auditors in line with global standard;

(d) The expenses will not be remittable before the close of financial statements;

(e) There should be separate disclosure in the audited Financial Statement for such expenses.

03. Within 15 days of remittance, a set of documents related to the remittances is to be forwarded to Foreign Exchange Investment Department, Bangladesh Bank; Head Office with an undertaking to the effect that any amount detected by Bangladesh Bank as excess remittance while post facto checking shall be repatriated immediately.

The above instructions shall come into immediate effect.

Yours faithfully,



(Jagannath Chandra Ghosh)  
Deputy General Manager  
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