



# BANGLADESH FOREIGN EXCHANGE DEALERS' ASSOCIATION

No.: BAFEDA-ABB/EXCHANGE RATE/2022(4)/ 178

Date: 07.11.2022

The Managing Director & CEO  
All Authorized Dealers of  
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/2022/110 dt. 24.10.2022 jointly signed by the Chairman-BAFEDA and Chairman-ABB on the above noted issue.

Pleased be informed that a joint meeting among Bangladesh Bank, BAFEDA and ABB was held on 31.10.2022 and subsequently in order to review the current FX market situation BAFEDA and ABB met on 06.11.2022. With a view to stabilize the FX market and to better serve all of the customer segments, it is unanimously decided to implement the following uniform exchange rates by all AD banks until further decision:

01. All wage earners & white collar wage earners remittances received from own and third party Exchange Houses will be bought by the banks at a rate not higher than Tk. 107.00 per US dollar. In addition to that NRBs remittances received through formal banking channel should also be encashed at a maximum rate of Tk. 107.00 per US dollar.
02. All export proceeds and other inward remittances including commercial remittances (i.e., other than wage earners & white collar wage earners remittances) irrespective of ticket size will be bought by banks at a fixed rate of Tk. 100.00 per US dollar (instead of the earlier Tk. 99.50) with effect from 7<sup>th</sup> November, 2022.
03. From now on banks may consider waiving remittance fees both at the remitter's end and at beneficiary's end at their discretion.
04. Henceforth banks may instruct to open their own Exchange House(s) in abroad on govt. & weekly holidays and that Exchange House(s) may remain close on any suitable working day(s) subject to compliance of the local rules and regulations of the respective country.
05. Without taking an unanimous decision no additional subsidy over & above the Government incentives (at present 2.5%) will be paid by any bank on wage earners remittances.
06. Banks shall not accept remittances in any other currencies except the currency of the remittance sending country or US dollar. For pegged currencies like AED, SAR; banks may quote up to BDT 29.13/AED and BDT 28.48/SAR considering BDT107/USD. For any other currencies (except US dollar) to be received from exchange houses, US dollar equivalent rate shall not be over BDT 107.00. Banks will convert the received remittances in other currencies (except US dollar) on the same day or in case of holiday on the following working day and report the same to BAFEDA as per the prescribed format.



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07. 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 inter-bank (excluding US dollars from central bank). It is also to be noted that this weighted average cost will be calculated on 05 (five) days rolling average basis by each bank based on its actual cost.

08. It is expected that when all export proceeds and others inward remittances (except wage earners remittances) are bought at Tk. 100.00 per US dollar and wage earners remittances in US dollars from exchange houses are bought at Tk. 107.00 per US dollar, and the selling rate is calculated on the weighted average cost of these two, an 'inter-bank 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.

09. We recognize that the selling rates and inter-bank 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.107.00 as demand for US dollar falls).

10. All AD banks are hereby advised to refrain from all sorts of forward dealing (buy/sale) at unusual spreads with the customers.

11. Credit, Debit and similar cards' foreign currency payment settlement and student file outward remittance rates will be same as cash selling rates.

12. For sake of convenience and in view of the recognizing the extraordinary situation prevailing in the FX market, we have avoided using standard terminologies like TT Clean, TT Doc, BC Selling, TT & OD outward etc. for purpose of simplifying the buying and selling of dollars.

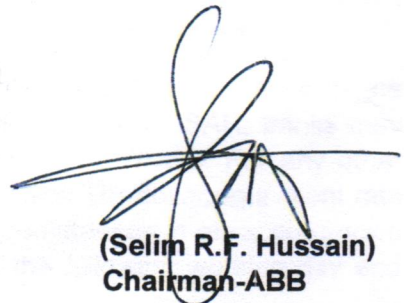
13. The above noted-uniform rates are mandatorily be followed by all AD banks. Any deviation to the above by any bank will be viewed and dealt with strictly by the regulator.

We would therefore request you to ensure the implementation of the above-mentioned USD/BDT uniform exchange rates 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

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