

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Foreign currency–Taka swap facility against exporters' fund in foreign currency held in 30-day pool and retention quota accounts for meeting working capital needs

In consideration of prevailing trends in foreign exchange earnings, exporters' liquidity requirements, and the need to minimize exchange losses from premature conversion of export proceeds, Bangladesh Bank has reviewed the existing framework for retention and utilization of foreign currency funds held in respective pools (ref. paragraphs 55(2) and 56(1) of FE Circular No. 33, dated August 14, 2025) and exporters' retention quota (ERQ) accounts (ref. paragraph 76 of FE Circular No. 31, dated July 31, 2025).

02. To facilitate exporters' short-term liquidity requirement in Taka while maintaining foreign currency holdings, it has been decided that Authorized Dealers (ADs) may enter foreign currency–Taka swap arrangements with exporters against balances held in their respective 30-day pools and ERQ accounts. For the purpose of this circular, such a swap is defined as a spot purchase of foreign currency against Taka with a simultaneous forward sale at an agreed rate and maturity, using underlying foreign currency sources owned by exporters.

03. The tenor of a swap must not exceed the expected utilization period for ERQ balances, and is limited to a maximum of 30 days for 30-day pools. The facility against such swap is to be settled on maturity.

04. The applicable swap points will be based on market-reflective and/or cost-reflective interest rate/profit differential between two currencies.

05. Swaps shall be executed only against available and unencumbered balances held in foreign currency owned by exporters. ADs shall maintain adequate risk management, credit, and liquidity control systems, along with internal approval and audit mechanisms. Exporters shall provide written declarations confirming their understanding of the contractual nature of the swap and associated rate implications. This swap transaction shall not be treated as loan/financing facility extended to customers by ADs.

06. Taka funds obtained by exporters under the swap arrangement shall be used solely for bonafide working capital purposes related to export operations; **no speculative positions shall be undertaken under this arrangement.**

07. All transactions need to be properly documented, recorded in terms with international best practices, and reported to Bangladesh Bank as per routine procedures.

ADs are advised to bring the contents of this circular to the notice of all their exporter-customers for due compliance.

Yours faithfully,



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