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

FEPD-1 Circular No. 37 Date: September 21, 2026

All Offshore Banking Units and
Managing Director/Chief Executive Officer
All Scheduled Commercial Banks in Bangladesh

Outright purchase and sale of foreign currency and
cross-currency swap transactions by Offshore Banking Units

Dear Sirs,

Please refer to paragraph E(1) of the Guidelines for Offshore Banking Operations issued vide FE Circular No. 11 dated January 30, 2025. The paragraph outlines limitations on activities of Offshore Banking Units (OBUs).

02. In order to facilitate legitimate customer transactions, enhance foreign currency liquidity management, strengthen asset-liability management practices, and align offshore banking operations with internationally accepted treasury practices, it has been decided that, notwithstanding the provisions of paragraph E(1) of the aforesaid Guidelines, Offshore Banking Units (OBUs) may undertake outright purchase and sale of foreign currency and cross-currency swap transactions with their respective Domestic Banking Units (DBUs), other Authorized Dealers (ADs), other OBUs, and other legitimate local counterparties.

03. Such transactions may be undertaken where they are directly related to permissible customer transactions, funding requirements, settlement obligations, liquidity management, asset-liability management, or foreign exchange risk management.

04. OBUs shall ensure that such transactions are conducted in accordance with applicable foreign exchange regulations, prudential guidelines, approved internal policies, dealing and counterparty limits, and sound risk management practices. Such transactions shall not be undertaken for speculative foreign exchange trading purposes.

05. OBUs are encouraged to adopt prudent foreign currency funding strategies, including accessing lower-cost currency funding where feasible, and arranging appropriate outright foreign exchange purchase/sale transactions or cross-currency swap arrangements, as appropriate, to facilitate cost-effective trade settlement, efficient foreign currency liquidity management, and effective mitigation of associated foreign exchange risks.

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06. The above facilities are intended to enable OBUs to provide efficient services for permissible trade and financing activities, optimize foreign currency funding arrangements, and manage currency exposures in line with internationally accepted market practices.

07. All other provisions of the Guidelines for Offshore Banking Operations issued vide FE Circular No. 11 dated January 30, 2025 shall remain unchanged.

08. This circular is issued in exercise of the powers conferred on it under Section 11(7) and Section 25(2) of the Offshore Banking Act, 2024; and Section 20(3) of the FER Act, 1947.

Please bring the contents of this circular to the notice of all your relevant constituents.

Faithfully yours,

(Dr. Md. Abu Bakkar Siddique)
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