

Foreign Exchange Policy Department
Bangladesh Bank
Head Office
Dhaka.
Web site: www.bangladeshbank.org.bd

FE Circular No. 07

Date: June 29, 2009

All Authorised Dealers of
Foreign Exchange in Bangladesh

Dear Sirs,

Application of appropriate Incoterms in respect of foreign trade.

Please refer to para [02 of FE Circular No. 02 dated March 25, 2008](#) regarding the applicable Incoterms to be used for export from Bangladesh.

02. Incoterms require LCs to be opened on FC A basis if goods are to be delivered by exporters to the buyer's nominated person. Contrary to this, it has been observed that ADs are advising FOB stipulated LCs with condition to deliver the goods to the carrier or to the buyer's nominated person prior to loading on board a vessel.

In such cases exporters face additional risks and incur extra costs. ADs are, therefore, advised to satisfy themselves that LCs reflect accurate terms and conditions of the Incoterms stipulations before advising the same to the beneficiaries. Inconsistency, if any, should be informed immediately to the LC issuing bank for necessary amendment with intimation to the beneficiary. ADs are also advised to keep their exporter customers informed of the appropriate terms and conditions against applicable Incoterms for export so that they can insist foreign buyers to get LCs issued accordingly.

03. Please bring these instructions to the notice of all concerned. Meanwhile please acknowledge receipt of it.

Yours faithfully,

(Khandaker Abdus Salim)
General Manager (Current Charge)
Phone: 7120375