

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

FE Circular Letter No. 26

Date: 14/11/2019

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Use of international cards for online payments

Chapter 19 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 outlines operational procedures in issuance of international cards (ICs) against relevant entitlements and payment/online payment thereby for legitimate purposes under current account transactions. International cards are, in general, intended to be used by cardholders while on travel abroad. General permission is, however, given to use international cards in Bangladesh for online payments as specified in the above stated chapter. Paragraph 17 ibid permits ADs to allow their cardholders to use ICs for online payment not exceeding USD 300 or its equivalent at a single transaction against legitimate purchase of items of goods and services (such as downloadable application software, e-books, etc.), magazine/newspaper subscription fees from reputed and reliable sources abroad.

02. This is to clarify that ICs are usable for online payment against legitimate purchase of goods or services from abroad. Payment for purchase of goods/services originated and sold in Bangladesh shall not be settled through ICs. Therefore, card issuing banks are advised to observe extended due diligence so as to avoid misuses (like illegitimate transactions without limiting to capital account transactions, prohibited payments such as for playing online casino/gambling, forex trading, purchase of financial instruments issued in foreign stock markets, purchase of cryptocurrency & lottery ticket etc.) of the general authorization for online payment. Cardholders shall, for online payment through ICs, submit Online Transaction Authorization Form (OTAF) to the ADs stating payment details as per annexure attached herewith. On being satisfied about the legitimacy of the transactions declared on OTAF duly filled in/submitted by cardholders on mobile application, internet platform or in hardcopy, ADs will activate the respective ICs for international transaction and after execution of the transaction the same shall be deactivated immediately. ADs shall verify the executed online transactions with declaration in OTAF and satisfy themselves regarding payment of applicable VAT, Tax and Duty for online purchase of goods and services from abroad through ICs. OTAF procedure shall also be applicable to execute other permissible international online transactions through ICs from Bangladesh.

03. Failure to comply with aforementioned instructions will eventually result in suspension/withdrawal of bank's general authorization for issuance of ICs.

Please bring the above clarification to the notice of all concerned constituents.

Yours faithfully,



(Mohammad Khurshid Wahab)
General Manager
Phone: 9530123

Bank Name:
Online Transaction Authorization Form

Date:

Particulars	
Cardholder's name:	
Card number:	
Beneficiary name:	
E-commerce website address:	
Website URL address (product/service's specific address):	
Foreign currency amount:	
Deatils of products/services to be purchased:	