

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

FE Circular No. 18

Date: 01 October, 2009

Head Offices/Principal Offices of All Authorized Dealers
in Foreign Exchange in Bangladesh

Dear Sirs,

Revocation of the condition of covering forward sales by forward purchases

Your attention is invited on the "ka" subsection of section 02 of FE circular 01, dated 04 January, 2005 on the above subject.

02. It has now been decided that the conditions of covering all forward sales by at least 50% of forward purchase and the rest by interbank forward purchase and purchase of sight export bill has been revoked.

03. Accordingly, the concerned instruction mentioned in Section 08, Chapter 04 of Guidelines for Foreign Exchange Transactions (Vol-1), 2009 (ADs are required to cover at least 50% of their forward sales by forward purchases; the remaining portion may be covered by interbank forward purchase and/or spot purchases of export bills. Forward sales associated swap transactions are not required to be covered by forward purchase) will be considered as deleted.

Other instructions in this regard will remain unchanged.

Please acknowledge receipt and inform the issues to all of the concerned.

Yours faithfully

Signed/-

(Khandokar Abdus Selim)
Deputy General Manager
Phone: 7120375