

JANATA BANK LIMITED

Overseas Banking Department
Head Office (9th Floor)
110 Motijheel Commercial Area
Dhaka

FD Circular No. 409/ OBD /2023

Dated: 10 August 2023

All General Managers
All Deputy General Managers
All Assistant General Managers/Managers
All A.D. Branches of Janata Bank Limited
Bangladesh

Subject: Maintenance of foreign currency (FC) accounts for foreign investment.

Dear Sir,

We would like to inform that recently Foreign Exchange Policy Department of Bangladesh Bank, Head Office, Dhaka has circulated a FE Circular No. 10 dated 21 June, 2023 on the above mentioned subject.

In this regard, please follow the said FE circular where Bangladesh bank refer to the paragraph 2 (b), Chapter 9 of the Guidelines for Foreign Exchange Transaction (GFET) - 2018, Vol. 1 regarding Obligation of encashment of equity received from foreign investors through banking channel.

The FE circular no.10 dated 21 June, 2023 is quoted below as it is for your reference:

Quote

Please refer to paragraph 2(b), chapter 9 of the Guidelines for Foreign Exchange Transactions (GFET)-2018 regarding obligation of encashment of equity received from foreign investors through banking channel.

02. To facilitate transactional needs in foreign exchange, it has been decided that Authorized Dealers (ADs) may retain foreign currency sent by foreign investors to invest in Bangladesh. In this context, ADs may open FC accounts in the names of local companies which will issue shares in compliance with regulatory instructions.

03. Subject to observance of relevant instructions as noted at paragraph 2(C), chapter 9 of GFET, ADs may henceforth open temporary FC accounts in the names of the proposed companies/enterprises of foreign investors to park fund remitted from abroad on account of equity. On completion of the registration/commencement of the business, new FC accounts in the names of the companies may be opened by transferring the fund held in temporary FC accounts.

04. The operational modalities in both cases will be as follows:

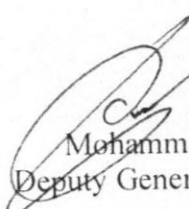
- a) In support of the inward remittances, ADs shall issue certificate as per App. 5/40 of GFET.
- b) Fund held in the FC accounts shall be used only for permissible outward payments on account of capital expenditures including encashment in taka.
- c) The tenure of FC accounts shall be one year from the date of opening of such accounts, subject to closure immediately at the end of the prescribed time after encashment of the fund, if any, held in the accounts.


05. Other instructions in relevant paragraphs of chapter 9 of GFET and regarding foreign investment in Bangladesh shall remain unchanged.

Unquote

In view of the above, all concerned related to the said activities are advised to note down the above information and act accordingly.

Yours faithfully,


Mohammad Anis
Deputy General Manager


Md. Rakut Mia
General Manager-Incharge