

UTTARA BANK LIMITED
HEAD OFFICE, DHAKA

“Cautionary Notice”

**Prohibition regarding virtual assets, virtual currencies and
facilitating their exchange/transfer/trading**

Bangladesh Bank, Foreign Exchange Policy Department, Head Office, Dhaka vide FE Circular No-24 dated 15.09.2022 stated that-

1. The definition of “currency” given in section 2(b)(i) of the Foreign Exchange Regulation (FER) Act, 1947 does not recognize virtual currencies. Virtual currencies [subset of virtual assets] are neither approved foreign exchange/currency nor approved form of transactions/investments in accordance with section- 2(aa) and 2(bb) of the FER Act, 1947. Virtual currencies or virtual assets have no financial claim embedded and neither issued by any sovereign nor guaranteed by any jurisdiction. Thus, their value is highly volatile and associated with high financial risks. Nonetheless, borderless transactions of unregulated virtual currencies are growing fast and being exchanged with some other foreign currencies, thus treated as an alternative form of foreign exchange transactions which is contravention of the FER Act, 1947.
2. The Financial Action Task Force (FATF) has defined virtual assets as a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes. Point to be noted that, virtual assets do not include digital representations of fiat currencies, securities and other financial assets, recognized by Bangladesh Bank.
3. Retention of export proceeds abroad in any form without limiting to equity/portfolio investment, purchase of physical assets/virtual assets, maintenance of accounts regardless of currencies including crypto currencies constitutes contravention of the FER Act, 1947 and is subject to cognizance under Section 23(1) of the said act as mentioned in FE Circular No. 39 of November 18, 2021. Any transactions made in/from/to Bangladesh for obtaining virtual assets (as defined in paragraph 3) or its subset- virtual currencies, are not permitted by Bangladesh Bank. As well as providing any kind of facilitation in favor of doing business, activities, and operations associated with exchange/transfer/trading of virtual assets or virtual currencies, are not permitted by Bangladesh Bank.
4. Any violation of the aforementioned instructions (as defined in paragraph 3) constitutes contravention of Section 5(1)(e) of the FER Act, 1947 and is subject to cognizance under Section 23(1) of the said Act as per SRO No. 59-LAW/2021 dated March 08, 2021.

Therefore, all individuals/entities/ institutions operating in Bangladesh shall refrain from dealing in virtual assets, virtual currencies and providing any kind of facilitation in favor of doing business, activities, and operations associated with exchange/transfer/trading of virtual assets or virtual currencies.