

The Foreign Exchange Regulation Act, 1947

(ACT NO. VII OF 1947)

An Act to regulate certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion.^{1♣}

WHEREAS it is expedient in the economic and financial interests of Bangladesh to provide for the regulation of certain payments, dealings in foreign exchange and securities and the import and export of currency and bullion;

It is hereby enacted as follows:-

**Short title,
extent and
commencement**

1. (1) This Act may be called the Foreign Exchange Regulation Act, 1947.

²[(2) It extends to the whole of Bangladesh, and applies to -

(a) all citizens of Bangladesh;

(b) all persons resident in Bangladesh; and

(c) all persons in the service of the People's Republic of Bangladesh wherever they may be.]

(3) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint in this behalf.

(4) [Omitted by section 2 of the Foreign Exchange Regulation (Amendment) Act, 1952 (Act No. I of 1952).]

Interpretation

2. In this Act, unless there is anything repugnant in the subject or context,

(a) "authorised dealer" means a person for the time being authorised under section 3 to deal in foreign exchange;

³[(aa) "capital account transaction" means a transaction for the creation, modification, transfer or liquidation of a capital asset, including but not limited to, securities issued in capital and money markets, negotiable

instruments, non-securitized claims, units of mutual fund or collective investment securities, commercial credits and loans financial credits, sureties, guarantees, deposit account operations, life insurance, personal capital movements, real estate, foreign direct investment, portfolio and institutional investment;]

⁴[(b) “currency” includes –

(i) all coins, currency notes, bank notes, postal notes, money orders, cheques, drafts, traveller’s cheques, letters of credit, bills of exchange and promissory notes; and

(ii) Such other similar physical or non-physical instruments, or both as may be notified by the Bangladesh Bank from time to time;]

⁵[“(bb) “current account transaction” means receipts and payments which are not for the purpose of transferring capital, and also includes –

(i) receipts and payments due in connection with foreign trade, other current business including services, and normal short-term banking and credit facilities in ordinary course of business;

(ii) receipts and payments due as interest on loans and as net income from investments;

(iii) moderate amounts of amortization of loans or for depreciation of direct investments, in the ordinary course of business;

(iv) expenses in connection with foreign travel, education and medical care of self, parents, spouse and children; and

(v) moderate remittances for family living expenses of parents, spouse and children resident abroad;

(bbb) “export” means-

(i) sending of goods, physical or non-physical or both, from Bangladesh to a place outside Bangladesh;

(ii) Providing services by persons resident in Bangladesh to any person outside Bangladesh; or

(iii) selling Bangladeshi goods or raw materials or nonphysical contents to the enterprises in Export Processing Zones, Special Economic Zones and

Hightech parks of Bangladesh against payment in foreign currency.]

(c) “foreign currency” means any currency other than Bangladesh currency;

(d) “foreign exchange” means foreign currency and includes any instrument drawn, accepted, made or issued under ⁶[clause (13) of Article 16 of the Bangladesh Bank Order, 1972] all deposits, credits and balances payable in any foreign currency, and any drafts, traveller's cheques, letters of credit and bills of exchange, expressed or drawn in Bangladesh currency but payable in any foreign currency;

(e) “foreign security” means any security issued elsewhere than in Bangladesh and any security the principal of or interest on which is payable in any foreign currency or elsewhere than in Bangladesh;

(f) “gold” includes gold in the form of coin, whether legal tender or not, or in the form of bullion or ingot, whether refined or not;

⁷[(ff) “goods” means any goods as defined in the Customs Act, 1969 (Act No. IV of 1969);

(fff) “import” means bringing into Bangladesh any physical or non-physical goods or services;]

(g) “Bangladesh currency” means currency which is expressed or drawn in Bangladesh Taka;

(h) “owner”, in relation to any security, includes any person who has power to sell or transfer the security, or who has the custody thereof or who receives, whether on his own behalf or on behalf of any other person, dividends or interest thereon, and who has any interest therein, and in a case where any security is held on any trust or dividends or interest thereon are paid into a trust fund, also includes any trustee or any person entitled to enforce the performance of the trust or to revoke or vary, with or without the consent of any other person, the trust or any terms thereof, or to control the investment of the trust moneys;

⁸[(hh) “person” means any individual, and also includes-

(i) a partnership firm;

(iii) an association of persons or body of individuals, whether incorporated or not;

(iv) every artificial juridical entity not falling within any of the preceding sub-clauses; and

(v) any agency, office, or branch owned or controlled by such person;

(hhh) “person resident in Bangladesh” means-

(i) an individual residing in Bangladesh for six months or more in the last twelve months;

(ii) an individual temporarily residing in Bangladesh holding a residential or working visa valid for not less than six months;

(iii) a person whose place of business is in Bangladesh; or

(iv) a person whose principal place of business may be located outside Bangladesh but branch or liaison office or representative office of such business is in Bangladesh;

(v) diplomatic, consular and other representative offices of the Government of the People’s Republic of Bangladesh abroad as well as Bangladeshi citizens employed at these offices;

(vi) persons holding any office in service of the People’s Republic of Bangladesh wherever they may be for the time being either on duty or on leave:

provided that “person resident in Bangladesh” shall not include foreign diplomatic representations or accredited officials of such representations located within Bangladesh and offices of organizations established by international treaty located within Bangladesh;]

(i) “prescribed” means prescribed by rules made under this Act;

⁹[(j) Bangladesh Bank means the Bangladesh Bank established under clause (1) of Article 3 of the Bangladesh Bank Order, 1972];

¹⁰[“(k) “security” means either in physical or demat form,-

(i) shares, stocks, bonds, debenture stock and Government securities, as defined in the Securities Act, 1920;

(ii) deposit receipts in respect of deposits of securities, units of mutual fund or collective investment scheme, as defined in Securities and Exchange Commission (Mutual Fund) Rules, 2001; and

(iii) other instruments defined as security in the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969);

but does not include bill of exchange or promissory notes other than Government promissory notes;]

¹¹[(kk) "service" means services of any description, including but not limited to, business services, professional services, information technology services, information technology enabled services, communication or telecommunication services, construction services, engineering services, distribution services, educational services, environmental services, financial services (such as insurance, banking and capital market related services), health services, social services, tourism services, travel services, recreational services, cultural services, sport services, transport services, electrical or other energy services or such other service as may be notified by the government or the Bangladesh Bank from time to time;]

(l) "silver" means silver bullion or ingot, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and uncurrent silver coin which is not legal tender in Bangladesh or elsewhere;

(m) "transfer" includes, in relation to any security, transfer by way of loan or security.

**Authorised
dealers in
foreign
exchange**

3. (1) The Bangladesh Bank may, on application made to it in this behalf, authorise any person to deal in foreign exchange.

(2) An authorisation under this section-

(i) may authorise dealings in all foreign currencies or may be restricted to authorising dealings in specified foreign currencies only;

(ii) may authorise transactions of all descriptions in foreign currencies or may be restricted to authorising specified transactions only;