

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

FE Circular No. 29

Date: July 21, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Remittances of dividend to non-resident shareholders

In terms of paragraph 1, chapter 5 of Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1, Authorized Dealers (ADs) are permitted to effect most outward remittances either in its entirety or upto a certain limit set by Bangladesh Bank, following declaration of Taka as convertible for current account payments from March, 1994. Outward remittances on account of dividend are remittable to non-resident shareholders abroad vide paragraph 31(a), chapter 10 of GFET. The remittable dividend is permissible to be credited to foreign currency accounts maintained by non-resident shareholders in Bangladesh as per FE Circular No. 26 of July 07, 2020. Within one month of executing remittance of dividend, ADs forward details of the remittances to Foreign Exchange Investment Department at Head Office of Bangladesh Bank for post facto checking. However, submission of documents against such remittances on behalf of enterprises operating in EZs/HTPs/EPZs (specialized zones) has been waived in terms of paragraph 9, chapter 20 of GFET, paragraph 8 of FE Circular No. 21 dated May 16, 2019 and paragraph 2(a) of FE Circular No. 04 dated January 30, 2020.

02. As a part of ongoing liberalization to bring uniformity between regulations for enterprises of specialized zones and those of non-specialized zones regarding remittances on account of dividend, it has now been decided that ADs shall no longer be required to forward documents to Bangladesh Bank as per requirement of paragraph 31(e), chapter 10 of GFET; subject to observance of the following instructions:

(a) ADs shall comply with the relevant instructions contained at paragraph 31, chapter 10 of GFET.

(b) ADs shall maintain dividend files for eventual inspections by Bangladesh Bank/other regulatory agencies.

03. As usual, ADs shall observe due diligence with regards to KYC, AML/CFT standards, reporting routine to Bangladesh Bank and so on.

Please bring the contents of this circular, effective immediately, to the notice of your concerned clientele.

Yours faithfully,



(Mohammad Khurshid Wahab)
General Manager
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