

US Dollar Premium Bond (USDPB) - Frequently Asked Questions

1. What is the US Dollar Premium Bond (USDPB)?

The USDPB is a savings instrument issued by the Government of Bangladesh, allowing Non-Resident Bangladeshis (NRBs) to invest their foreign currency earnings securely. It offers attractive returns and contributes to national development.

2. Who is eligible to invest in the USDPB?

Eligible purchasers include Bangladeshi citizens living abroad (Non-Residents) who have Foreign Currency (FC) accounts in Bangladesh.

3. What are the denominations and investment limits for the USDPB?

The USDPB is available in denominations of US \$500, US \$1,000, US \$5,000, US \$10,000, and US \$50,000. There is no specified upper limit for investment.

4. What is the maturity period and interest rate for the USDPB?

The bond has a maturity period of three years, offering a fixed interest rate of 7.5% per annum, payable in Bangladeshi Taka (BDT) on a half-yearly basis. Investors also have the option to receive interest in US dollars upon maturity.

Tenure	Up to USD 100,000	USD 100,001 to USD 500,000	Above USD 500,000
Within one year of issuance	No interest	No interest	No interest
After one year but not later than two years	6.50%	5.00%	4.00%
After two years but less than three years	7.00%	5.50%	4.50%
At maturity (after three years)	7.50%	6.00%	5.00%

5. Are the invested funds and earned interests tax-exempt?

Yes, both the invested funds and the earned interests from the USDPB are exempt from taxes.

6. Can the principal amount be repatriated after maturity?

Yes, the principal amount can be repatriated after maturity. However, the interest earned is payable only in BDT and is non-repatriable.

7. Where can the USDPB be purchased?

The USDPB can be purchased from Authorized Dealer (AD) branches of Bangladeshi scheduled banks, as well as foreign branches, representative offices, foreign correspondents, exchange companies, or exchange houses of these banks, excluding Shariah-based banks in Bangladesh.

8. Can USDPBs be encashed before maturity?

Yes, USDPBs can be encashed before maturity with applicable interest rates based on the encashment period and investment amount, as detailed in the interest rate structure above. No interest is payable if encashed within one year of issuance.

9. What are the reinvestment facilities for USDPBs?

After the maturity of the initial investment, investors may reinvest the principal amount for up to four additional terms, totaling a maximum investment period of 15 years. Reinvestment is allowed regardless of the investor's NRB status, subject to a written application or permission.

10. What documents are required to apply for a USDPB?

Applicants need to provide:

- National ID (NID) or valid passport copy
- Job visa or permanent residence documents
- Remittance documents
- Other relevant documents as specified