

MDB International Banking (IB) Account

The International Banking (IB) account is an account that can be opened by resident Bangladeshi individual or any Corporate/Firm in foreign currency in Offshore Banking of the bank on behalf of someone living abroad (a non-resident). In such cases the account holder will act as a facilitator to their non-resident remitter. The IB account holder and the remitter must have a bonafide relationship.

Eligibility:

The following individuals or entities **having bonafide relations with non-residents** can open/operate International Banking (IB) Accounts:

- Any Resident Bangladeshi individual (aged 18 years & above)
- Bangladeshi Corporates/Firms
- Type A, Type B, Type C industrial enterprises operating in EPZs (Export Processing Zones)/EZs (Economic Zones)/HTPs (High Tech Parks)

Proof of bonafide relationship is not mandatory requirement to open IB account. However, Midland Bank for its internal compliance purpose is required to obtain a Letter of Indemnity form (bank's prescribed format) duly signed by the non-resident Remitter before sending any remittance to the account.

Remittance has to be sent by the one declared remitter only. However, IB account holder can open multiple accounts for different remitters. A customer can also open IB accounts in both USD and EUR for the same remitter as per their requirement.

Can a foreign national open IB account?

A foreign national does not need to open IB account as he/she can open MDB Offshore Fixed Deposit/FC account directly.

Function of IB Account holder

IB Account holder will act as the facilitator of the non-resident remitter and utilize the funds accordingly. The facilitator will operate the account as the sole account holder.

Required documents to open IB Account:

Individual:

- Copy of Valid Photo ID for Applicant, i.e., National ID or Passport or Birth Certificate.
- Passport sized photograph. Applicant – 2 Copies, and Nominee 1 copy attested by applicant.
- Address Verification Document only if the declared address is different from the applicant's Photo ID document. This can be Utility Bill or Driving license.
- An Undertaking Form (bank's format) duly signed by the non-resident remitter. This will be required before crediting any foreign currency into the account.

Institutional:

- Extract of Resolution/Board Resolution
- Trade License or alternative document
- Certificate of Incorporation
- Memorandum and Articles of Association
- Updated Form X & XII
- Photo Identification of shareholder
(Top 4 shareholder's details when the number of shareholder is more than 4. If the number of shareholder is less than 4, then all shareholder's/all authorized signatories for the account/the beneficial owners of the company)
- 2 copy Passport size photo of each of the shareholders
(Top 4 Shareholder's details when the number of shareholder is more than 4. If the number of shareholder is less than 4 then all shareholder's/all authorized signatories for the account/the beneficial owners of the company)
- An Undertaking Form duly signed by the Remitter. This will be required before crediting any foreign currency into the account.

Usability of IB account Fund:

The balance of the accounts can be used for any of the following purposes:

- Transferring to on-shore banking BDT accounts to meet necessary payments and investments
- Making outward remittances of the entire balance as and when necessary to the person who remitted the funds (Remitter).
- Outward remittance in other currency, in this case, cross currency conversion will take place for the outward remittance.

Sources of Fund:

- Foreign inward remittances received from the remitter through official banking channels only
- Cash deposit is not possible in IB account
- There is no limit for number of transaction in IB account

Minimum & Maximum balance of IB Account:

For IB account, the minimum deposit amount is USD/EUR 5000. There is no maximum deposit limit for IB account.

What are the currency options for customers of IB accounts?

Currently at Midland Bank, customers can open IB accounts in USD & EUR currency only.

What are the tenors available to open IB Fixed deposit account?

The available tenors are 3 months, 6 months, 1 year, 2 years, 3 years, 4 years and 5 years.

Can a customer open a joint IB account?

No. Customers cannot open a Joint IB account.

Can a customer's open IB account in Islamic Banking Window?

No. Currently this option is not available with Midland Bank PLC.

Can a customer open IB account in different banks?

Yes. A customer is free to open multiple IB accounts in any bank they desire.

Is nominee mandatory for IB account?

Yes. Nominee is required for Individual accounts only

Can a customer add multiple nominees to the IB account?

Yes, the customer can add multiple nominees to the account. For each nominee, we will need photo identification document and one copy passport sized photograph

Is passport mandatory to open an IB account?

Passport is not mandatory. Any kind of photo ID such as National ID or Birth Certificate can be used for account opening.

Is there any cheque book facility available against IB account?

No. There is no cheque book facility available. The account can be operated by sending remittance or transfer instructions to the bank.

Is it possible to deposit Dollar/EUR in cash form?

Cash deposit is not possible in IB account. Funds can only be credited by inward remittances received through official channels.

Is it possible to withdraw amount from the account in cash form?

Cash withdrawal is not possible from IB account.

Is foreign currency endorsement in passport allowed while traveling against available balance in IB account?

No. Foreign currency endorsement in passport while traveling against available balance in IB account is not allowed.

What is the procedure to transfer the balance from foreign currency IB account to a local currency account onshore?

IB customers can transfer funds from foreign currency IB account to any local currency account by applying to the bank through the remittance request form.

What is the process for Fixed Deposit Encashment?

You have to visit your nearest Midland Bank Branch/Sub-Branch and fill up the Fixed Deposit encashment request form to encash the Fixed Deposit. However, if you have already given instruction for encashment at time of opening the Fixed Deposit in the Fixed Deposit opening Form, the deposit will be encashed as per your instructions.

Is remittance incentive paid by the Government applicable for IB account?

No. Remittance incentive is not applicable for IB account deposits or encashment.

Fees and Charges of IB Account:

There are no fees and charges for maintaining IB account and there is no hidden fee also. Details of the fees and charges are given below:

Type of Charge	Amount
Account Maintenance Fee	Free
Closing of Account	Free
SMS Alert (Annual Fee FCY Account)	Free
Foreign Telegraphic Transfer	Free
SWIFT Charge for remittance (Through Correspondence)	Above USD/EUR 1000.00 to any amount – Tk. 800; min Tk. 500 (equivalent USD)
Correspondent Bank Fee	At Actual
Duplicate Statement	Free
Various Purpose Certificate	Free
Solvency Certificate with Balance	Free

Solvency Certificate without Balance	Free
Certificate of Inward Remittance	Free

Tax and Excise Duty:

As per new Offshore Banking Act passed by National Parliament of Bangladesh on 14 March 2024, depositors are exempted from any tax on the balance of IB account and on any interest paid. Also no excise duty is applicable on the balance of the account

Benchmark Rate of IB Account:

OBOs are allowed to offer interest/profit considering benchmark reference rate in the approved currency of deposits to be maintained in the form of term deposits, as mentioned below:

Currency Code	Benchmark
US Dollar	Secured Overnight Financing Rate (SOFR)
Euro	Euro Short-Term Rate (ESTR)

