

Information to general public for opening and maintaining of Foreign Currency

Account with Authorized Dealer banks dealing in foreign exchange

This is to inform all concerned that Bangladeshi wage earners can open and maintain foreign currency (FC) accounts with any bank branch having Authorized Dealer license in foreign exchange.

These accounts are profit/interest bearing whose balance can be sent abroad freely. These accounts can be either savings or term nature.

Besides, persons ordinarily residing in Bangladesh may open and maintain accounts in FC titled 'Resident Foreign Currency Deposit (RFCD)' accounts with foreign exchange brought in at the time of their return from travel abroad. Related information for opening and maintaining of such accounts are described below in brief:

A. Private Foreign Currency (FC) Account:

- **Person eligible to open account:** Bangladesh nationals working/residing abroad, foreign nationals residing abroad or in Bangladesh, foreign missions and their expatriate employees, foreign firms registered abroad and operating in Bangladesh or abroad and Bangladesh nationals working in foreign/international organizations in Bangladesh with entitlement to receive salary in foreign currency may open Private FC Account with Authorized Dealer banks .
- **No initial deposit to open account:** Bangladeshi nationals proceeding abroad for employment/immigration/self-employment may open such account even without initial deposit. Account may be opened after departure for abroad by sending necessary papers/documents or after return from abroad.
- **Deposit in account:** Remittances sent from abroad through banking channel, fund sent by other wage earners, fund sent from other FC accounts, proceeds of convertible foreign exchange viz. currency notes, travellers' cheques, drafts etc. brought into Bangladesh by the account holders while on visit to Bangladesh may be deposited to such accounts.
- **Operating through nominated person:** Such account may be operated by accountholders or by persons nominated by themselves.
- **Utilization of balance of account:** Balance of foreign currency account may be sent abroad through banking channel, can be encashed to Bangladesh Taka for local disbursement, can be taken in the forms of currency notes, TCs (maximum 2000 in USD notes, the remaining in other forms viz. TCs, other foreign currencies, card, etc.) while proceeding abroad.
- **Nature of account:** Such accounts are normally maintained on savings basis, however, balances of such accounts may be maintained on 1/3/6/12 month term basis.
- **Interest:** ADs can pay interest on such accounts being maintained in the form of term deposit for the period of 1/3/6/12 months . ADs may apply interest also on such accounts not specifically maintained as term deposit for balances not less than USD 1000, GBP 500 or equivalent lying in the accounts for one month or longer period.
- **Period of maintaining of account:** Such accounts may be maintained as long as the account holder desires even after permanent return to Bangladesh .

B. Non-Resident Foreign Currency Deposit (NFCD) Account:

- **Eligible persons to open account:** (a) Bangladeshis working/residing abroad (b) Bangladeshis having dual nationality residing abroad (c) Bangladesh nationals serving with missions of Bangladesh in foreign countries (d) officers/staff of the government/semi-government organizations /nationalized banks and employees of body corporate posted abroad or deputed with international and regional agencies can open such accounts against foreign currency remitted through banking channel or brought in cash.

- **Time of opening account:** Eligible persons can open such account by sending necessary papers/documents from abroad or any time after return to Bangladesh or even any time after permanent return to Bangladesh.
- **Minimum deposit to open account:** Such account may be opened with initial deposit of USD 1000 or GBP 500 or equivalent. Foreign nationals, companies/firms registered and or incorporated abroad, other financial institutions including institutional investors abroad and Type-A units in EPZ are also allowed to open and maintain such account with minimum deposit of USD 25,000 or equivalent.
- **Nature of accounts and currencies:** These accounts are in the nature of term deposits maturing after 1/3/6/12 months, can be maintained in USD, GBP, Euro or Japanese Yen.
- **Deposit in account:** Remittances sent from abroad through banking channel, fund sent from private FC accounts, proceeds of convertible foreign exchange viz. currency notes, travellers' cheques, drafts etc. brought into Bangladesh by the account holders while on visit to Bangladesh may be deposited to such accounts.
- **Utilization of balance of accounts:** Balance of NFCD accounts may be sent abroad through banking channel, can be encashed to Bangladesh Taka for local disbursements, can be taken in the forms of currency notes, TCs (maximum 2000 in USD notes, the remaining in other forms viz. TCs, other foreign currencies, card, etc.) while proceeding abroad.
- **Interest :** The ADs will pay interest at the Eurocurrency deposit rates, interest is exempted from the tax payable . In case of premature repayments, the principal can be withdrawn while interest amount will be forfeited to the depositing AD.
- **Period of maintaining of accounts:** Such accounts may be maintained as long as the account holder desires even after permanent return to Bangladesh.

C. Resident Foreign Currency Deposit (RFCD) Account:

- **Eligible persons to open account :** Persons ordinarily resident in Bangladesh may open RFCD account with foreign exchange brought in at the time of their return from travel abroad.
- **Time period of opening account:** Resident Bangladesh nationals can open RFCD account any time after return to Bangladesh. However, upto USD 5000 or equivalent can be deposited any time after return from abroad while amount exceeding USD 5000 or equivalent (with declaration to customs authority in FMJ Form) can be deposited within one month of return from abroad.
- **Source of deposit to account:** Foreign exchange brought in from abroad in the forms of notes, coins, TCs, draft, etc. can be deposited only to such account.
- **Utilization of balance of accounts:** Balance of NFCD accounts may be sent abroad through banking channel, can be encashed to Bangladesh Taka for local disbursements, can be taken in the forms of currency notes, TCs (maximum 2000 in USD notes, the remaining in other forms viz. TCs, other foreign currencies, card, etc.) while proceeding abroad.
- **Interest:** These accounts are interest bearing.

Permission from Bangladesh Bank: *Permission from Bangladesh Bank is not necessary to open and maintain Private FC/NFCD/RFCD accounts.*

General procedures of opening Private FC/NFCD/RFCD accounts:

Eligible persons can open Private FC/NFCD/RFCD accounts easily with any AD in Bangladesh by submitting account opening forms dully filled in, photo and other necessary papers like copy of passport, etc.

Persons residing abroad interested to open Private FC/NFCD accounts can open account by sending necessary papers/documents from abroad duly verified by Bangladesh mission abroad or a reputable bank or any other person known to the AD in Bangladesh. However, submission of job certificate/certificate evidencing having business abroad is not mandatory for opening FC account by Bangladesh nationals residing abroad.

Besides the opportunity of opening and maintaining Private FC/NFCD accounts as stated above, non-resident Bangladeshis/other non-resident foreign nationals can invest in (i) US Dollar Premium Bond, US Dollar Investment Bond and Treasury Bond (in Taka) of Bangladesh Government (ii) shares/securities listed in stock exchanges through opening of Non-Resident Investor's Taka (NITA) Account. Non-resident Bangladeshis may also invest in Wage Earners' Development Bond in Taka.

Particulars of opening and maintaining FC accounts are described in Chapter 13(Section I, II, III), Guidelines for Foreign Exchange Transactions (Vol-1) which can be seen at Bangladesh Bank website (www.bb.org.bd).

For any additional information and relevant explanation please contact Authorized Dealer bank branches or to the following address : General Manager, Foreign Exchange Policy Department, Bangladesh Bank, Head Office, Dhaka, Phone: 7120668, 7512607, 7120375, Fax: 7120660, 9566212, email: gm.fepd@bb.org.bd.