



BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

No.: BAFEDA-ABB/EXCHANGE RATE/2022/ 103

Date: 27.09.2022

Managing Director & CEO
All Authorized Dealers in
Foreign Exchange in Bangladesh.

By E-mail /Courier Service.
Attn.: Head of Treasury of all AD banks.

Implementation of Uniform USD/BDT Exchange Rates in Foreign Exchange Dealings.

Dear Sir,

Please refer to our letter No.: BAFEDA-ABB/EXCHANGE RATE/2022/98 dt.11.09.2022 jointly signed by the Chairman-BAFEDA & Chairman-ABB on the above noted issue.

It is to be noted that in order to bring FX market stability and to better serve the customers, a joint meeting between BAFEDA and ABB was held on 26.09.2022. The meeting reviewed the overall market situation and unanimously decided to implement the following uniform exchange rates by all ADs until further revision/advice:

1. **All remittances from exchange houses and other similar entities including remittances from bank's own exchange houses to be bought by the banks at a rate not higher than Tk. 107.50 per US dollar (instead of Tk. 108.00) with effect from 1st October, 2022.** This will apply for conversion of all other currencies into US dollars as well.

2. All export proceeds and other inward remittances including commercial remittances (i.e., other than remittances from exchange houses) irrespective of ticket size to be bought by the banks at a fixed rate of Tk. 99.00 per US dollar.

3. In case of settling import bills and other outward remittances, banks will charge **maximum Tk. 1.00 as 'spread'** over the weighted average buying cost of above item no. 1 & 2 and, if, dollars bought from interbank (excluding dollars from central bank). This weighted average cost will be calculated on a 05 (five) days rolling average basis by each bank based on its actual cost.

4. It is expected that when all export proceeds and all inward remittances are bought at Tk. 99.00 per US dollar and dollars from exchange houses are bought at **Tk. 107.50 per US dollar**, and the selling rate is calculated on the weighted average cost of these two, an **'interbank rate'** will eventually emerge around this weighted average cost line. Treasury Heads of all AD banks will report their weighted average cost to **BAFEDA by 10.00 a.m. daily positively**. BAFEDA will then calculate the average of all these rates submitted by the AD banks and post it on their website. This industry average rate will be the **reference rate for revaluation purposes**.

5. It is understood that the selling rates and interbank rates emerging out of the buying curve stated above are dynamic in nature (i.e., may change from day to day and bank to bank). However, the calculation method will be as stated above. Similarly, the buying rate from exchange houses are also dynamic in nature (i.e., it is expected to come down from maximum rate of **Tk. 107.50** as demand for US dollar falls).

6. For sake of convenience and recognizing the extraordinary situation prevailing in the FX market, the arrangements noted herein avoids using standard terminologies like TT Clean, TT Doc, BC Selling, TT & OD outward etc. for purpose of simplifying the buying and selling of dollars.

7. **'Credit cards payment settlement'** and **'Student File'** rates will be same as cash selling rates.

8. The above noted uniform rates are mandatorily be followed by all ADs. Any deviation to the above by any bank will be viewed and dealt with strictly by the regulator.

We would therefore request you to ensure the implementation of the above mentioned USD/BDT uniform exchange rates **with effect from 01.10.2022** and report the same under the existing online monitoring systems (Dash Board) until further revision/advice.

Sincerely Yours,

(Md. Afzal Karim)
Chairman-BAFEDA

(Selim R.F. Hussain)
Chairman-ABB