

Foreign Exchange Policy Department  
Bangladesh Bank  
Head Office  
Dhaka  
[www.bb.org.bd](http://www.bb.org.bd)

FE Circular Letter No. 22

Date: June 11, 2020

Head offices/principal offices of all  
Authorized Dealers in Bangladesh

Dear Sirs,

Issuance of letters of credit (LCs) with realization clause

Paragraph 19(ii), chapter 7 of the Guidelines for Foreign Exchange Transactions (GFET)-2018, Vol.-1 permits Authorized Dealers to issue import LCs with realization clause for imports by companies operating in EPZ/EZ. This is to clarify that this instruction shall be applicable to HTP and other zones duly approved by the Government.


02. With a view to facilitating export trade during COVID-19 pandemic, it has been decided that input procurements under back to back LCs/usance LCs may be issued with realization clause on behalf of exporters operating outside specialized zones provided that:

- (a) ADs shall have to satisfy themselves regarding execution of the relative export orders;
- (b) there is a transparent arrangement under which suppliers are in agreement to accept the relevant LCs with realization clause;
- (c) LC liabilities will not be settled under 'net-off' arrangement with export proceeds.

03. As usual, ADs shall observe due diligence with KYC and AML/CFT standards. Other relevant instructions with regards to trade transactions shall remain unchanged.

Please bring the contents of this circular letter, effective till December 31, 2020, to the notice of all your concerned clientele.

Yours faithfully,



(Mohammad Khurshid Wahab)  
General Manager  
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