



The Central Bank of Bangladesh

A Glimpse of Foreign Exchange Regulations for Foreign Investment and Financing in Bangladesh

October 2025



"Move your investment wheels towards Bangladesh, the emerging economy in Asia, where investment-friendly climate awaits you. Besides, Bangladesh Bank is ready with all-out support."

Governor, Bangladesh Bank.

Web Portal Link:

<https://www.bb.org.bd/feidportal/index.php>



The Foreign Exchange Investment Department (FEID), Bangladesh Bank (BB) plays a vital role in simplifying fund management for foreign investors in Bangladesh. FEID provides support to international offices, project units, and partnerships operating in the country. Additionally, FEID advises the government on agreements with other nations and global organizations to create a more favorable investment environment.

INVESTMENT CLIMATE IN BANGLADESH

- Robust economic growth, expanding market and strategic location combining with a youth and dynamic workforce offer stable macroeconomic environment for global entrepreneurs.
- Special Economic Zones particularly designed for foreign investors provide an opportunity to leverage cost advantages.
- Diversified sectors like textiles and garments, infrastructure development, energy and power, IT, agro-processing, leather and footwear, pharmaceuticals, and tourism and hospitality beckon as a promising destination for trade and investment.

PROMOTION & PROTECTION OF FOREIGN INVESTMENT

- The Foreign Private Investment (Promotion and Protection) Act, 1980 ensures legal protection to foreign investment in Bangladesh against nationalization and expropriation; guarantees non-discriminatory treatment between foreign and local investment; guarantees repatriation of capital and return from it and the residual amount in the event of liquidation of industrial undertaking. It also guarantees repatriation of compensation in the event of losses of foreign investment owing to civil commotion, insurrection, riot etc.
- Notably, Bangladesh is a signatory of a number of bilateral & multilateral intergovernmental agreements which also promote and protect foreign investments in the country.



INVESTMENT OPTIONS

Foreign investors can explore various investment avenues in Bangladesh that include Foreign Direct Investment (FDI), Foreign Portfolio Investment (FPI), Alternative Investment Fund (AIF), Open-end Mutual Funds (OMF), Bangladesh Government Treasury Bonds (BGTB), and diversify their investments to accomplish financial objectives.



Foreign Direct Investment (FDI)

✓ FDI through Setting up a Company

- Foreign investors can open Temporary Non-Resident Taka Account (NRTA) with an Authorized Dealer (AD) bank in the name of their proposed venture in Bangladesh.
- Temporary NRTA helps to park foreign equity and make necessary preliminary expenditures before incorporation of the company.
- Equity funds can be held in Foreign Currency Account (FCA) to meet foreign obligations without exchange rate risks.
- No prior permission of BB is required.
- In case of non-formation of the proposed venture, the balances of that account are freely remittable abroad.
- 100% Foreign owned companies are allowed.

✓ FDI in an Existing Company (Issuance of Shares)

- Foreign investors can purchase shares against remittance received from abroad through formal banking channel and/or imported capital machinery in which payment is settled abroad by the investor.
- No prior permission of BB is required for issuance of shares against foreign investment in Bangladesh. Before issuance of shares, remittance must be received and capital machinery must be cleared from the Bangladesh Customs.

✓ **Transfer of Shares and Sale Proceeds Repatriation**

(i) Resident to Non-resident/Non-resident to Non-resident

- Prior permission of BB is not required for transfer of shares.
- Transfer is subject to fair value of shares of the target company.
- Valuation report (issued by eligible valuer) is mandatory if deal value exceeds Tk. 1 (one) million.
- In case of Resident to Non-resident, sale proceeds of shares must be credited to the bank account of the seller (resident) from abroad before transfer.

(ii) Non-resident to Resident

- No prior permission is required for transfer and repatriation of share sale proceeds abroad if-
 - o Transfer/deal value per share does not exceed Net Asset Value (NAV) per share and fulfill some other conditions (such as no revaluation reserve, intangible assets, expenses/loss shown as asset etc.);
 - o Transfer value up to Tk. 10 (ten) million without valuation report.
 - o Transfer value up to Tk. 100 (hundred) million with valuation report by eligible valuer.
- BB accepts fair value of the shares based on appropriate valuation approaches.
- Otherwise, prior approval is required and necessary documents to be submitted with application through the concerned AD.

✓ **Remittance of Dividend**

- No prior approval of BB or post facto reporting is required for remitting cash dividend (net of tax) to non-resident shareholders.
- Dividend amount can be credited to Foreign Currency Account (FCA) of non-resident shareholder maintained with any local bank.
- Dividend amount can be used for reinvestment in Bangladesh.



✓ **Residual Claims in Liquidation (Winding up)**

- BB issued detailed guidelines to remit residual fund payable to non-resident shareholder after meeting all liabilities and expenses after liquidation of a company.
- Winding up of a company may be occurred voluntarily or by the Honorable Court or subject to supervision of the Court.

✓ **Reporting & Intimation of FDI to Bangladesh Bank**

- After issuance of shares in favor of non-resident investors and/or transfer of shares from non-resident to non-resident, non-resident to resident or vice versa, Bangladesh Bank shall be intimated through the concerned AD within 14 (fourteen) days of such executions.

INCENTIVES FOR INVESTORS

Fiscal Incentives for Industries-

- Bonded warehouse;
- Double Tax Agreements (DTA)

Financial Incentives for Export Oriented Industries-

- Cash incentives and export subsidies
- Suppliers credit under deferred L/C for 3 years for capital machineries and 6 months for raw materials.
- Facilities for export promotion fund;

Additional Facilities/Incentives-

- Unrestricted exit policy;
- Remittance of royalty, technical knowhow and technical assistance fees;
- Permanent resident permits for investing.
- Discounting export bills in foreign currency.

**All rules & regulations are readily available at
our departmental web portal.
(<https://www.bb.org.bd/feidportal/index.php>)**

For further inquiries,
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