

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

FE Circular No. 06

Date: May 30, 2011

All Authorized Dealers of  
Foreign Exchange in Bangladesh

Dear Sirs,

**Inward remittances for providing Business Process Outsourcing (BPO) services**

Attention of Authorized Dealers (ADs) is invited to Paragraph 23(b), Chapter 8 of Guidelines for Foreign Exchange Transactions (GFET), Vol-1 (2009 Edition) in terms of which export of computer software and data entry/data processing services in non-physical form such as V-Sat, Internet or other electronic media does not require EXP procedure.

It is observed that Bangladesh is gradually becoming an offshore destination for BPO in respect of IT services. Besides firms/companies, individuals may also provide services outsourced by non-residents through internet. The payment against the services is normally due on delivery of the services and it may not necessarily require documents for collection of export proceeds. However, confusion arises as to whether existing regulations will be applicable for such services. This is to clarify that services so provided by individuals will come within the purview of export in non-physical form as per stipulation of the paragraph mentioned above. As such, ADs are free to credit the proceeds of the inward remittance to the accounts of individual service providers subject to observance of the following terms and conditions:

- a) ADs shall satisfy themselves on examination of the relevant documents (such as e-mail communication) and the message (such as SWIFT) relating to the inward remittance that the payment has been received from the respective non-resident customers to whom services have been delivered in accordance with specific arrangements;
- b) ADs shall ensure that the individual beneficiaries have necessary capacities to provide the underlying services;
- c) ADs shall encash the inward remittance on receipt of Form-C duly filled in from the individual beneficiaries;
- d) ADs shall ensure deduction of applicable taxes, if any;
- e) ADs shall exercise due diligence in respect of the transactions and comply with foreign exchange regulations, AML/CFT standards and other relevant laws/regulations in force; and
- f) ADs shall keep records in support of the transactions and report the same in relevant monthly schedules/statement to the Bangladesh Bank.

Please acknowledge receipt and bring the contents of this circular to the notice of all concerned.

Yours faithfully,

**(Md. Jahirul Hoque)**  
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