# Current Status of RFCD and NFCD Accounts in Bangladesh and their Impact on Foreign Exchange Reserves

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# Acronyms and Abbreviations

| | |
|---|---|
| ADB | Asian Development Bank |
| ADs | Authorised Dealers |
| AML | Anti-Money Laundering |
| App | Application |
| ATM | Automated Teller Machine |
| AUD | Australian Dollar |
| BB | Bangladesh Bank |
| CAD | Canadian Dollar |
| CHF | Confoederatio Helvetica Franc |
| CNH | Chinese Yuan Renminbi Offshore |
| E-mail | Electronic Mail |
| EPZ | Export Processing Zone |
| EUR | Euro |
| F.E | Foreign Exchange |
| FEPD | Foreign Exchange Policy Department |
| FX | Foreign Exchange |
| GBP | Great British Pound |
| GFET | Guidelines for Foreign Exchange Transactions |
| IDB | Islamic Development Bank |
| IMF | International Monetary Fund |
| JPY | Japanese Yen |
| KYC | Know Your Customer |
| MPD | Monetary Policy Department |
| NFCD | Non-Resident Foreign Currency Deposit |
| NRB | Non-Resident Bangladeshi |
| PLC | Public Limited Company |
| RFCD | Resident Foreign Currency Deposit |
| SGD | Singapore Dollar |
| SMS | Short Message Service |
| US | United States |
| USD | US Dollar |

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# Chapter One

## Macroeconomic Context and Historical Development of RFCD and NFCD Accounts

### 1.1 Background of the Study

Foreign exchange reserves play a critical role in ensuring macroeconomic stability, supporting external payments, and maintaining confidence in an economy's financial system. For countries with significant diaspora populations and growing international mobility, foreign currency deposit schemes serve as important mechanisms for mobilizing externally earned resources. Within this context, Non-Resident Foreign Currency Deposit (NFCD) and Resident Foreign Currency Deposit (RFCD) accounts have emerged as key instruments for attracting and retaining foreign currency within the domestic banking system.

NFCD accounts were introduced to provide non-resident individuals, particularly migrant workers and expatriate professionals, with a secure and convenient channel to hold their earnings in foreign currency. These accounts help maintain foreign currency inflows by offering interest in the same currency and by reducing conversion-related risks. Similarly, RFCD accounts allow residents to retain foreign currency acquired through employment, business, or travel abroad. By enabling residents to maintain deposits in foreign currency, RFCD accounts help moderate demand for immediate conversion into local currency and encourage the accumulation of foreign assets within the domestic financial sector.

The regulatory framework governing foreign currency deposit accounts in Bangladesh draws upon the definitional provisions of the Foreign Exchange Regulation (FER) Act, 1947, (amended in 2015) as codified in the Guidelines for Foreign Exchange Transactions (GFET), 2018, Volume 1. Under this framework, a "person resident in Bangladesh" is defined to encompass any individual who has been residing in Bangladesh for six months or more within the preceding twelve months, any individual temporarily residing in Bangladesh on a residential or working visa valid for not less than six months, any person whose principal place of business is situated in Bangladesh, and any person whose primary business may be located abroad but who maintains a branch, liaison, or representative office within Bangladesh. Government servants in the service of the People's Republic of Bangladesh, wherever posted, are also deemed resident for these purposes. Correspondingly, any individual who does not satisfy these criteria is treated as a "person resident outside Bangladesh" or a non-resident. These definitional boundaries carry direct operational significance for the RFCD and NFCD schemes, as eligibility to open and maintain such accounts is contingent upon the residency status of the account holder.

As global remittance flows, foreign employment, and cross-border financial activities continue to expand, the contribution of NFCD and RFCD accounts to foreign exchange reserve accumulation has become increasingly relevant. Understanding how these accounts influence reserve levels, banking sector liquidity, and foreign currency management is essential for policymakers seeking to strengthen external resilience. This study examines these dynamics and explores the broader implications of these deposit schemes for reserve sustainability and economic stability.

### 1.2 Objectives of the Study

The primary goal of this study is to assess the impact of RFCD and NFCD accounts on foreign exchange reserves of Bangladesh. To achieve this, the study will concentrate on the following areas:

- **Economic Impact:** Assess the contribution of RFCD and NFCD accounts to Bangladesh's economy, particularly in terms of foreign exchange reserves.
- **Incentives and Socio-Economic Impact**: Explore the incentives offered and socio-economic benefits for RFCD and NFCD account holders in using these accounts.
- **Regulatory Analysis**: Evaluate the effectiveness of the current regulatory and compliance practices related to these accounts.
- **Challenges and Barriers:** Identify key challenges in maintaining and using these accounts and propose practical solutions.
- **Future Prospects:** Predict the future potential and policy options for RFCD and NFCD accounts in Bangladesh.

### 1.3 Evolution of RFCD Accounts in Bangladesh

RFCD accounts were first introduced on June 15, 1991 (F.E. Circular No. 26/1991). These accounts allow resident Bangladeshis to deposit foreign currency brought from abroad. Up to USD 1,000 (without customs declaration) or any amount (with declaration) can be deposited. Export proceeds or domestic earnings are not allowed.

Deposits in USD or GBP can earn interest (if ≥ USD 1,000 or GBP 500, held for at least one month), with free transferability and use for foreign travel. These balances do not count in the Authorized Dealer (AD)s' foreign exchange position.

Later developments included:

- 1991: Amount of customs declaration free deposit limit raised to USD 2,500 *(F.E. Circular No. 32/1991)*
- 1991: ADs are allowed to offer interest 0.25% lower than interest rate on banks' balances in their foreign currency clearing accounts with BB. (*F.E. Circular No. 44/1991)*
- 1993: Accounts could be maintained indefinitely at the account holder's discretion. *(F.E. Circular No. 72/1993)*
- 1994: Amount of customs declaration free deposit limit raised to USD 5,000 *(F.E. Circular No. 42/1994)*
- ADs were allowed to issue international debit/credit cards against RFCD balances.
- 2018: ADs are permitted to apply Euro-currency deposit rates on RFCD balance *(F.E. Circular No. 23/2018)*
- 2020: Amount of customs declaration free deposit limit raised to USD 10,000 *(F.E. Circular No. 06/2020)*

In 2023 RFCD accounts were allowed in more currencies (AUD, CAD, CHF, CNH, SGD). Interest was set at Benchmark + 1.50% premium over the benchmark rate for deposits held for a minimum of one month. Account holders could remit funds for education, medical, or travel expenses of dependents, who may also receive two supplementary international cards. Balances could be converted freely to Taka. (F.E. Circular No. 19 of 2023)

In 2024 RFCD cardholders and their dependents were allowed to use international cards for online purchases abroad, subject to applicable duties and caution against fraud. (F.E. Circular Letter No. 05/2024),

In a further liberalization measure, Bangladesh Bank issued FE Circular No. 28 on October 31, 2024, withdrawing the previously prescribed benchmark-based interest/profit rate ceiling on RFCD accounts, and empowering Authorized Dealers to independently determine interest/profit rates on RFCD balances based on individual banker-customer relations, thereby introducing greater market-driven flexibility into the RFCD interest rate framework.

### 1.4 Evolution of NFCD Accounts in Bangladesh

Bangladesh Bank (BB) introduced the NFCD scheme on June 15, 1982. *F.ECircular No. 28 of 1982, issued by the "Exchange Control Department"*. This scheme enables Bangladeshi nationals living abroad to earn interest on foreign currency deposits in USD, GBP, or other convertible currencies, offering term options of 1, 3, 6, or 12 months. The Minimum deposit requirements were USD 1,000 or GBP 500. Eligible account holders include Bangladeshi nationals residing abroad, government employees, staff of corporate or nationalized entities and individuals deputed with international organizations (IMF, World Bank, IDB, ADB etc.), though shipping crew members are generally excluded. Deposits were accepted in USD, GBP or other convertible currencies, in which case the banks were allowed to convert the currency into either US Dollars or GBP, as instructed by the depositor. The funds may be repatriated or converted into local currency. Interest rates are linked to local Taka deposit rates' ranging from 10% for 1 month deposits to 14% for 1 year deposit at that time, however, interest was paid in the original deposit currency upon maturity, and early withdrawals result in the forfeiture of accrued interest.

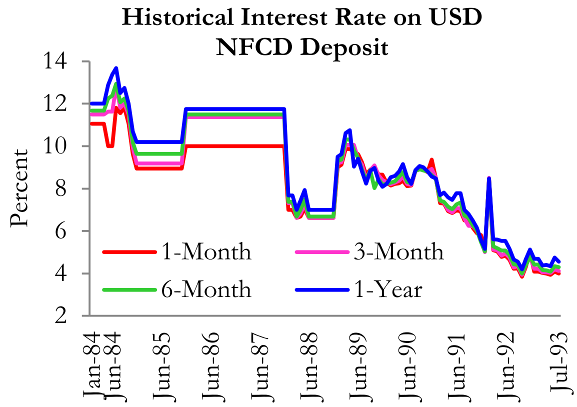
In 1986, in addition to Bangladeshi nationals living abroad, eligibility extended to foreign nationals, overseas firms, and institutional investors with a minimum deposit of USD 25,000 or equivalent *(F.E. Circular No. 44 of 1986, issued by the Exchange Control Department of Bangladesh Bank)*. Interest was fixed by BB, based on prevailing Euro-currency rates at the time of deposit and was remained fixed for the duration of the deposit. The terms and conditions for NFCD accounts will apply to these deposits as well. The account holder can repatriate the balance and interest in foreign exchange to their country of residence or elsewhere via Telegraphic Transfer (T.T) or a draft marked "Account Payee". Authorized Dealers are asked to inform their overseas branches and correspondents and publicize the scheme among foreign nationals, firms, companies, banks, and financial institutions

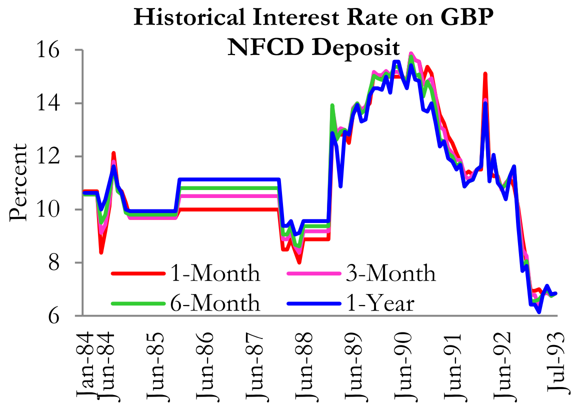
In 1990, BB revised NFCD interest rates to be 1% higher than Euro-currency deposit rates, reviewed monthly *(F.E. Circular No. 42 of 1990, issued by the Exchange Control Department of Bangladesh Bank).* Moreover, Fully foreign-owned industrial units in EPZs also became eligible *(F.E. Circular No. 49 of 1990).*

As of 1991, the duration for maintaining NFCD accounts were extended from one year to up to five years for account holders returning to Bangladesh after staying abroad, with further extensions possible. Additionally, accounts could also be opened by non-resident Bangladeshis within six months of return using foreign currency brought from abroad. *(F.E. Circular No. 26 of 1991, effective from 15 June 1991, issued by the Exchange Control Department of Bangladesh Bank)*

In July 1993, interest rates were revised again to match Euro-dollar deposit rates instead of 1% above the Euro-dollar deposit rates. From then, NFC and RFCD account holders could choose their account duration, and returning non-residents could retain their NFCD accounts permanently. *(BB Press Release No. 122/1993).*

The following graphs showing the end-of-month interest rates for USD and GBP currencies, as declared by BB for NFCD accounts before this decision, are provided below.




Subject to similar terms and conditions, BB allowed NFCD and RFCD accounts in Deutsche Mark and Japanese Yen upon request from eligible individuals or firms in 1995. *(F.E. Circular No. 23 of 1995).* Later, the provision for opening foreign currency accounts in Deutsche Mark was replaced by the Euro in the *Guidelines for Foreign Exchange Transactions (GFET), 2009.* In the year 2022, BB allowed new NFCD deposits without the previous Euro-currency rate condition *(F.E. Circular No. 15 of 2022).* BB later introduced benchmark-based interest ceilings:

- 1–3 years: Benchmark + 2.25%
- 3–5 years: Benchmark + 3.25% *(F.E. Circular No. 19 of 2022)*

However, in 2024, ADs were allowed to open NFCD and Private Foreign Currency Accounts in various approved currencies (USD, EUR, GBP, JPY, AUD, CAD, CHF, CNH, SGD). Interest/profit ceilings were:

- 3 months–1 year: Benchmark + 1.50%
- 1–3 years: Benchmark + 2.25%
- 3–5 years: Benchmark + 3.25% *(F.E. Circular No. 10/2024)*

# Chapter Two

## Research Methodology, Sample and Data Collection

### 2.1 Literature Review

The design and management of foreign currency deposit schemes for resident and non-resident account holders has attracted considerable scholarly and policy attention across developing economies. This body of literature provides a useful comparative backdrop for evaluating the regulatory frameworks of selected countries and their relevance to Bangladesh's foreign currency deposit architecture.

Agenor and Khan (1992) formulated a dynamic, forward-looking model of currency substitution to explain residents' relative demands for domestic and foreign currency deposits across ten developing economies, including Bangladesh. Their framework demonstrates that the desired ratio of domestic to foreign money balances depends primarily on the foreign interest rate and the expected depreciation of the parallel market exchange rate, with empirical results confirming that these two factors account for a substantial share of variation in currency holdings. The authors further conclude that macroeconomic and exchange rate stability — rather than administrative restrictions — constitutes the most effective instrument for moderating portfolio shifts toward foreign currency. These findings provide a foundational theoretical lens for understanding the deposit behaviour of RFCD and NFCD account holders in Bangladesh, particularly the sensitivity of foreign currency retention decisions to exchange rate expectations and the broader macroeconomic environment.

Building on this theoretical grounding, the experience of regional peers offers concrete institutional lessons. India's foreign exchange deposit framework provides a useful initial comparator for understanding the regulatory architecture governing foreign currency accounts in developing economies. Under the Reserve Bank of India's guidelines, non-resident Indians may maintain Foreign Currency Non-Resident Accounts under the Banks Scheme — FCNR(B) — in designated convertible currencies as term deposits with interest rates linked to international market benchmarks. For returning residents, the Resident Foreign Currency (RFC) Account Scheme permits eligible individuals who have resided abroad continuously for not less than one year to hold foreign currency accounts funded by overseas assets, employment income, and repatriated savings, with balances freely remittable abroad and exempt from reserve requirements. While this dual-category architecture broadly resembles Bangladesh's NFCD and RFCD framework in distinguishing between resident and non-resident depositors and insisting on legitimate foreign-source funding, India's scheme imposes a stricter minimum overseas residency threshold and draws from a wider range of eligible foreign assets, whereas Bangladesh's RFCD scheme restricts eligible credits more narrowly to foreign exchange physically repatriated upon return from travel abroad.

Extending the regional comparison, Pakistan's regulatory framework for private foreign currency accounts offers further instructive insights into the structural design and operational flexibility of foreign currency deposit schemes. Under the State Bank of Pakistan's Foreign Exchange Manual, Authorized Dealers are permitted to maintain a multi-tiered account architecture that extends well beyond a binary resident-nonresident distinction. In addition to general foreign currency accounts accessible to both resident and non-resident individuals, Pakistani nationals, foreign firms, diplomatic missions, and institutional entities, the framework encompasses purpose-differentiated instruments such as the Foreign Currency Value Account (FCVA) for non-resident Pakistanis and resident individuals with declared foreign assets, and the Foreign Currency Business Value Account (FCBVA) for foreign-incorporated entities majority-owned by non-resident Pakistanis. This layered structure reflects a deliberate policy orientation toward accommodating diverse depositor profiles within a unified yet segmented regulatory framework, thereby broadening the foreign currency deposit base beyond the relatively narrow eligibility criteria characteristic of many South Asian peers.

Complementing this structural framework, Pakistan's Roshan Digital Account (RDA), launched by the State Bank of Pakistan in September 2020, represents one of the most operationally advanced diaspora-oriented foreign currency deposit initiatives in the region.. Conceived as a fully digital banking solution for non-resident Pakistanis, the RDA enables account holders to open and operate bank accounts remotely without visiting a branch and to undertake banking, payment, and investment activities entirely through digital channels. A distinguishing feature of the scheme is its multi-asset investment architecture, under which account holders may invest in fixed deposit products, the Pakistan Stock Exchange, and residential and commercial real estate, with funds remaining fully repatriable without prior regulatory approval. The account is available in both foreign currency and Pakistani Rupee denominations, with real-time interoperability and online currency conversion between the two. On the regulatory dimension, the framework incorporates a digital dormancy reactivation mechanism and mandates transparent exchange rate disclosure on all conversions. In terms of macroeconomic outcomes, the scheme has demonstrated significant mobilization capacity, with more than 900,000 accounts opened and total inflows exceeding

USD 12 billion by February 2026, underscoring that a well-designed, digitally-enabled foreign currency deposit framework can substantially deepen diaspora financial engagement and strengthen a country's foreign exchange reserve position.

Rounding out the regional comparative perspective, Sri Lanka's foreign currency deposit architecture, grounded in the Foreign Exchange Act, No. 12 of 2017. Under this legislative framework, the Personal Foreign Currency Account (PFCA) functions as the primary retail-level foreign currency deposit instrument, having absorbed and unified the previously distinct Non-Resident Foreign Currency (NRFC) and Resident Foreign Currency (RFC) account categories into a single consolidated scheme. Eligibility for the PFCA extends to a wide range of depositors, encompassing both resident and non-resident Sri Lankan nationals, dual citizens, foreign nationals residing within Sri Lanka, and temporary visitors — a scope of coverage that is markedly wider than that afforded under Bangladesh's corresponding RFCD and NFCD arrangements (Central Bank of Sri Lanka, Department of Foreign Exchange, Directions No. 03 of 2021). For the corporate and foreign exchange-earning segment, the Business Foreign Currency Account (BFCA) offers a purpose-specific instrument through which resident individuals and entities deriving foreign currency income from non-resident counterparts are permitted to retain such receipts in designated foreign currencies without mandatory conversion into local currency. Taken together, the experiences of India, Pakistan, and Sri Lanka collectively illustrate that broadening eligibility criteria, diversifying account instruments, embracing digital delivery channels, and institutionalizing inter-account transferability are policy levers that have demonstrably enhanced foreign currency deposit.

### 2.2 Methodology of the Study

This study employs a mixed-method research design to ensure a comprehensive and nuanced understanding of the functioning, usage patterns, and macroeconomic implications of RFCD and NFCD accounts. By integrating both quantitative and qualitative techniques, the study aims to capture measurable trends alongside deeper insights into stakeholder perceptions and institutional practices.

#### 2.2.1 Survey

A structured survey was administered to a representative sample of resident and non-resident individuals who maintained RFCD and NFCD accounts. The questionnaire was designed to gather quantifiable data related to deposit size, frequency of account usage, duration of account holding, and the underlying motivations for maintaining foreign currency deposits. Additional items assessed respondents' perceptions of convenience, security, interest benefits, and associated risks. The survey results provided empirical evidence on user behavior, preference patterns, and determinants influencing the choice of foreign currency deposit schemes.

### 2.2.2 Interviews

To complement the quantitative findings, open ended interviews were conducted with key stakeholders, including bank officials, financial analysts, regulatory authorities, and selected account holders. These interviews explored the institutional framework governing RFCD and NFCD accounts, policy considerations affecting their operation, and the broader economic and regulatory implications for foreign exchange reserve management. This qualitative component was intended to generate context-rich insights that could not be captured through survey data alone.

The integration of both data sources enabled triangulation, enhanced the reliability of findings, and contributed to a more holistic assessment of the role of RFCD and NFCD accounts within Bangladesh's financial system and foreign exchange reserve dynamics.

## 2.3 Population Size

The NFCD and RFCD schemes in Bangladesh were introduced in 1982 and 1991 respectively, and both have expanded steadily over the years. To estimate the population size, the research team issued a formal data request to all commercial banks, seeking the branch wise counts of RFCD accounts and NFCD accounts. After consolidating and reviewing the responses received from all banks, the team finds that approximately 51 banks currently provide services for these accounts through their Authorized Dealer branches nationwide. As of April 2025, the number of active account holders stands at roughly 27.8 thousand for RFCD accounts and 4.6 thousand for NFCD accounts, resulting in a combined population of about 32.4 thousand account holders distributed nationwide. This population forms the basis for the current study.

## 2.4 Sample Size and Sampling Design

The research sought to draw a representative sample from this dispersed population. However, the absence of a complete database or contact list containing the names and addresses of all 32.4 thousand account holders made the application of a Simple Random Sampling technique infeasible. Given that RFCD and NFCD customers reside across various regions of Bangladesh, the researchers adopted a more practical approach by selecting respondents from six major administrative divisions namely Dhaka, Chittagong, Sylhet, Khulna, Rajshahi and Rangpur. This strategy ensured geographical coverage and improved the likelihood of capturing diverse user characteristics and experiences across the country.

Samples were drawn from six major administrative divisions of Bangladesh—Dhaka, Chattogram, Sylhet, Rajshahi, Rangpur, and Khulna—to ensure adequate geographical representation of RFCD and NFCD account holders. A total of approximately 850 respondents have been surveyed so far. In line with the principles of proportional sampling, the number of respondents selected from each division was determined based on the division's estimated share of the overall account-holder population.

Under this sampling approach, divisions with a larger concentration of RFCD and NFCD customers were allocated a higher number of survey participants, while those with smaller populations received proportionately fewer respondents. This method allowed the sample to mirror the actual distribution of account holders across the country, thereby enhancing the representativeness and external validity of the findings. By adhering to proportional sampling, the study mitigated potential regional bias and ensured that the collected data accurately reflected the diverse characteristics and usage patterns of account holders nationwide.

The rationale for proportional sampling in this case is grounded in the uneven distribution of RFCD and NFCD account holders across the country. A non-proportional or uniform sampling approach could have oversampled low-density regions and undersampled high-density ones, producing misleading national aggregates and weakening generalizability. Proportional allocation therefore preserves structural fidelity between the sample and the underlying population, improving statistical reliability and ensuring that key patterns observed in dominant divisions meaningfully inform national inferences. Additionally, proportional sampling enhances efficiency by directing primary data collection toward areas that contribute most to the total customer base, allowing the study to derive insights with lower total sampling error while maintaining nationwide coverage.

Table-1: Distribution of Population and Sample Shares across Six Divisions

| **Division** | Dhaka | Chattogram | Sylhet | Rajshahi | Rangpur | Khulna | Total |
|---|---|---|---|---|---|---|---|
| **% share in Population** | 86.9% | 9.0% | 0.9% | 1.3% | 0.5% | 1.4% | 99.9% |
| **% share in Sample** | 80.2% | 11.2% | 3.1% | 2.2% | 1.4% | 2.0% | 100.0% |

Note: 0.1% of the population belongs to the remaining two divisions, namely Mymensingh and Barishal.

Table-1 presents a comparative overview of the percentage distribution of RFCD and NFCD account holders across six major divisions of Bangladesh and the corresponding proportional representation in the survey sample. While Dhaka accounts for the overwhelming majority of the population share (86.9%), its representation in the sample stands at 80.2%, reflecting a deliberate effort to avoid overconcentration. Chattogram, with a 9.0% population share, received a slightly higher sample proportion of 11.2%, ensuring adequate respondent diversity. Smaller divisions such as Sylhet, Khulna, Rajshahi, and Rangpur—each representing less than 2% of the account-holder population—were assigned modest but proportionally adjusted sample shares. Overall, the table illustrates the application of proportional sampling principles, ensuring that the sample distribution broadly reflects the underlying population structure while maintaining practical feasibility.

### 2.5 Questionnaire

At the outset of the study, the research team, comprising officials from Bangladesh Bank and various commercial banks, held a series of in-depth discussions on the design and content of the questionnaires. Insights and feedback generated during these deliberations informed the development of two distinct sets of questionnaires tailored to the study's objectives: one directed at RFCD/NFCD account holders and the other aimed at bank officials. Multiple considerations guided questionnaire preparation. Questions were aligned with key analytical constructs such as remittance behavior, deposit motives, currency usage, and service experience to ensure relevance. Respondent comprehension was protected through clear and non-technical wording, with logical sequencing to reduce response fatigue. The preliminary drafts of these questionnaires were subsequently submitted to the Governor of Bangladesh Bank on 8 May 2025 for review. Following careful consideration of the recommendations provided by senior management, the questionnaires were refined and formally finalized for use in the study.

### 2.6 Data Collection

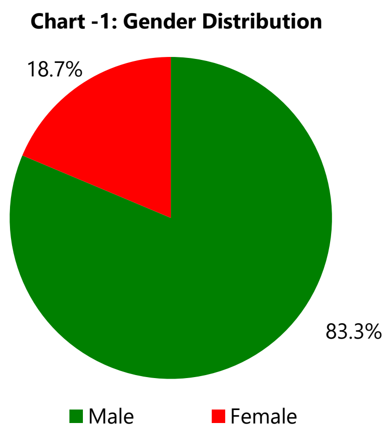
A structured questionnaire served as the primary data-collection instrument for this study. To facilitate the survey, a dedicated team of ten officials from various departments of the Bangladesh Bank's head office was constituted, operating under the coordination and oversight of the Monetary Policy Department (Annexure-2). Two groups of survey teams were formed for data collection. The first group conducted interviews with RFCD and NFCD account holders at bank branches in Dhaka between 21 and 25 September 2025. The second group carried out similar surveys at branches outside Dhaka, specifically in Chattogram, Sylhet, Rajshahi, Rangpur and Khulna, between 12 and 16 October 2025. Each team visited two branches per day, one in the morning and another in the afternoon session. The completed survey instruments comprised 852 responses from RFCD and NFCD account holders and 66 responses from bank officials. These questionnaires were systematically reviewed, coded, and entered into a Microsoft Excel dataset by several members of the survey team. Following data entry, the accuracy and internal consistency of the dataset were independently verified by other team members to ensure reliability. Subsequent analytical procedures, including the generation of descriptive statistics and graphical representations, were also conducted using Microsoft Excel.

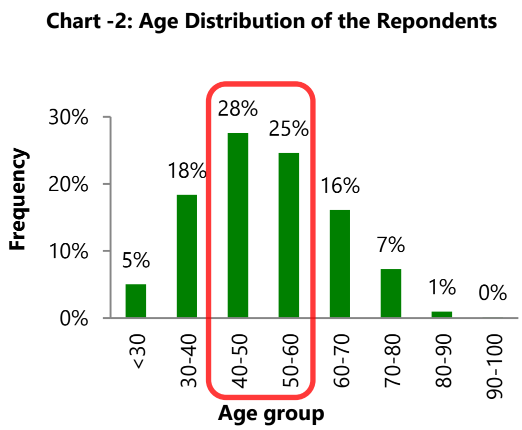
# Chapter Three

## Key Findings

### 3.1 Findings from RFCD and NFCD Account Holder

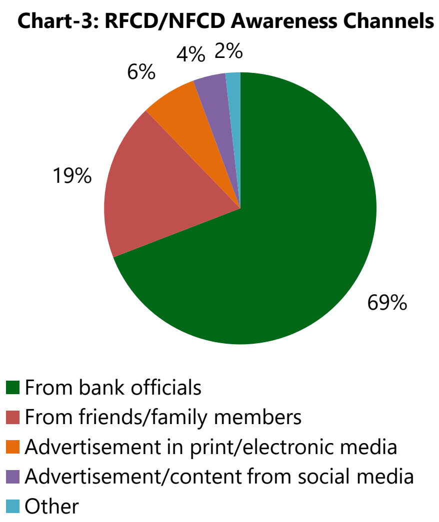
#### 3.1.1 Demographic Facts




The demographic distribution (Chart 1 & 2) of the RFCD/NFCD account holders surveyed, revealing clear patterns in both gender and age. The typical RFCD/NFCD account holder surveyed is predominantly **male** and falls within the **40 to 60 age group**.

#### 3.1.2 Awareness Channels and Currency Preference



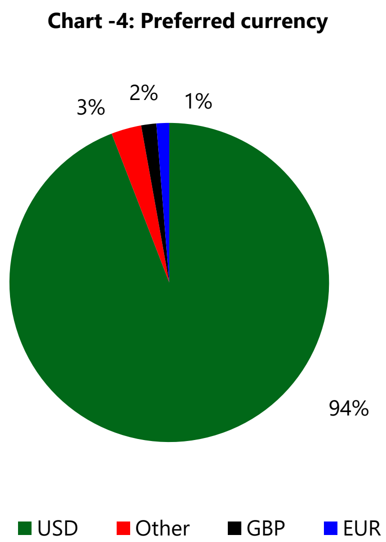




Chart-3 suggest that the most effective and dominant channel for promoting RFCD and NFCD accounts is **direct, in-person engagement by bank officials**. This indicates that the discovery of these accounts is generally an active, guided process, likely initiated when customers interact with the bank for related services (e.g., remittances, foreign travel, or general inquiries). Digital and mass media advertising play a very minor role in initial awareness. Chart-4 strongly indicates that the US Dollar is the de facto currency of choice for the majority of RFCD/NFCD account holders. While Bangladesh Bank allows deposits in various other convertible currencies, the market preference remains heavily concentrated on the dollar.

### 3.1.3 Duration of Account Maintenance

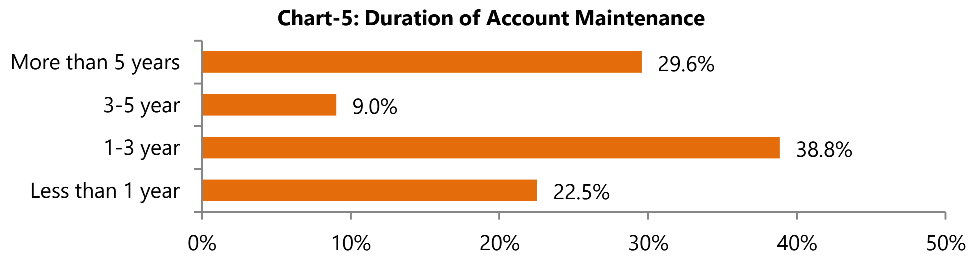
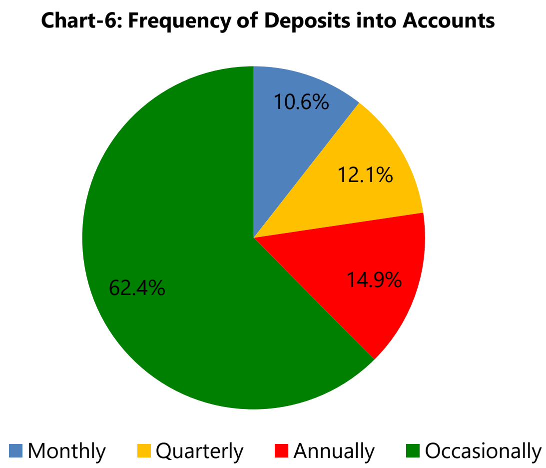



Chart: 5 shows a **bimodal distribution**, with peaks at the relatively short duration (1-3 years) and the very long duration (More than 5 years), and a clear trough in the middle (3-5 years). This pattern suggests two primary user segments for RFCD/NFCD accounts:

- **New/Mid-Term Users:** Those who opened accounts relatively recently (within the last 3 years).
- **Long-Term Veterans:** A substantial portion who have been utilizing these accounts for over five years.

### 3.1.4 Frequency of Deposits and Withdrawals



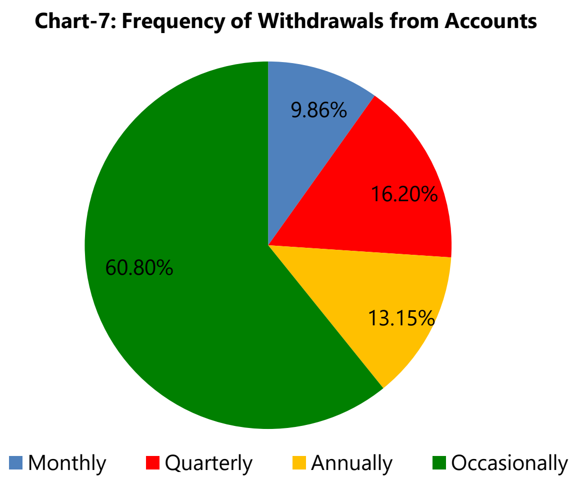




Chart-6 and 7 clearly indicates that RFCD and NFCD accounts primarily function as foreign currency savings instruments rather than channels for routine cash flow management. The overwhelming majority of account holders engage in both deposits and withdrawals only occasionally. This pattern suggests that funds are typically introduced following irregular events, such as the receipt of large foreign earnings, and are subsequently drawn down for specific, often significant, expenditures like travel or medical needs. Consequently, the stability of the foreign currency balances within the domestic banking system is supported by the highly infrequent nature of account activity.

### 3.1.5 Source of Funds and Uses Channel

Chart-8: Source of Funds

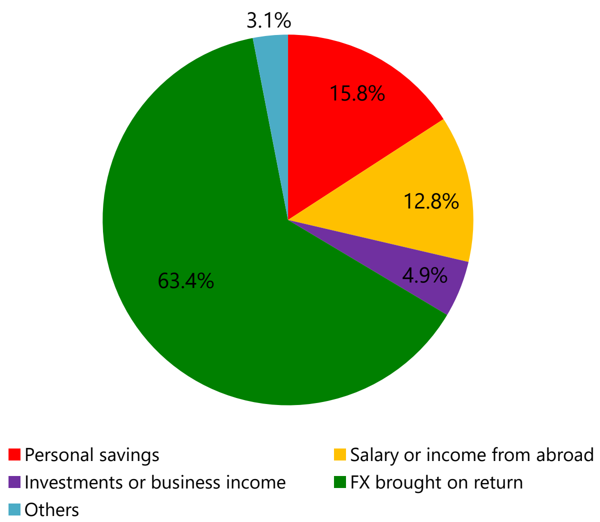
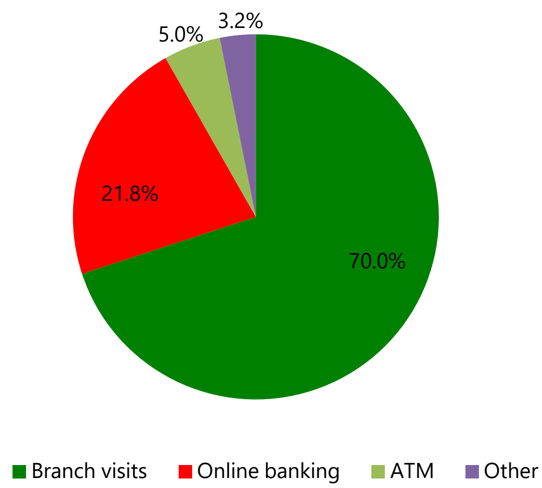


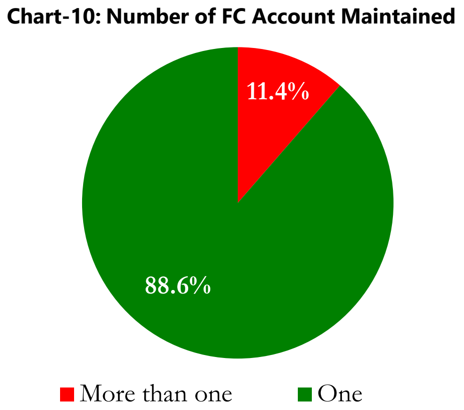

Chart-9: Frequently Used Channel

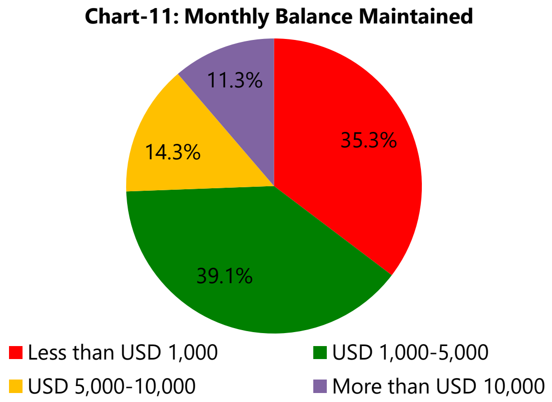



The findings depicted in Chart 8 on the sources of account funding demonstrate that a predominant share of deposits in RFCD and NFCD accounts is derived from foreign exchange physically carried and repatriated by account holders at the time of their return to Bangladesh. A comparatively smaller yet significant share of funds is contributed through savings, employment income or salary generated during periods of residence abroad. The prominence of foreign currency carried on return underscores the strong association between account financing and the cross border mobility of depositors, suggesting that funding patterns are closely contingent on international travel and temporary residence overseas.

Chart 9, which examines the channels used for performing account operations, indicates a substantial preference for conventional modes of banking interaction. The majority of account holders report conducting transactions through in person visits to bank branches, reflecting the sustained importance of the traditional branch centric banking model in account management. While digital platforms, including online banking services, constitute an important secondary channel, their usage remains noticeably lower than that of physical branch based interaction. Moreover, ATM based transactions account for only a marginal proportion, indicating minimal reliance on card enabled or self service digital infrastructure for the operation of foreign currency accounts.

### 3.1.6 Number and Balance of the Accounts

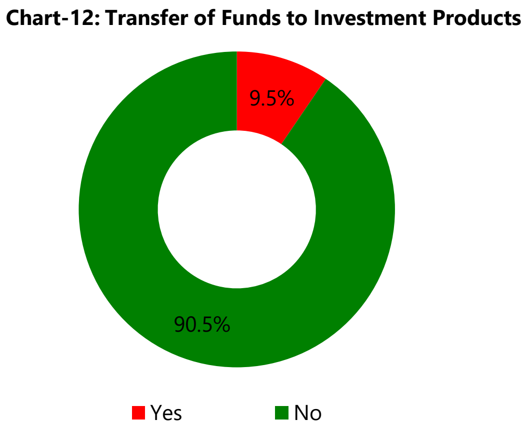



The findings presented in Chart 10 indicate that most respondents operate only one foreign currency account, reflecting a low incidence of account plurality within the surveyed population. This may be attributed to the functional adequacy of a single account for meeting routine foreign exchange needs, as well as the added administrative and operational effort associated with managing multiple accounts.

With respect to financial position, Chart 11 shows that the largest proportion of account holders maintains monthly balances between USD 1,000 and USD 5,000, identifying this as the most common balance range. A smaller segment sustains balances of USD 5,000 to USD 10,000, while only a limited share holds balances exceeding USD 10,000. This concentration in the middle balance tier suggests that these accounts are primarily utilized by individuals with moderate foreign exchange reserves, likely serving liquidity management, short term savings retention, or income repatriation purposes.

### 3.1.7 Investment in Products and Regulation Awareness



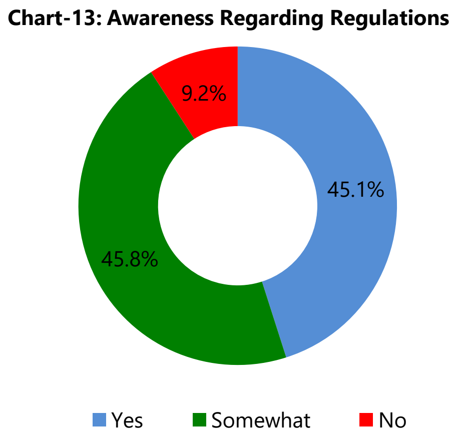




Chart 12, illustrating the transfer of funds to investment products, shows that the vast majority of account holders do not use their RFCD/NFCD balances as a source for further investments, suggesting that these accounts are primarily treated as a secure holding place for foreign currency. Conversely, Chart 13, which measures awareness regarding regulations, reveals that the vast majority of respondents consider themselves to be at least partially informed about the rules governing these accounts. However, the fact that the largest group is only "Somewhat" aware suggests that there may be room for improvement in clarifying or communicating the complex rules of these accounts.

### 3.1.8 Compliance Awareness and Bureaucratic Perception of Accounts

**Chart-14: Customer Contact for Regulatory Compliance**

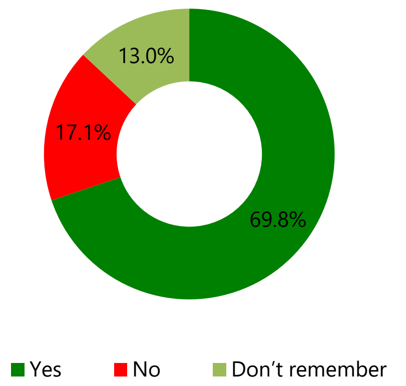



**Chart-15:Perception of Bureaucracy Regarding Account**

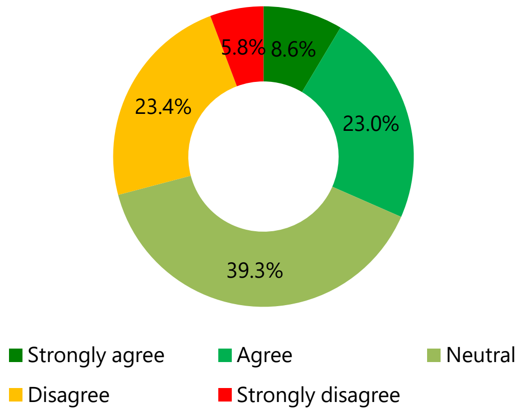



Chart 14, which tracks customer contact for regulatory compliance, shows that a large majority of customers confirm they have been contacted by their bank for KYC or regulatory updates, suggesting strong engagement by the banks, while only a small minority could not recall such contact or reported being excluded. Correspondingly, Chart 15, on the perception of bureaucracy, indicates that the largest single group of respondents feels neutral about the complexity of opening and operating the accounts. While a significant portion agrees that the process is bureaucratic or complicated, those who disagree or strongly disagree with this notion, together with those who remain neutral, form a larger segment—indicating that complexity is not a universal complaint.

### 3.1.9 Regulatory Update Outreach Channels

**Chart-16: Banks Communication for Regulatory Updates**

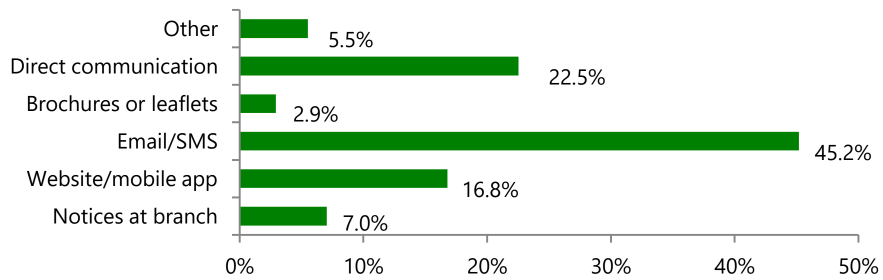
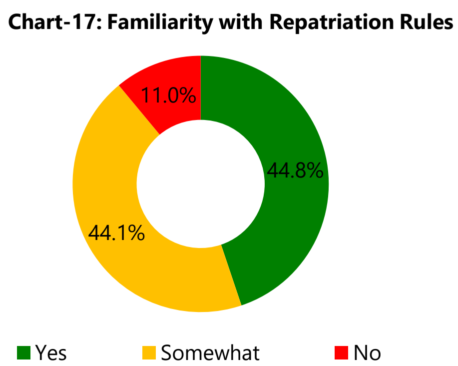



Chart 16, which outlines the methods banks use for communication regarding regulatory updates, reveals that Email/SMS is the dominant channel used by banks to contact

RFCD/NFCD account holders. This digital and direct method is used more often than any other, including direct communication such as phone calls or personal meetings. Communication through the Website/mobile app is the next most common channel, followed by Direct communication. Notices placed at the branch and distribution of brochures or leaflets are the least utilized methods for disseminating regulatory updates to account holders.

### 3.1.10 Awareness Regarding Repatriation Rules and Interest Rates



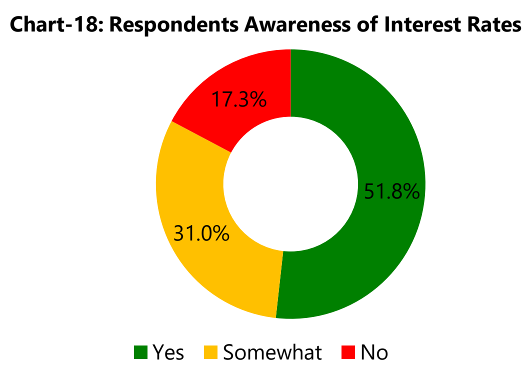
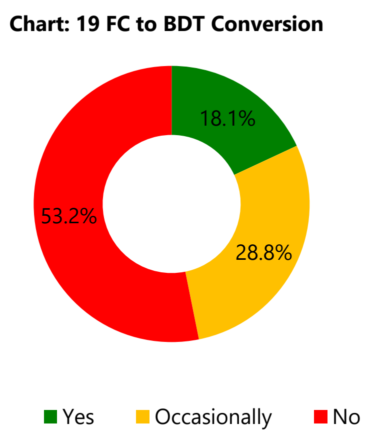
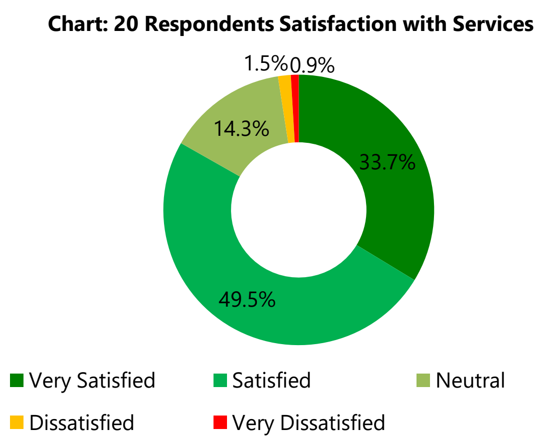




Chart 17, which assesses familiarity with Repatriation Rules, indicates that the largest single group of account holders is only somewhat familiar with the rules for bringing funds back into the country, closely followed by those who are fully familiar. However, when looking at Chart 18 regarding Awareness of Interest Rates, the majority of respondents report being fully aware of the interest rates applicable to their accounts. In both charts, only a small minority reports having no familiarity or awareness, but overall, customers appear to have a stronger, more confident grasp of the interest rates than they do of the repatriation rules.

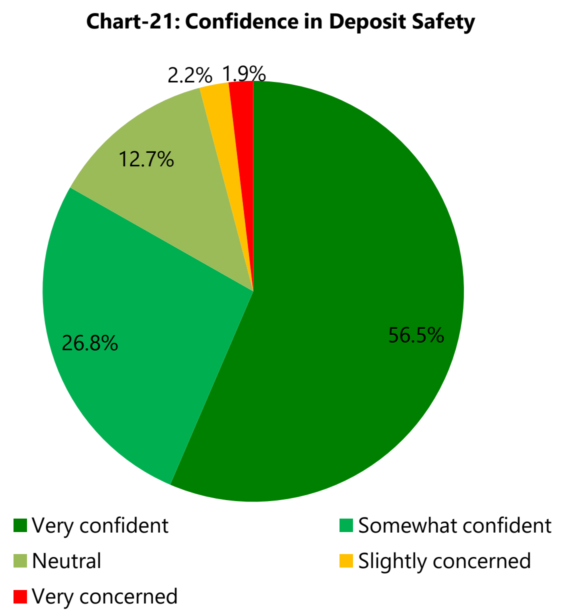
### 3.1.11 Conversion Habits and Service Satisfaction




The findings presented in Chart 19 regarding the conversion of foreign currency into local Taka reveal that the majority of account holders refrain from converting their balances, opting instead to retain their funds in foreign currency. A moderate segment of respondents engages in conversion occasionally, likely to meet specific liquidity needs, while only a small minority reports doing so on a regular basis. In terms of customer experience, Chart 20 demonstrates an overwhelmingly positive reception of banking services. The vast majority of respondents express that they are either satisfied or very satisfied with the service levels provided. While a minor portion remains neutral, dissatisfaction is almost negligible, indicating that the current service delivery model effectively meets the expectations of this customer demographic.

### 3.1.12 Confidence in Safety and Interest Rate Perception



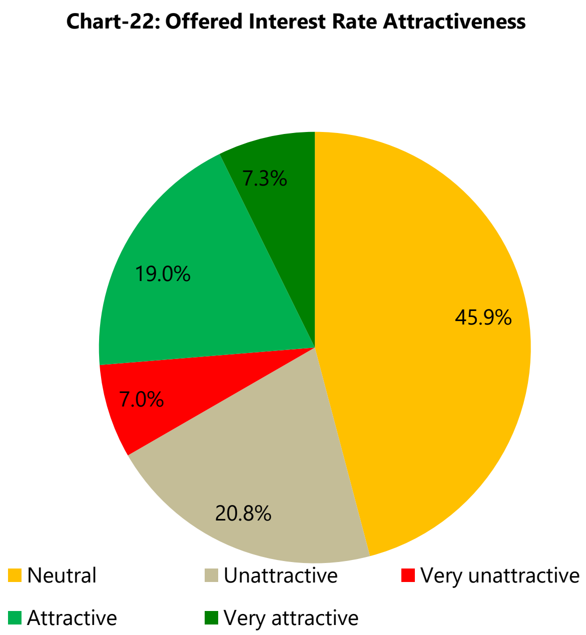




Chart 21 indicates a robust level of trust among account holders regarding the safety of their deposits. A predominant share of respondents reports being very confident in the security of their funds, with a further significant segment expressing moderate confidence. Only a trivial fraction of users indicated any concern, suggesting that the banking sector has successfully maintained a reputation for stability and security. Conversely, Chart 22 reveals a more ambivalent sentiment regarding the attractiveness of offered interest rates. The largest single group of respondents remains neutral, implying indifference toward the current rate structures. Among those with a decided opinion, the split is relatively balanced between those who find the rates attractive and those who consider them unattractive, suggesting that while interest rates are not a deterrent, they are also not currently serving as a primary driver for customer acquisition.

### 3.1.13 Transparency and Incentives

Chart-23: Transparency Regarding Fees & Charges

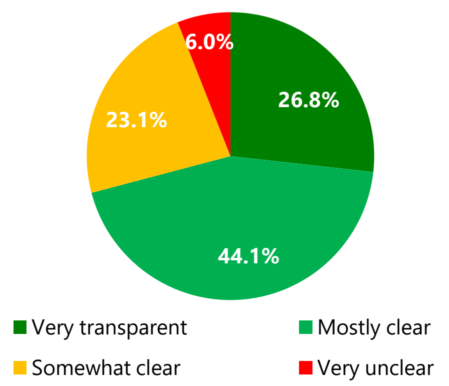
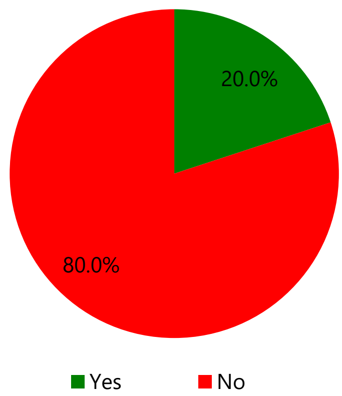



Chart-24: Receipt of Incentives




The assessment of operational transparency in Chart 23 indicates that banks have generally been successful in communicating their fee structures. A predominant majority of account holders find the information regarding fees and charges to be either transparent or mostly clear, reflecting a positive perception of banking disclosures. However, a notable portion of respondents feels the information is only somewhat clear, suggesting that while the system is functional, there remains scope for simplifying fee-related communications.

Conversely, Chart 24 highlights that the usage of these accounts is rarely driven by promotional benefits. The vast majority of respondents report not receiving any incentives, implying that the core value proposition of RFCD/NFCD accounts lies in their fundamental features—such as currency safety and transferability—rather than in supplementary rewards or loyalty programs.

### 3.1.14 User Difficulties and System Improvements

Chart-25: User facing difficulties

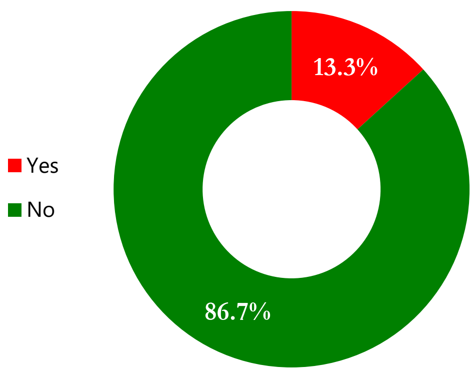
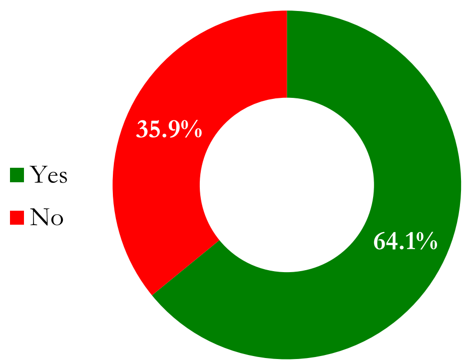
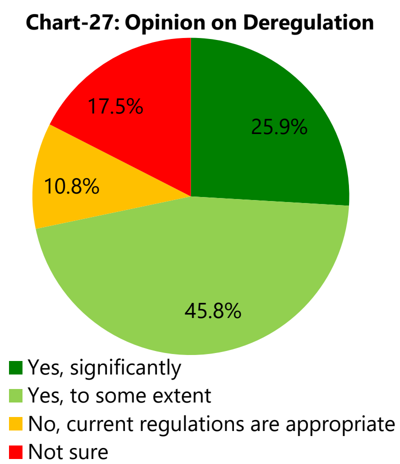


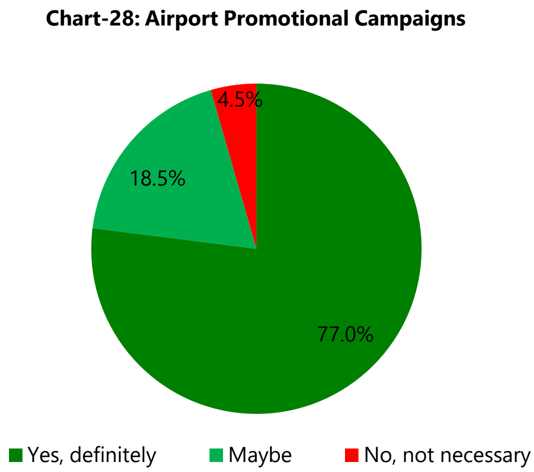

Chart-26: Improvement in Account Framework



The assessment of user experience in Chart 25 reveals that the operational framework of RFCD and NFCD accounts is highly robust and user-friendly. An overwhelming majority of account holders report facing no difficulties in managing their accounts, suggesting that the existing banking infrastructure is functioning smoothly and effectively for the core user base. Only a marginal segment of respondents indicated encountering issues, reinforcing the conclusion that systemic barriers to account operation are minimal. However, despite the lack of operational difficulties, Chart 26 highlights a strong demand for further development. A clear majority of respondents responded affirmatively regarding improvements to the system, indicating that while the current service is functional, there is a distinct appetite among customers for modernization or enhanced features. A significant minority, however, feels that no further improvements are necessary, likely reflecting satisfaction with the status quo. This contrast suggests that while the system is not "broken" (as seen in Chart 25), the customer base is progressive and expects the banking services to evolve rather than remain static.

### 3.1.15 Policy Perspectives and Marketing Opportunities




The survey data regarding opinions on deregulation (Chart 27) illustrates a pervasive sentiment in favor of policy liberalization. A combined majority of respondents express that regulations should be relaxed either significantly or to some extent, indicating a broad consensus that the current regulatory framework may be perceived as too rigid or restrictive. Conversely, the proportion of respondents who believe the current regulations are appropriate is quite small, further highlighting the demand for policy reform. A notable segment remains unsure, suggesting some ambiguity or lack of specific knowledge regarding the regulatory environment among a portion of the user base.

Chart 28 reveals an overwhelmingly positive response to the concept of airport promotional campaigns. The vast majority of respondents definitively support such initiatives, with a further significant portion expressing openness to the idea. Resistance to this marketing channel is negligible, suggesting that airports—being the primary entry point for the foreign currency brought physically by these account holders—represent a highly strategic and largely untapped venue for effective customer engagement and acquisition.

### 3.1.16 Demand for Policy Relaxation and Usage of Transfer Facilities

**Chart-29: Demand to raise declaration-free limit**

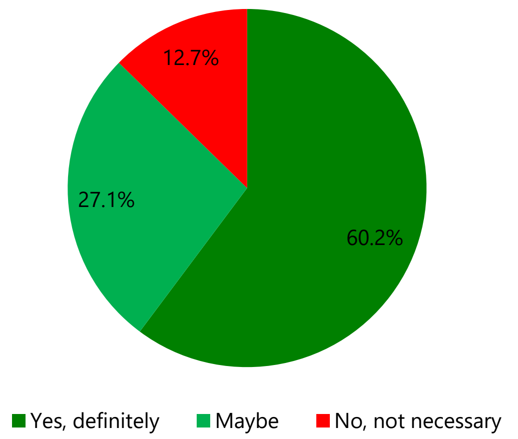
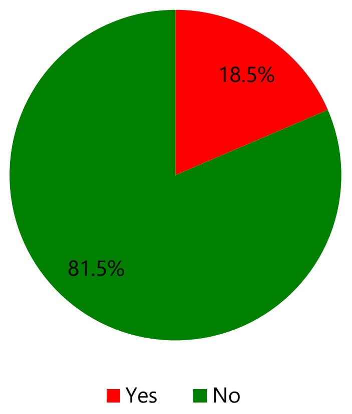



**Chart-30: Experience with repatriation**




The findings presented in Chart 29 regarding the customs declaration-free limit reveal a strong public preference for policy liberalization. A clear majority of respondents definitely support raising the limit, indicating a widespread desire for greater flexibility in bringing foreign currency into the country without procedural hurdles. Conversely, Chart 30, which illustrates the user experience and challenges faced by RFCD and NFCD account holders regarding repatriation of fund, indicates a generally smooth operational environment. A significant majority of respondents reported facing no difficulties in operating their accounts, while a minor segment experienced operational challenges.

### 3.1.17 Financial Impact and Advocacy

**Chart-31: Impact of RFCD/NFCD accounts on users' financial freedom**

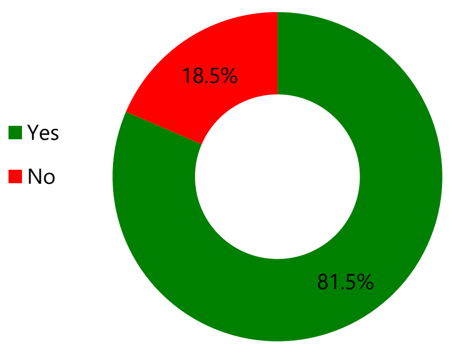
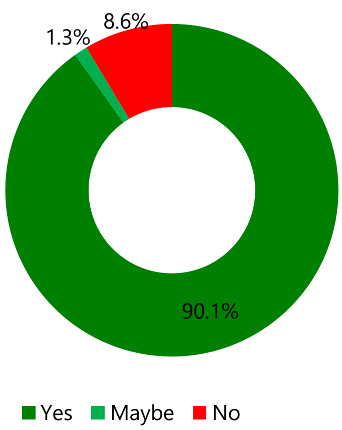


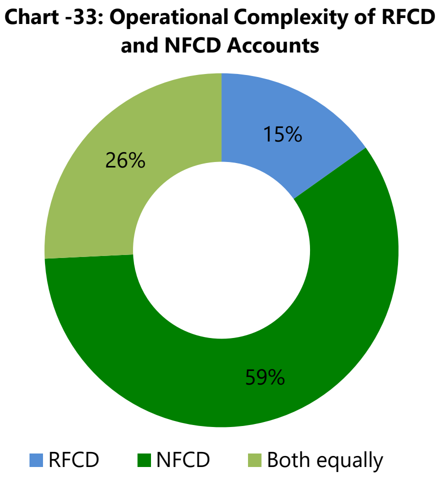

**Chart-32: Recommendation of RFCD/NFCD accounts by current users**



The findings presented in Chart 31 regarding the impact on financial freedom reveal a strong positive sentiment among account holders. An overwhelming majority of respondents affirm that these accounts contribute significantly to their financial freedom, suggesting that the ability to hold and manage foreign currency provides a tangible sense of economic empowerment or autonomy. Only a limited minority reports that the accounts have no impact on their financial freedom, indicating that for most users, the product serves a purpose beyond mere capital preservation. Correspondingly, Chart 32 demonstrates an exceptionally high level of customer advocacy. The vast majority of current users explicitly state they would recommend these accounts to others. The proportion of detractors or those uncertain about recommending the service is negligible. This alignment between the perceived contribution to financial freedom and the willingness to recommend underscores the product's strong value proposition and the high degree of loyalty it commands among the target demographic.

## 3.2 Findings from Bank Officials

### 3.2.1 Institutional Operational Dynamics and Branch Efficiency



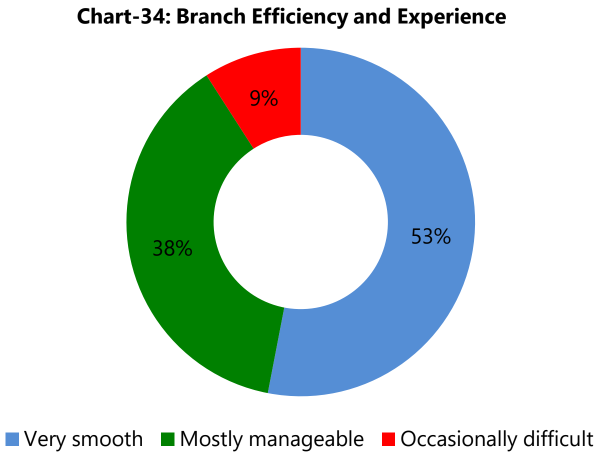
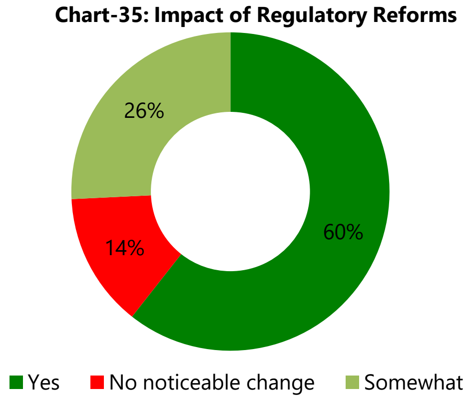




Chart 33 reveals that the majority of Bank Officials find NFCD accounts considerably more operationally demanding than RFCD accounts, a pattern consistent with the more stringent eligibility, documentation, and cross-border requirements inherent to non-resident accounts, while a notable segment perceives both account types as equally complex. Chart 34 presents a broadly positive picture of branch efficiency, with the overwhelming majority of officials describing their experience as either very smooth or mostly manageable, and only a negligible fraction reporting occasional difficulty, confirming that branch-level service infrastructure is functioning effectively and that systemic operational barriers remain minimal.

### 3.2.2 Impact of Regulatory Reforms and Branch-Level Promotional Motivations



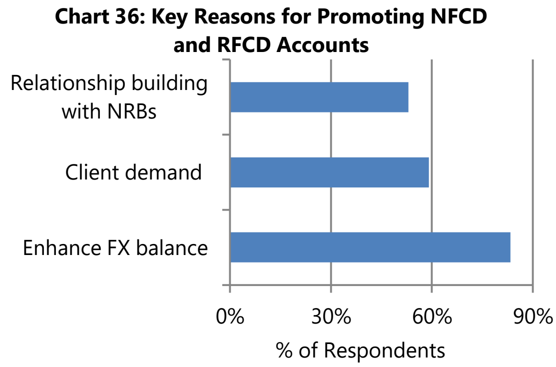
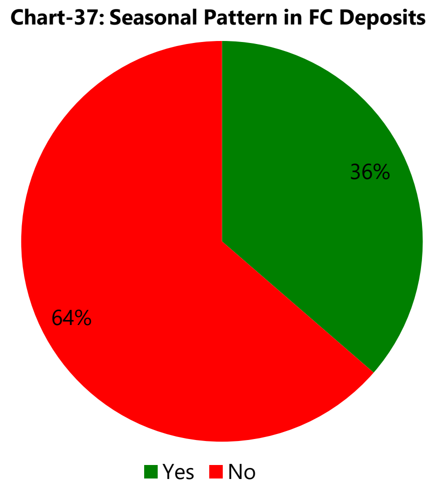




Chart 35, which assesses the perceived impact of recent regulatory reforms on NFCD and RFCD account operations, reveals a predominantly positive reception among branch officials. The majority of respondents affirm that regulatory reforms have yielded a noticeable positive impact, while a substantial segment acknowledges at least some degree of improvement. Only a marginal fraction reports no noticeable change, suggesting that the reforms have been broadly effective in improving the operational landscape. Chart 36, which explores the key reasons branch officials cite for promoting NFCD and RFCD accounts to their clients, identifies enhancing the bank's foreign exchange balance as the dominant institutional motivation, reflecting the strategic importance these accounts hold for banks' liquidity and foreign currency management. Client demand and relationship building with non-resident Bangladeshis emerge as comparably significant drivers, underscoring the dual role these accounts play in meeting customer needs while strengthening long-term banking relationships.

### 3.2.3 Seasonal Patterns in Foreign Currency Deposits and Internal Compliance Frameworks



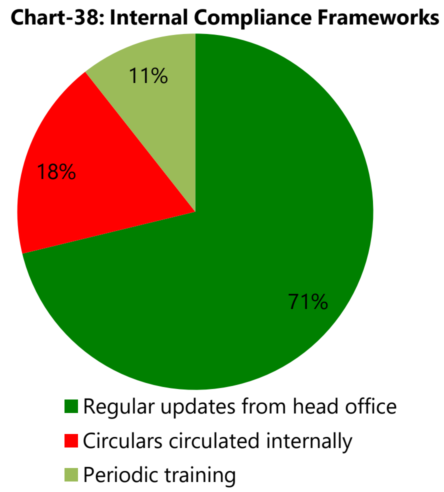
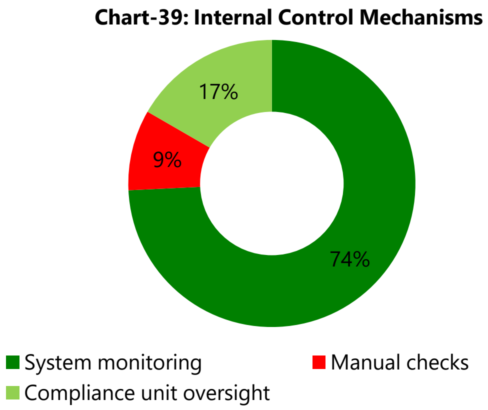



Chart 37, which investigates whether branch officials observe seasonal patterns in foreign currency deposits, reveals that the majority report no distinct seasonal trend, while a substantial minority does identify recurring deposit patterns. This mixed finding suggests that while deposit flows are largely driven by irregular, event-based factors such as return from abroad or receipt of foreign earnings, some branches may experience heightened activity during periods of increased international travel or remittance flows. Chart 38, examining internal compliance frameworks, indicates that regular updates from the head office constitute the dominant mechanism for disseminating regulatory information, reflecting a centralized approach to compliance communication, while internally circulated directives serve as a secondary channel. Periodic training sessions account for only a marginal share, suggesting that while existing communication systems are functional, the limited reliance on structured training programs represents an opportunity for strengthening branch-level regulatory capacity.

### 3.2.4 Internal Control Mechanisms and Operational Methodology



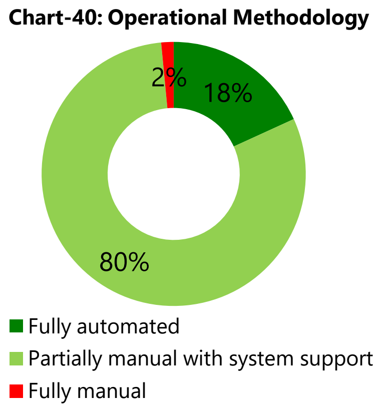
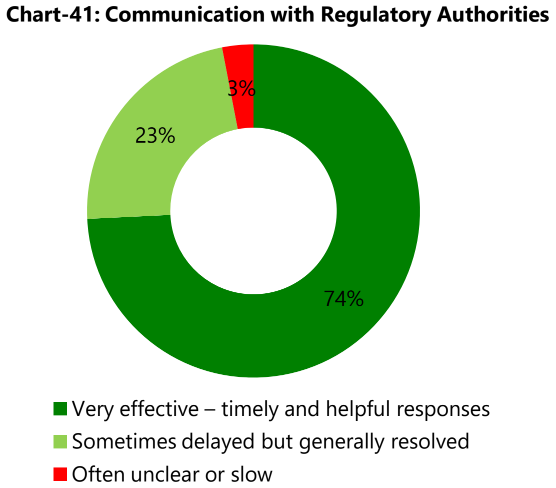




Chart 39 reveals that system monitoring constitutes the overwhelmingly dominant internal control mechanism among branches, with compliance unit oversight serving as a secondary approach and manual checks accounting for only a marginal share, reflecting a broadly institutionalized and technology-driven control environment. Complementing this, Chart 40 indicates that the vast majority of branches operate on a partially manual basis supported by system infrastructure, while fully manual processes are virtually nonexistent, suggesting that digital integration into account operations is now effectively universal. Taken together, both charts indicate a banking system that is increasingly system-dependent in its control and operational practices, though the predominance of hybrid over fully automated operations suggests that complete digitalization of NFCD and RFCD account management remains a work in progress.

### 3.2.5 Communication with Regulatory Authorities and Administrative Burdens in Compliance Processes



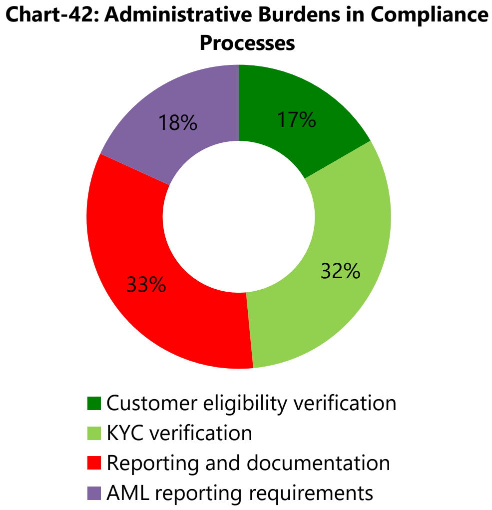
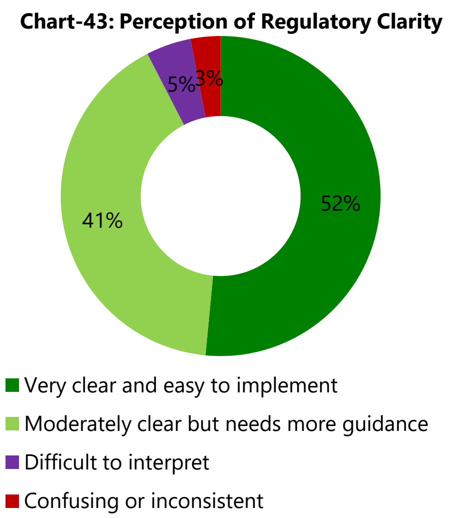




Chart 41 reveals that the overwhelming majority of branch officials characterize communication with regulatory authorities as very effective with timely and helpful responses, while a notable minority acknowledges occasional delays that are nonetheless generally resolved, and only a negligible fraction reports interactions as frequently unclear or slow, suggesting that the regulatory communication framework is broadly functional though isolated inefficiencies warrant continued attention. Chart 42, identifying the primary sources of administrative burden in compliance processes, reveals a relatively even distribution across reporting and documentation, KYC verification, customer eligibility verification, and AML reporting requirements, suggesting that compliance-related pressure is multifaceted and broadly spread.

### 3.2.6 Perception of Regulatory Clarity and Operational Compliance



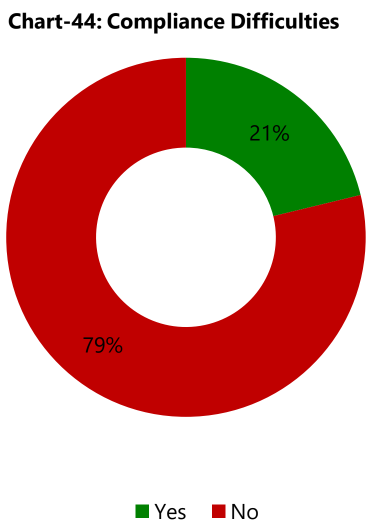
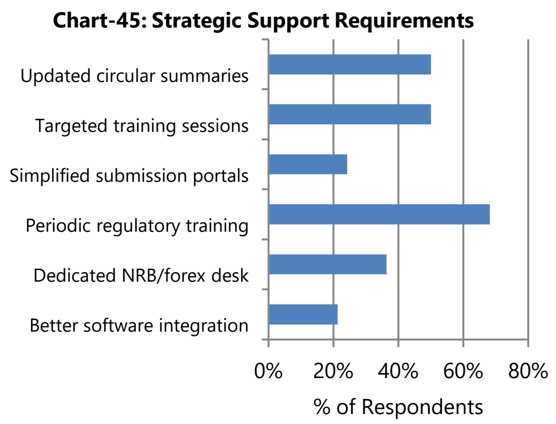



Chart 43, which assesses branch officials' perception of regulatory clarity, reveals that the majority find existing regulations very clear and easy to implement, while a substantial segment considers them moderately clear but in need of further guidance, and only a negligible fraction finds them difficult to interpret or confusing, suggesting that while the regulatory framework is broadly well-understood, there remains meaningful scope for enhancing clarity to achieve more uniform comprehension across branches. Chart 44, examining compliance difficulties specific to reporting, KYC, and AML requirements for RFCD and NFCD accounts, presents a reassuring finding — the overwhelming majority of branch officials report encountering no significant difficulties in meeting these compliance obligations, with only a small minority indicating otherwise, suggesting that despite the multifaceted nature of compliance requirements identified earlier, branch officials are generally equipped to navigate them effectively.

### 3.2.7 Strategic Support Requirements and Long-Term Potential of RFCD and NFCD Accounts



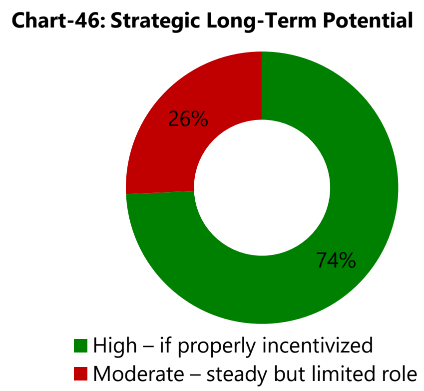




Chart 45, which identifies the strategic support requirements perceived as most critical by branch officials, reveals that periodic regulatory training emerges as the most prominently cited need, followed closely by updated circular summaries and targeted training sessions, while simplified submission portals and dedicated NRB/forex desks represent moderate priorities, and better software integration is the least cited requirement, collectively suggesting that branch officials perceive knowledge and information-related support as more urgently needed than infrastructural or technological enhancements. Chart 46, assessing the long-term strategic potential of RFCD and NFCD accounts, presents a decidedly optimistic outlook — the overwhelming majority of branch officials believe these accounts hold high long-term potential if properly incentivized, while only a notable minority considers their future role as moderate but limited, underscoring a broad institutional conviction that with appropriate policy support and incentive structures, these accounts can play a significantly expanded role in Bangladesh's foreign exchange ecosystem.

### 3.2.8 Requirement of Further Deregulation and Core Barriers to Scaling Deposit Volumes

**Chart-47: Requirement of Further Deregulation**

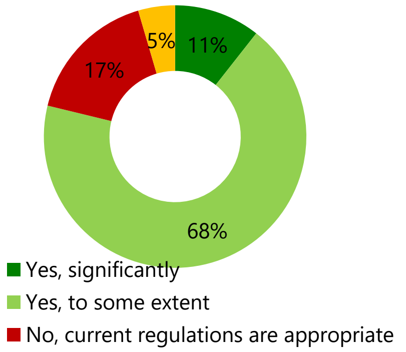



**Chart-48: Core Barriers to Scaling Deposit Volumes**

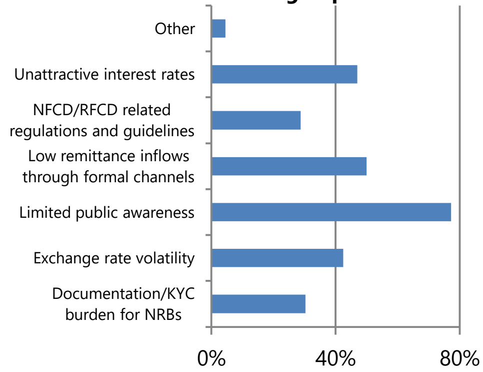



Chart 47, which examines branch officials' views on further deregulation of NFCD and RFCD accounts, reveals a strong consensus in favor of policy liberalization — the combined majority support deregulation either significantly or to some extent, while only a notable minority considers current regulations appropriate and a negligible fraction remains uncertain, reflecting a broad institutional perception that the existing regulatory framework constrains the full growth potential of these accounts. Chart 48, identifying the core barriers to scaling deposit volumes, indicates that limited public awareness emerges as the most prominently cited obstacle, followed by low remittance inflows through formal channels, exchange rate volatility, and unattractive interest rates, while documentation and KYC burden for NRBs and existing NFCD/RFCD regulations represent comparatively moderate barriers, collectively suggesting that demand-side awareness and channel-related constraints pose a greater impediment to deposit growth than regulatory or procedural factors alone.

### 3.2.9 Strategic Initiatives for Raising Public Awareness and Credit Facilities against Foreign Currency Deposits

**Chart-49 : Strategic Initiatives for Raising Public Awareness**

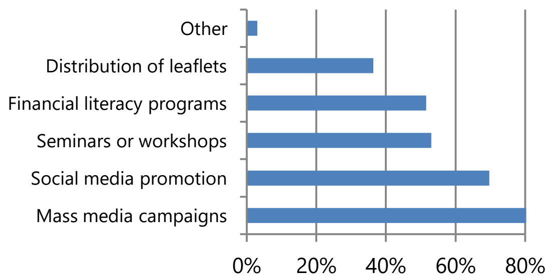



**Chart-50 : Credit Facilities Against FC Deposits**

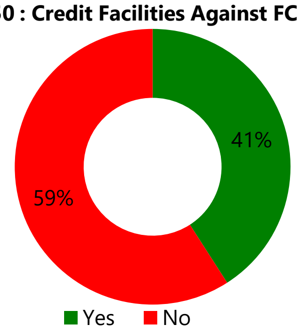
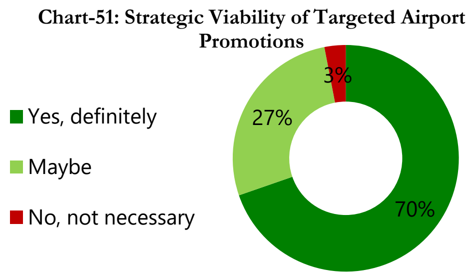


Chart 49, which identifies the most effective strategic initiatives for raising public awareness of NFCD and RFCD accounts, reveals that mass media campaigns emerge as the most widely endorsed approach, followed closely by social media promotion, while seminars and workshops and inclusion in financial literacy programs represent moderate priorities, and distribution of leaflets and brochures is considered the least impactful channel, collectively suggesting that branch officials favor broad-reach media-driven strategies over conventional branch-based outreach for expanding public awareness. Chart 50, examining whether branches offer credit facilities against foreign currency deposits, indicates that the majority of branches do not currently provide such facilities, while a notable minority does, suggesting that the potential to leverage NFCD and RFCD balances as collateral for credit remains largely untapped and represents a meaningful opportunity for product diversification that could enhance the attractiveness of these accounts and deepen their integration into the broader banking service offering.

### 3.2.10 Targeted Airport Promotions and Adjusting Customs Declaration-Free Deposit Limits



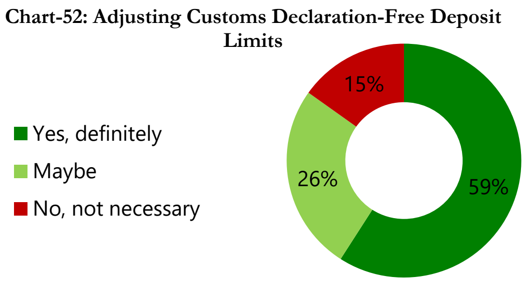
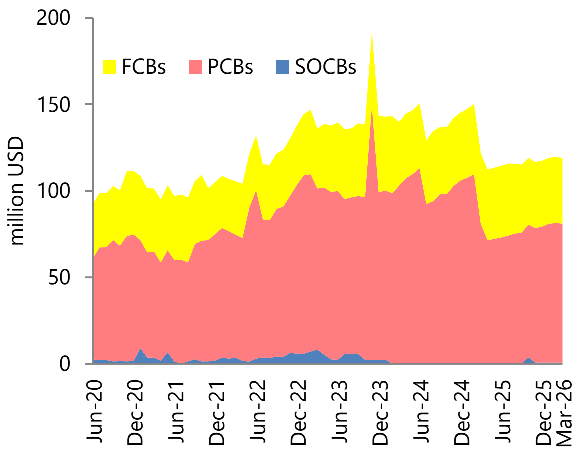




Chart 51, which assesses branch officials' views on the strategic viability of targeted airport promotional campaigns for NFCD and RFCD accounts, reveals an overwhelmingly positive reception — the vast majority definitively support such initiatives, a notable segment remains open to the idea, and only a negligible fraction considers them unnecessary, affirming that airports represent a broadly recognized and largely untapped strategic venue for customer engagement given their role as the primary entry point for physically repatriated foreign currency. Chart 52, examining opinions on adjusting the customs declaration-free deposit limit, similarly reflects a strong appetite for policy liberalization, with the combined majority either definitively or conditionally supporting an upward revision of the limit, while only a small minority considers the current threshold appropriate, suggesting that branch officials, consistent with account holder sentiments observed earlier, broadly perceive the existing limit as a constraint on deposit mobilization that warrants policy reconsideration.

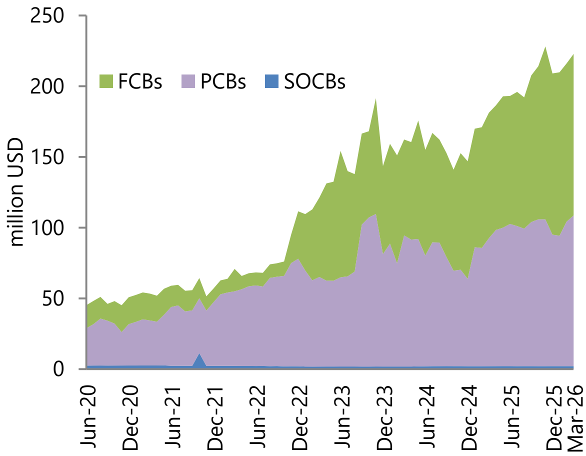
## 3.3 Impact of RFCD and NFCD account Balance on Forex Reserve

**Chart-53: RFCD Account Balances by Bank Type**




Source: FEPD, BB.

**Chart-54: NFCD Account Balances by Bank Type**




Source: FEPD, BB.

From June 2020 to March 2026, RFCD and NFCD account balances — dominated by Foreign Commercial Banks, with SOCBs contributing negligibly — grew steadily from roughly USD 137 million to over USD 341 million, driven chiefly by NFCD accounts, which rose from USD 45 million to nearly USD 222 million on a strong upward trajectory, while RFCD balances grew more modestly with a brief spike in late 2023. This growth unfolded against a volatile broader reserve environment, where Bangladesh's gross foreign exchange reserves peaked at nearly USD 48 billion in mid-2021 before declining sharply to a trough of around USD 25 billion by late 2023, then partially recovering to approximately USD 35 billion by early 2026. The fact that RFCD and NFCD balances continued rising even as overall reserves contracted sharply during 2022–2024 points to a counter-cyclical resilience, suggesting these accounts functioned as a stabilizing buffer within the formal banking system during a period of acute external stress. While their combined share remains below 1.5% of gross reserves, their overall upward trend, despite periodic fluctuations, underscores their potential as a reliable foreign currency retention instrument and reinforces the case for scaling them through targeted policy reform.

# Chapter Four

## Key Challenges and Policy Recommendations

### 4.1 Facilitating Multicurrency Deposits under a Unified Account

Under current banking practices governed by FE Circular Letter No. 19 (dated December 03, 2023), Resident Foreign Currency Deposit (RFCD) accounts can be opened in several approved currencies, including USD, EUR, GBP, JPY, AUD, CAD, CHF, CNH, and SGD. While this variety is beneficial, the existing framework requires customers to maintain a completely separate account for each individual currency they hold. This creates a significant problem for frequent travelers or professionals receiving international payments, as managing a fragmented portfolio of accounts leads to a heavy administrative burden, increased operational costs for both the bank and the client, and potential delays in processing deposits. However, a phased approach may be considered to allow multicurrency deposits within a single unified RFCD account structure subject to prior establishment of very safeguards. These should include clearly defined conversion limits, mandatory disclosure of exchange rates, reporting requirements for assessing arbitrage and dollarization risks, and evidence of system readiness by banks through pilot testing.

### 4.2 Rationalization of Dormancy Policy

The current dormancy policy for NFCD/RFCD accounts lacks a dedicated regulatory framework , forcing banks to apply standard BDT account rules outlined in BRPD Circular No. 23 (dated December 28, 2021), which classify an account as dormant after just six months of inactivity. This creates a significant operational mismatch because NFCD/RFCD accounts are fundamentally occasional in nature, with transactions typically tied to irregular international travel or the receipt of foreign earnings rather than daily cash flow. The existing reactivation process often requires customers to visit their original opening branch in person, imposing an outdated administrative burden. To address these inefficiencies, it is proposed that Bangladesh Bank may establish a separate dormancy timeline specifically tailored to foreign currency usage patterns and mandate a simple digital identity check before reactivation via biometric verification to align with modern digital banking initiatives. The implementation of the process requires banks to establish a careful system modification and monitoring.

### 4.3 Raise Declaration-Free Deposit Limit

The permissible limit for bringing foreign currency into Bangladesh without declaration was raised from USD 5,000 to USD 10,000 under FE Circular No. 06 dated 03 February 2020 and

Notification No. FE-1/2020-BB, with resident Bangladeshis permitted to credit such amounts to RFCD accounts as per FE Circular Letter No. 19 dated 03 December 2023. In practice, however, banks frequently demand detailed information about gift senders even for deposits below USD 10,000, which is inconsistent with the Guidelines for Foreign Exchange Transactions (GFET), 2018, which allow individuals to bring in up to USD 10,000 without any declaration, indicating a need to simplify documentation procedures for greater regulatory consistency and customer convenience. Moreover, given the increasing volume of global trade, the growing international mobility of resident Bangladeshis, and the global inflationary pressures in the aftermath of COVID-19, RFCD accountholders have broadly advocated for a further upward revision of the declaration-free limit to better reflect contemporary economic realities and the evolving financial needs of this customer segment

**4.4 Allow First Blood Relative to Deposit in to RFCD Account from Abroad**

Many account holders have expressed the need to deposit funds into RFCD accounts from persons residing abroad. However, under the existing regulatory framework, deposits into RFCD accounts are strictly source-sensitive; deposits must originate from foreign currency physically brought in by the account holder upon return from abroad. As the guidelines do not explicitly permit third-party deposits, banks typically refuse such transactions, creating practical difficulties for account holders who cannot receive funds even when legitimately remitted through formal channels. To address this regulatory gap while mitigating the risks of dollarization, RFCD account holders asked to consider permitting only first blood relatives — specifically parents, spouse, children, or siblings — to deposit funds into an RFCD account from abroad. In this line of action, BB may allow relation deposits by imposing strict safeguards like monthly and annual cap per account from all relatives combined with relationship verification and proof of source of funds, purpose declaration. BB must not allow this kind of third party deposits to be used as source for further third party deposits. BB may think of a pilot program & impact assessment before full implementation.

**4.5 Addressing Regulatory Ambiguity in RFCD Account Opening and Deposit Frequency**

The Guidelines for Foreign Exchange Transactions (GFET), 2018 do not specify the number of times a person may deposit foreign currency in connection with a single overseas trip, nor the number of RFCD accounts he or she may hold. This regulatory ambiguity has created room for misuse, with some account holders attempting to open multiple RFCD accounts across different banks or making repeated deposits against a single travel instance. In response, certain banks have adopted the practice of affixing a seal on the endorsement page of the customer's passport to prevent duplicate account opening. However, this approach has drawn criticism particularly from frequent travelers, as the endorsement page has limited space and repeated stamping causes practical inconvenience. Compounding the problem, banks differ in their internal policies regarding multiple deposits against a single trip. Some permit it while others do not, creating confusion and dissatisfaction among customers.

To address these issues, the GFET should be amended to clearly provide that an individual may maintain only one active RFCD account at any given time, except in cases of documented business requirements subject to prior approval by Bangladesh Bank. It should further specify that only one deposit per overseas trip is permitted, and such deposit shall not exceed the amount of foreign currency actually brought into Bangladesh and duly endorsed at the time of arrival.

At the time of opening an RFCD account, customers shall be required to submit a formal declaration confirming that they do not maintain any other RFCD account in Bangladesh. Bangladesh Bank may also introduce a centralized database system for RFCD account monitoring, whereby AD banks shall submit account opening data on a weekly basis, and BB shall conduct automated matching using national identity and passport information to detect duplicate accounts and ensure regulatory compliance.

### 4.6 Clarification of Post-Arrival Deposit Window for RFCD Account Holders

According to GFET 2018, Chapter 6, 1(D), resident Bangladeshis bringing in more than USD 10,000 must encash or deposit the amount into an appropriate foreign currency account (such as an RFCD account) within 30 days of arrival, whereas for amounts up to USD 10,000 — i.e., within the declaration-free limit — no such time restriction is prescribed under the guidelines. However, in practice, some banks refuse to open or credit RFCD accounts when customers present themselves long after their return from abroad, even for amounts below USD 10,000, which is inconsistent with the regulatory framework. BB can issue a clear circular to all ADs stating these rules explicitly that banks shall not refuse an RFCD deposit solely because of delay, for any amount up to USD 10,000, so banks cannot invent their own restrictions. Moreover, BB should clear that, deposits above USD 10,000 presented after 30 days require BB approval (case to case basis).

### 4.7 Strengthening International Card Services under the RFCD Scheme

Under FE Circular Letter No. 19 dated 03 December 2023, Authorized Dealers are permitted to issue up to two supplementary international cards — debit, credit, or prepaid — to the dependents of RFCD accountholders. Despite this clear regulatory provision, a number of customers have reported that banks have been slow to extend this facility in practice.

Instances have also been observed where the primary accountholder's international debit card is not properly linked to the RFCD account; instead, the accountholder is issued a separate type of international card that requires independent post-use settlement, imposing an additional administrative and financial burden on the customer. It is therefore recommended that banks be directed to ensure proper linkage of international debit cards to RFCD accounts and to extend the supplementary card facility to eligible dependents without undue procedural impediments. However, BB should not allow any transaction that extend credit beyond the RFCD balance without separate underwriting.

**4.8 Utilizing Passport Endorsement as a Strategic Touch point for RFCD Promotion**

Passport endorsement prior to foreign travel presents a strategic opportunity to encourage customers to open RFCD accounts by delivering clear and timely information about the benefits of formally retaining foreign currency upon return from abroad. It leverage an existing touch point without requiring new infrastructure. For branch-based foreign currency purchases, provide a concise informational brochures, for digital foreign currency purchases send SMS notifications, place simple posters at foreign currency counter showing RFCD benefits.

**4.9 Rationalizing Tax policy and Enhancing Credit Utility of RFCD and NFCD Accounts**

The annual excise duty currently levied on RFCD and NFCD accounts imposes a recurring tax burden that disproportionately erodes the value of small deposits and undermines the attractiveness of these instruments as vehicles for formal foreign currency retention. This treatment is inconsistent with the exemption already extended to foreign currency accounts maintained in Offshore Banking Units, despite both categories serving the common policy objective of mobilizing foreign exchange within the domestic banking system. It is therefore recommended that Bangladesh Bank engage with the National Board of Revenue to advocate for full exemption or exemption only for accounts below certain amount (protecting small savers) or reduction of RFCD and NFCD accounts from annual excise duty. Complementing this measure, the permission of a lien facility on RFCD and NFCD account balances — enabling account holders to avail BDT-denominated credit against their foreign currency deposits would substantially enhance the financial utility of these instruments. However, this should be permitted with appropriate risk management (i.e., maximum loan-to-value (LTV) (converted to take at prevailing exchange rate), banks requiring additional collateral if exchange rate appreciates such that collateral value fall below certain percentage of the outstanding loan amount.

#### 4.10 Strengthening Data Reporting Framework for RFCD and NFCD Accounts

Although GFET 2018, Volume 1, Chapter 13 explicitly requires Authorised Dealer banks to submit monthly currency-wise statements of NFCD transactions (Paragraph 20, Appendix 5/86) and RFCD transactions (Paragraph 26, Appendix 5/87) to the Foreign Exchange Operation Department of Bangladesh Bank by the 15th of the following month, the study team finds that reporting obligation on these accounts has not been effectively operationalised in practice. The absence of reliable time-series data weakens the evidence base for policy decisions, impairs macroprudential surveillance. It is therefore recommended that Bangladesh Bank direct all Authorised Dealer banks to report RFCD and NFCD account data through a dedicated IT-enabled web based reporting portal using a standardised digital template feeding into a centralised database and that aggregate statistics on these accounts be published periodically. This IT system changes require strong project management and could take years. So BB may consider phased implementation to ensure success. As a first step, BB should remind banks of existing reporting requirements (GFET appendix 5/86 and 5/87) which are already legally required but not being followed within reasonable time. After having this baseline data, BB may develop simple excel template for monthly reporting with required data fields before develop a web-based reporting portal & finally should explore transaction-level reporting for large transactions.

#### 4.11 Development of a Standardised FAQ for RFCD and NFCD Account Holders

Survey findings reveal that a significant proportion of RFCD and NFCD account holders possess only partial awareness of the regulations, eligibility conditions, permissible transactions, and operational features governing these accounts, while different banks follow different internal practices on matters such as deposit frequency per trip, post-arrival deposit windows, international card linkage, and dormancy rules — not only undermines customer confidence but also creates an uneven compliance environment that is difficult for Bangladesh Bank to oversee effectively. It is therefore recommended that Bangladesh Bank develop and publish on its official website a standardised Frequently Asked Questions (FAQ) document covering the most common customer queries relating to RFCD and NFCD accounts. Ideally, FAQ document should be bilingual and must be reviewed and updated within shortest possible time after any relevant circular issuance. Moreover, FAQ should include a feedback email address to get customers suggestion and additional questions. The FAQ document should explicitly state about its' legal status that FAQ is guidance, BB circular and GFET are legally binding. In case of any conflict, the BB circulars and GFET prevail.

### 4.12 Introduction of Non-Resident Convertible Taka Account (NCTA)

While RFCD accounts provide residents a convenient mechanism to save foreign currency, they offer limited utility to banks since deposits arrive as physical cash carried by returning travelers. This physical currency cannot be deployed for import payments or trade finance obligations, which require electronically transferable funds routed through correspondent banking networks. Consequently, banks can only recycle this cash by selling it back to outbound travelers — creating a functionally closed loop with negligible broader macroeconomic benefit.

Introducing a Non-Resident Convertible Taka Account (NCTA), modeled on Pakistan's highly successful Roshan Digital Account (RDA), could resolve this structural inefficiency. Operated on a fully digital platform, the NCTA would receive electronically remitted foreign currency directly from non-resident Bangladeshis abroad, which banks could legitimately deploy for import payments and trade settlement — addressing precisely the gap that physical RFCD cash cannot fill.

Pakistan's RDA mobilized over USD 12 billion since its 2020 launch by offering remote account opening, multi-asset investment options, and full repatriability. A similarly designed NCTA for Bangladesh could redirect informal remittance flows into the formal banking system, while converting diaspora savings from a mere retail convenience into a powerful macroeconomic instrument for sustainably strengthening Bangladesh's foreign exchange liquidity and reserve adequacy.

# Chapter Five

## Conclusion

RFCD and NFCD accounts have served as enduring pillars of Bangladesh's foreign currency retention framework since their introduction in 1982 and 1991 respectively. Rooted in the macroeconomic imperative of mobilizing externally earned foreign exchange within the domestic banking system, these instruments were designed to serve two distinct but complementary depositor groups — residents retaining foreign currency brought back from travel through RFCD accounts, and non-resident Bangladeshis holding earnings abroad through NFCD accounts. Over four decades, both schemes evolved substantially: interest rate frameworks shifted from fixed administrative ceilings to market-determined rates, eligible currencies expanded from USD and GBP to nine convertible currencies, the customs declaration-free deposit limit rose from USD 1,000 to USD 10,000, and international card facilities were extended to account holders and their dependents. This incremental liberalization reflects a consistent, if measured, policy orientation toward broadening the utility and attractiveness of both instruments.

To assess their current functioning and macroeconomic contribution, this study employed a mixed-method research design combining structured surveys with semi-structured interviews across six administrative divisions. Primary data were drawn from 852 account holders and 66 bank officials during September and October 2025, supplemented by a comparative literature review examining analogous schemes in India, Pakistan, and Sri Lanka. Pakistan's Roshan Digital Account — which mobilized over USD 12 billion through fully digital, multi-asset architecture — and Sri Lanka's unified Personal Foreign Currency Account framework offered particularly instructive lessons on the mobilization gains achievable through broadened eligibility, digital delivery, and inter-account transferability.

The empirical findings paint a clear picture of how these accounts function in practice. The typical account holder is a male professional aged 40 to 60, who learned about the scheme through direct engagement with bank officials rather than through media or digital advertising. The US Dollar dominates currency preferences at 98%, and most holders maintain a single account with monthly balances between USD 1,000 and USD 5,000. Deposits and withdrawals occur only occasionally, confirming that these instruments operate as periodic savings vehicles rather than active transaction accounts with deposits typically made up on return from abroad. Despite this infrequency, satisfaction levels are remarkably high — the vast majority of users express confidence in deposit safety, service quality, fees transparent and 90.1% would recommend these accounts to others. However, significant gaps persist: almost half of respondents are fully aware of applicable interest rates, and investment of account balances into other financial products remains virtually nonexistent, indicating that the full financial utility of these instruments is far from being realized.

From the perspective of bank officials, NFCD accounts are perceived as operationally more demanding than RFCD accounts, though branch operations are broadly described as smooth. The primary institutional motivation for promoting these accounts is the enhancement of the bank's foreign exchange position, while the most cited barriers to scaling deposit volumes are limited public awareness and low formal-channel remittance inflows — demand-side constraints that regulatory reform alone cannot fully address. On the macroeconomic front, combined RFCD and NFCD balances rose overall, despite periodic fluctuations, from approximately USD 137 million in mid-2020 to over USD 341 million by early 2026. Critically, this growth occurred even as Bangladesh's gross foreign exchange reserves fell sharply from a peak of nearly USD 48 billion in mid-2021 to a trough of around USD 25 billion by late 2023, revealing a notable counter-cyclical resilience that underscores the stabilizing function these accounts serve during periods of external stress. However, their share remains below 1.5% of gross reserves.

Yet structural constraints continue to suppress their full potential. The absence of enforcement of some existing regulation, operational inconsistent across banks, ambiguity in rule around deposit frequency, timing, eligibility, inadequate linkage of international cards to RFCD accounts, weak digital integration, and the erosive effect of annual excise duty on small deposits collectively limit both depositor confidence and system-wide mobilization capacity. A centralized data reporting framework for these accounts — mandated by regulation but never operationalized — remains absent, weakening the evidence base for reserve management decisions.

The twelve policy recommendations presented in this report — spanning multicurrency deposits under unified account, rationalized dormancy reform, declaration-free deposit limits revision, allowing first-blood relatives to deposit from abroad, credit utility enhancement, rationalization of tax policy, and digital reporting infrastructure — constitute a coherent and achievable reform agenda. As a final note, the modernization of RFCD and NFCD accounts should be undertaken in a sequenced manner, supported by robust regulatory and supervisory safeguards. Bangladesh Bank’s policy focus should be directed toward expanding the effective utilization of these accounts as a channel for formal foreign exchange mobilization, while simultaneously addressing potential risks related to regulatory arbitrage, dollarization pressure, and AML/CFT vulnerabilities. In this regard, close and continuous monitoring will be essential to ensure that these instruments contribute positively to external resilience without compromising macro-financial stability.

# Annexure-1

**List of Bank Branches Covered in the Survey**

| SI | Bank Name | Branch Name | Zila |
|---|---|---|---|
| 1 | AB Bank PLC | Principal Branch | Dhaka |
| 2 | Bangladesh Commerce Bank PLC | Principal Branch | Dhaka |
| 3 | Bank Asia Bank PLC | Gulshan Branch Branch | Dhaka |
| 4 | Bank Asia Bank PLC | Scotia Branch Branch | Dhaka |
| 5 | Brac Bank PLC | Gulshan Branch | Dhaka |
| 6 | Brac Bank PLC | Motijheel Branch | Dhaka |
| 7 | Brac Bank PLC | Agrabad Branch | Chattogram |
| 8 | City Bank PLC | Foreign Exchange Branch | Dhaka |
| 9 | City Bank PLC | Mouchak Branch | Dhaka |
| 10 | City Bank PLC | Gulshan Avenue Branch | Dhaka |
| 11 | City Bank PLC | Gulshan Branch | Dhaka |
| 12 | City Bank PLC | Principal Office Branch | Dhaka |
| 13 | City Bank PLC | Kawran Bazar Branch | Dhaka |
| 14 | City Bank PLC | New Market Branch | Dhaka |
| 15 | City Bank PLC | Agrabad Branch | Chattogram |
| 16 | City Bank PLC | Jubilee Road Branch | Chattogram |
| 17 | City Bank PLC | Khulna Branch | Khulna |
| 18 | City Bank PLC | Bandar Bazar Branch | Sylhet |
| 19 | City Bank PLC | Rajshahi Branch | Rajshahi |
| 20 | City Bank PLC | Rangpur Branch | Rangpur |
| 21 | Dhaka Bank PLC | Banani Branch | Dhaka |
| 22 | Dhaka Bank PLC | Gulshan Branch | Dhaka |
| 23 | Dhaka Bank PLC | Uttara Branch | Dhaka |
| 24 | Dhaka Bank PLC | Foreign Exchange Branch | Dhaka |
| 25 | Dhaka Bank PLC | Dhanmondi Branch | Dhaka |
| 26 | Dutch Bangla Bank PLC | Banani Branch | Dhaka |
| 27 | Eastern Bank PLC | Principal Branch | Dhaka |
| 28 | Eastern Bank PLC | Gulshan Branch | Dhaka |
| 29 | Eastern Bank PLC | Banani Branch | Dhaka |
| 30 | Eastern Bank PLC | Dhanmondi Branch | Dhaka |
| 31 | Eastern Bank PLC | Agrabad Branch | Chattogram |
| 32 | IBBL Bank PLC | Rajshahi Branch | Rajshahi |
| 33 | IBBL Bank PLC | Rangpur Branch | Rangpur |
| 34 | IFIC Bank PLC | Gulshan Branch | Dhaka |
| 35 | Meghna Bank PLC | Principal Branch | Dhaka |
| 36 | Mercantile Bank PLC | Main Branch | Dhaka |
| 37 | Mutual Trust Bank PLC | Gulshan Branch | Dhaka |
| 38 | Mutual Trust Bank PLC | Mtb Centre Corporate Branch | Dhaka |
| 39 | Mutual Trust Bank PLC | Agrabad Branch | Chattogram |
| 40 | National Bank PLC | Dilkusha Branch | Dhaka |
| 41 | NRB Bank PLC | Principal Branch | Dhaka |

| SI | Bank Name | Branch Name | Zila |
|---|---|---|---|
| 42 | NRBC Bank PLC | Principal Branch | Dhaka |
| 43 | Premier Bank PLC | Gulshan Branch | Dhaka |
| 44 | Premier Bank PLC | Banani Branch | Dhaka |
| 45 | Premier Bank PLC | Kawran Bazar Branch | Dhaka |
| 46 | Prime Bank PLC | Banani Branch | Dhaka |
| 47 | Prime Bank PLC | Satmasjid Road Branch | Dhaka |
| 48 | Prime Bank PLC | Gulshan Branch | Dhaka |
| 49 | Prime Bank PLC | Motijheel Branch | Dhaka |
| 50 | Prime Bank PLC | Kawran Bazar Branch | Dhaka |
| 51 | Prime Bank PLC | Uttara Branch | Dhaka |
| 52 | Prime Bank PLC | Agrabad Branch | Chattogram |
| 53 | SCB PLC | Gulshan North Branch | Dhaka |
| 54 | SCB PLC | Motijheel Branch | Dhaka |
| 55 | SCB PLC | Banani Branch | Dhaka |
| 56 | SCB PLC | Dhanmondi Road 5 Branch | Dhaka |
| 57 | SCB PLC | Chittagong Main Branch | Chattogram |
| 58 | SCB PLC | Nasirabad Branch | Chattogram |
| 59 | SCB PLC | Khulna Branch | Khulna |
| 60 | SCB PLC | Sylhet Branch | Sylhet |
| 61 | SCB PLC | Gulshan Branch | Dhaka |
| 62 | Southeast Bank PLC | Principal Branch | Dhaka |
| 63 | Trust Bank PLC | Principal Branch | Dhaka |
| 64 | UCB Bank PLC | Corporate Branch | Dhaka |
| 65 | UCB Bank PLC | Principal Branch | Dhaka |
| 66 | UCB Bank PLC | Gulshan Branch | Dhaka |

# Annexure-2

**Data Collection Schedule – Dhaka District**

| Team | Member | No. of Day | Duration |
|---|---|---|---|
| Team A | 01. Mr. Md. Sadrul Hasan<br>Additional Director, MPD<br>02. Mr. Omar Faruk<br>Joint Director, MPD | 5 | 21-25 September 2025 |
| Team B | 01. Mr. Md. Nazimul Arif Sarker<br>Additional Director, MPD<br>02. Mr. Md. Ahsan Ullah<br>Joint Director, MPD | 5 | 21-25 September 2025 |
| Team C | 01. Dr. Md. Omor Faruq<br>Additional Director, MPD<br>02. Mr. Masum Mia<br>Assistant Director, MPD | 5 | 21-25 September 2025 |
| Team D | 01. Dr. Saidul Islam<br>Joint Director, CEU<br>02. Mr. Md. Abu Yousuf<br>Assistant Director, MPD | 5 | 21-25 September 2025 |
| Team E | 01. Mr. Md. Rafiqul Islam<br>Additional Director, MPD<br>02. Mr.  Shajahan Ali<br>Joint Director, FEPD | 5 | 21-25 September 2025 |

# Annexure-3

**Data Collection Schedule – Districts Outside Dhaka**

| Team | Member | District | Day | Duration |
|---|---|---|---|---|
| Team F | 01. Mr. Mahmud Salahuddin Naser<br>Director, MPD<br>02. Mr. Md. Ahsan Ullah<br>Joint Director, MPD | Chattogram | 2 | 12-13 October 2025 |
| Team G | 01. Mr. Md. Nazimul Arif Sarker<br>Additional Director, MPD<br>02. Mr. Omar Faruk<br>Joint Director, MPD | Chattogram | 2 | 12-13 October 2025 |
| Team H | 01. Dr. Md. Omor Faruq<br>Additional Director, MPD<br>02. Mr. Md. Abu Yousuf<br>Assistant Director, MPD | Khulna | 1 | 12 October 2025 |
| Team I | 01. Mr. Md. Sadrul Hasan<br>Additional Director, MPD<br>02. Mr. Masum Mia<br>Assistant Director, MPD | Sylhet | 1 | 16 October 2025 |
| Team J | 01. Mr. Md. Rafiqul Islam<br>Additional Director, MPD<br>02. Mr. Shajahan Ali<br>Joint Director, FEPD | Rajshahi | 1 | 12 October 2025 |
| Team K | 01. Dr. Saidul Islam<br>Joint Director, CEU<br>02. Mr. Masum Mia<br>Assistant Director, MPD | Rangpur | 1 | 12 October 2025 |

# Annexure-4

| Team-______ | Date of Interview: _____/09/2025 | Questionnaire No: |
|---|---|---|

## Questionnaire for NFCD/RFCD Account Holder

**Personal Information (Questions 1-10)**

| | |
|---|---|
| 1. Name: | |
| 2. Age: | |
| 3. Gender: | |
| 4. Name of the Bank: | |
| 5. Name of the Branch: | |
| 6. Nationality: | |
| 7. Country of Residence: | |
| 8. Occupation: | |
| 9. Mobile: | |
| 10. E-mail: | |

**(Please give tick mark)**

**Account Usage & Preferences (Questions 11-30)**

11. Account Type
    - ☐ RFCD
    - ☐ NFCD
    - ☐ Both

12. How did you first learn about the RFCD or NFCD account?
    - ☐ Advertisement in print/electronic media
    - ☐ Advertisement/content from social media
    - ☐ From bank officials.
    - ☐ From friends/family members.
    - ☐ Other.

13. What was the main reason for opening an RFCD or NFCD account? **(Select all that apply)**
    - ☐ Saving foreign currency
    - ☐ To support the expenses of family members residing home/abroad
    - ☐ To support personal foreign travel related expense
    - ☐ Sending Remittance from abroad
    - ☐ Other

14. How important are the following features when choosing a bank for your RFCD/NFCD account? **(Select all that apply)**
    - ☐ Interest rate
    - ☐ Ease of transferring funds
    - ☐ Customer service
    - ☐ Currency options
    - ☐ Online banking services
    - ☐ Bank's Reputation
    - ☐ Branch proximity
    - ☐ Other incentive or facilities

15. Which currency do you prefer to deposit in your account?
    - ☐ USD
    - ☐ EUR
    - ☐ GBP
    - ☐ Other

16. How many years have you been maintaining your RFCD/NFCD accounts?
    - ☐ Less than 1 year
    - ☐ 1-3 year
    - ☐ 3-5 year
    - ☐ More than 5 years

17. How often do you deposit funds into your RFCD/NFCD account?
    - ☐ Weekly
    - ☐ Monthly
    - ☐ Quarterly
    - ☐ Annually
    - ☐ Occasionally

18. How often do you make withdrawals from your RFCD/NFCD account?
    - ☐ Once a month
    - ☐ Once in every three months
    - ☐ Once a year
    - ☐ Occasionally

19. Which of the following banking channels do you most often use to operate your RFCD/NFCD account?

- ☐ Physical branch visits
- ☐ Online banking/mobile App
- ☐ ATM
- ☐ Other

20. What is the primary source of the funds you deposit into the account?

- ☐ Personal savings
- ☐ Salary or income from abroad
- ☐ Investments or business income
- ☐ Foreign currency brought back when returning from abroad
- ☐ Other

21. What is the average monthly balance you maintain in RFCD/NFCD account?

- ☐ Less than USD 1,000 or equivalent
- ☐ USD 1,000-5,000 or equivalent
- ☐ USD 5,000-10,000 or equivalent
- ☐ More than USD 10,000 or equivalent

22. Do you maintain more than one foreign currency account?

- ☐ Yes
- ☐ No

If yes, how many: ______________________

23. Have you ever transferred funds from RFCD/NFCD accounts to any investment products?

- ☐ Yes
- ☐ No

If yes, please describe the type: ______________________

24. Are you aware of the key regulations and legal requirements governing RFCD and NFCD accounts?

- ☐ Yes
- ☐ Somewhat
- ☐ No

25. Have you ever been contacted by your bank for Know Your Customer (KYC) or regulatory updates?

- ☐ Yes
- ☐ No
- ☐ Don't remember

26. Do you feel the process of opening & operating RFCD/NFCD account bureaucratic or complicated?
    - ☐ Strongly agree
    - ☐ Agree
    - ☐ Neutral
    - ☐ Disagree
    - ☐ Strongly disagree
27. How does the bank inform you about changes in regulations and interest rates for NFCD/RFCD accounts?
    - ☐ Notices posted at the branch
    - ☐ Bank's official website or mobile app
    - ☐ Email or SMS alerts
    - ☐ Informational brochures or leaflets
    - ☐ Direct communication by branch staff
    - ☐ Other
28. Are you familiar with the rules and processes regarding repatriation of funds in your RFCD/NFCD account?
    - ☐ Yes
    - ☐ Somewhat
    - ☐ No
29. Are you aware of the interest rates offered on your RFCD/NFCD account?
    - ☐ Yes
    - ☐ Somewhat
    - ☐ No
30. Do you convert foreign currency into Bangladesh Taka (BDT) from your account?
    - ☐ Yes
    - ☐ Occasionally
    - ☐ No

**Satisfaction & Feedback (Questions 31-47)**

31. How satisfied are you with the services provided by your bank regarding your RFCD/NFCD account?
    - ☐ Very Satisfied
    - ☐ Satisfied
    - ☐ Neutral
    - ☐ Dissatisfied
    - ☐ Very Dissatisfied

32. How do you feel regarding the safety and reliability of your RFCD/NFCD deposits?
    - ☐ Very confident
    - ☐ Somewhat confident
    - ☐ Neutral
    - ☐ Slightly concerned
    - ☐ Very concerned

33. What concerns, if any, do you have regarding your RFCD/NFCD account? **(select all that apply)**
    - ☐ Exchange rate risk
    - ☐ Lack of clear information
    - ☐ Low interest rates
    - ☐ Difficulties in fund repatriation
    - ☐ High fees/charges
    - ☐ Other

34. In your opinion, how attractive are the current interest rates offered for RFCD/NFCD accounts?
    - ☐ Very attractive
    - ☐ Attractive
    - ☐ Neutral
    - ☐ Unattractive
    - ☐ Very unattractive

35. How transparent do you find the fees, charges, and interest rate policies related to your RFCD/NFCD account?
    - ☐ Very transparent
    - ☐ Mostly clear
    - ☐ Somewhat clear
    - ☐ Very unclear

36. Have you received any incentives from the bank for using RFCD/NFCD accounts (e.g., favorable exchange rates or discounts)?
    - ☐ Yes
    - ☐ No

37. Have you ever faced any difficulties in using the RFCD/NFCD account?
    - ☐ Yes
    - ☐ No

    If yes, please specify the type of difficulties: ____________________________

38. Do you think there should be any improvements to the current system/service/rates/rules for RFCD/NFCD accounts?
    - ☐ Yes
    - ☐ No

    If yes, please describe: ___________________________

39. Do you think the regulations related to NFCD and RFCD accounts need to be further deregulated?

- ☐ Yes, significantly
- ☐ Yes, to some extent
- ☐ No, current regulations are appropriate
- ☐ Not sure

40. What measures can be taken to raise public awareness about NFCD and RFCD accounts? **(Select all that apply)**

- ☐ Mass media campaigns (TV, radio, newspapers)
- ☐ Social media promotion
- ☐ Distribution of leaflets and brochures at branches
- ☐ Seminars or workshops for targeted groups (e.g., expatriates, bank customers)
- ☐ Inclusion in financial literacy programs
- ☐ Other

41. Do you think promotional campaigns on the benefits of NFCD/RFCD accounts should be conducted at airports?

- ☐ Yes, definitely
- ☐ Maybe
- ☐ No, not necessary

42. Currently, up to USD 10,000 (without a customs declaration) or any amount (with a declaration) can be deposited into an RFCD account. Do you think the customs declaration-free limit should be raised?

- ☐ Yes, definitely
- ☐ Maybe
- ☐ No, not necessary

43. Have you ever encountered difficulties in repatriating funds or transferring money to/from your RFCD/NFCD account?

- ☐ Yes
- ☐ No

If yes, please specify the type: ____________________________

44. Do you believe that the use of RFCD/NFCD accounts has improved your financial freedom?

- ☐ Yes
- ☐ No

45. Would you recommend the use of RFCD/NFCD accounts to others?

- ☐ Yes
- ☐ Maybe
- ☐ No

46. What additional features or services would you like to see in RFCD/NFCD accounts?

47. Do you have any suggestions for improving the overall experience of using RFCD/NFCD accounts? Are there any other comments you would like to share regarding RFCD/NFCD accounts?

# Annexure-5

| Team:______ | Date of Interview: ____/____/2025 | Questionnaire No: |
|---|---|---|

## Questionnaire for AD Branch Officials

**Basic Information of Branch (Questions 1-11)**

| | |
|---|---|
| 1. Name of the Bank: | |
| 2. Branch Name: | |
| 3. Branch Code: | |
| 4. Division: | |
| 5. District: | |
| 6. Upzila: | |
| 7. Name of Respondent: | |
| 8. Designation of Respondent: | |
| 9. Job title: | |
| 10. Email: | |
| 11. Mobile: | |

**(Please give tick mark)**

**Branch-Level Experience (Questions 12-17)**

12. Which account type involves more complexity in terms of branch-level operations?
    - ☐ NFCD
    - ☐ RFCD
    - ☐ Both equally

13. How would you describe your branch's overall experience in managing NFCD and RFCD accounts?
    - ☐ Very smooth
    - ☐ Mostly manageable
    - ☐ Occasionally difficult
    - ☐ Frequently challenging

14. Have recent changes in BB regulations (e.g., interest ceilings, currency expansion, benchmark links) attracted customer attraction to NFCD/RFCD accounts?
   - ☐ Yes
   - ☐ Somewhat
   - ☐ No noticeable change

15. Does your bank actively promote NFCD & RFCD accounts to your clients?
   - ☐ Yes
   - ☐ No

16. What are the key reasons for promoting NFCD & RFCD accounts to your clients? **(Select all that apply)**
   - ☐ Enhance FX balance
   - ☐ Low-cost FX funding
   - ☐ Client demand
   - ☐ Relationship building with NRBs
   - ☐ Others

17. Have you observed any seasonality in RFCD/NFCD account and deposit pattern?
   - ☐ Yes
   - ☐ No

**<u>Operational Challenges and Practices (Questions 18-23)</u>**

18. What internal procedures are in place at your branch to ensure compliance with BB circulars on NFCD and RFCD accounts?
   - ☐ Regular updates from head office
   - ☐ Circulars circulated internally
   - ☐ Periodic training
   - ☐ Other (please specify):_________________________

19. What internal controls are in place to monitor foreign currency account activity?
   - ☐ System monitoring
   - ☐ Manual checks
   - ☐ Compliance unit oversight
   - ☐ None
   - ☐ Other (please specify):__________________________

20. Describe how foreign currency reporting is prepared and submitted at your branch.
   - ☐ Fully automated
   - ☐ Partially manual with system support
   - ☐ Fully manual

21. Are there any infrastructure gaps (e.g., software, human resources) in managing NFCD/RFCD accounts?

- ☐ Yes – both software and staffing
- ☐ Yes – mainly software-related
- ☐ Yes – mainly staff capacity-related
- ☐ No major gaps identified

22. How effective is communication with Bangladesh Bank or Head Office of your bank, when there are operational issues with foreign currency accounts?

- ☐ Very effective – timely and helpful responses
- ☐ Sometimes delayed but generally resolved
- ☐ Often unclear or slow
- ☐ We handle issues mostly independently

23. In your experience, what part of the NFCD/RFCD compliance process is most burdensome?

- ☐ KYC verification
- ☐ AML reporting requirements
- ☐ Reporting and documentation
- ☐ Customer eligibility verification

**Regulatory Framework and Suggestions (Questions 24-34)**

24. How would you rate the clarity of Bangladesh Bank circulars on NFCD and RFCD accounts?

- ☐ Very clear and easy to implement
- ☐ Moderately clear but needs more guidance
- ☐ Difficult to interpret
- ☐ Confusing or inconsistent

25. Have you encountered difficulties in complying with reporting/KYC/AML requirements specific to RFCD/NFCD accounts?

- ☐ Yes
- ☐ No

If yes, please specify the type: ____________________________

26. What additional support would help your branch improve the operation/management of NFCD and RFCD accounts? **(select all that apply)**

- ☐ Dedicated NRB/forex desk
- ☐ Better software integration
- ☐ Targeted training sessions
- ☐ Periodic regulatory training
- ☐ Updated circular summaries
- ☐ Simplified submission portals

27. From your perspective, what is the long-term potential of NFCD and RFCD accounts in enhancing your bank's foreign exchange inflow?
    - ☐ High – if properly incentivized
    - ☐ Moderate – steady but limited role
    - ☐ Low – not significant without policy overhaul

28. Do you think the regulations related to NFCD and RFCD accounts need to be further deregulated?
    - ☐ Yes, significantly
    - ☐ Yes, to some extent
    - ☐ No, current regulations are appropriate
    - ☐ Not sure

29. What are the main challenges your bank faces in getting NFCD/RFCD deposit volumes? **(select all that apply)**
    - ☐ NFCD/RFCD related regulations and guidelines
    - ☐ Exchange rate volatility
    - ☐ Unattractive interest rates
    - ☐ Documentation/KYC burden for NRBs
    - ☐ Limited public awareness
    - ☐ Low remittance inflows through formal channels
    - ☐ Other

30. What measures can be taken to raise public awareness about NFCD and RFCD accounts? **(select all that apply)**
    - ☐ Mass media campaigns (TV, radio, newspapers)
    - ☐ Social media promotion
    - ☐ Distribution of leaflets and brochures at branches
    - ☐ Seminars or workshops for targeted groups (e.g., expatriates, bank customers)
    - ☐ Inclusion in financial literacy programs
    - ☐ Other

31. Is there any arrangement of getting any loan product against RFCD/NFCD account?
    - ☐ Yes
    - ☐ No

32. Do you think promotional campaigns on the benefits of NFCD/RFCD accounts should be conducted at airports?
    - ☐ Yes, definitely
    - ☐ Maybe
    - ☐ No, not necessary

33. Currently, up to USD 10,000 (without a customs declaration) or any amount (with a declaration) can be deposited into an RFCD account. Do you think the customs declaration-free limit should be raised?

- ☐ Yes, definitely
- ☐ Maybe
- ☐ No, not necessary

34. Any additional observations, operational insights, or suggestions from your branch: