Terms and conditions of receiving government cash incentive against Wage Earners' Remittance from abroad

Scope and Applicability

- In order to promote inward remittances from abroad through proper banking channel cash incentive scheme ("Scheme") has been introduced by the Government of Bangladesh.
- According to the relevant Bangladesh Bank directives, the beneficiary of specific inward remittance will receive cash incentive at the rates/percentage specified by Government of Bangladesh from time to time against the aforesaid remitted amount upon conversion to Bangladeshi Taka ("BDT"), subject to compliance the applicable conditions of the relevant Bangladesh Bank directives (as amended from time to time).
- Effective from 01 January 2022, the Government of Bangladesh has increased the cash incentive/assistance percentage from 2% to 2.5% and the said rates/percentage are subject to changes as stipulated by the Government of Bangladesh from time to time.

Eligibility

- Beneficiaries of inward remittances sent by "**Wage Earners**" are eligible for the cash incentive under this Scheme. According to "The Wage Earner Development Bond Rules-1981", "Wage Earners" means a Bangladesh national gainfully employed abroad but not paid by the government or a statutory, autonomous, or semi-autonomous body, and includes a Bangladesh national who has his origin in Bangladesh but, for any reason, has assumed foreign nationality.
- In addition to "Wage Earners", remittance by legal means of foreign exchange earned by Bangladeshi nationals who are mariners, aircraft pilots working in foreign office of Bangladeshi Shipping Lines and Airlines and working in United Nations/other organizations or foreign missions in different countries of the world (excluding persons employed by the Government of Bangladesh or any organization/establishment owned by the Government of Bangladesh) will also be eligible under this Scheme and cash incentive shall be provided against the said remittance.
- Beneficiaries receiving legally incoming remittances as compensation with respect to Bangladeshis who die or are physically injured in accidents while engaged in work abroad shall

be eligible to receive to receive government incentives/cash assistance against the inward remittance (FE Circular No. 16 dated 12 September 2024 issued by Bangladesh Bank).

- However, any inward remittance for purposes such as Foreign Direct Investment ("FDI")/ donation / trade/ freelancing/ IT service export and other payments received against services or goods are not covered under the Scheme and the beneficiaries shall not be eligible for receiving any cash incentive against the same.
- Inward remittances which are/would be utilized for purchase, of Wage Earner Development Bond ("WEDB") in one's own name or that of any other person; or purchase of US Dollar Investment Bond ("USDIB")/US Dollar Premium Bond ("USDPB") in one's own name shall not be eligible for the cash incentive under the Scheme (FE Circular Letter No. 36 dated 30 September 2020). Hence, if the eligible customer(s)/beneficiary wishes to invest in the aforementioned bonds, he/she shall not be entitled to claim any cash incentive. In the event the beneficiary later decides to invest in the said bonds upon utilizing the inward remittance against which any cash incentive was previously received, the beneficiary shall be obligated to return the funds immediately to the Bank.
- Foreign nationals shall not be eligible to receive any cash incentive under this Scheme.
- Over the counter FCY cash deposits are out of scope of this incentive program/Scheme.

Terms and Requirements

- The recipient/beneficiary of the inward remittance will be entitled to receive cash incentive only when the remittance is converted into BDT upon applying the prevailing conversion rate.
- In case of receipt of inward remittance in foreign currency ("FCY") account, cash incentive shall only be provided post conversion into local currency (BDT).
- In case of regular recipients of inward remittance, it is recommended to open a BDT account with HSBC, Bangladesh ("HSBC" or "Bank") to facilitate the smooth conversion on a regular basis in case the said recipient of inward remittance does not have any BDT account with HSBC.
- If the customer / beneficiary does not have any BDT account with HSBC, the incentive amount alternatively may also be transferred to a BDT account of the beneficiary maintained with other banks via BEFTN, if available. Customer needs to submit the prescribed "Declaration Form" for this purpose to the respective RM/Branch of HSBC. The same will be applicable for customer/beneficiary in case he/she has only BDT joint account with HSBC. Credit of incentive

amount in these two cases will not take place in absence of customer declaration in the prescribed format.

- If any FCY account holder receives any FCY fund through RTGS from other bank and IRM incentive is claimed by beneficiary post encashment, then a validation/confirmation from the sender bank must be secured regarding the origin of the fund being IRM before providing any incentive to the beneficiary.
- In case of remittance received through intermediary bank the responsibility of providing the cash incentive lies with the intermediary bank where the conversion of foreign currency to local currency (BDT) takes place prior to remitting the money to the receiving bank.
- No additional supporting documentation shall be required to be submitted to the Bank by the beneficiary/customer for purpose of credit of the cash incentive to his/her account (FE Circular Letter No. 15 dated 23 May 2022). However, the Bank may ask for required documentation prior crediting the inward remittance as part of its due diligence, if required. Therefore, the above provisions shall be without prejudice to the Bank's overriding and general rights to undertake necessary due-diligence or request for any information and documents in relation to inward remittances as per its policies and applicable laws.
- The Bank shall have the authority (without prejudice to any of its other rights and entitlements) to set-off or deduct the amount equivalent to the cash incentive amount paid against from the balance available in the eligible customer(s)' account(s), without any further notification or reference to the eligible customer(s), in the event the customer is found to have received ineligible or excess amount or invested the inward remittance amount as stated in the clause above in which case he/she shall not be entitled to the cash incentive. The beneficiary/customer is solely responsible and liable for immediately returning excess amount of cash incentive which he/she is not eligible to receive and/or may have been paid mistakenly against the inward remittance, if so found during any scrutiny and/or investigation by the regulators or the Bank.

Miscellaneous

- The Bank, in its sole discretion can determine whether an eligible customer/beneficiary or inward remittance qualifies for the cash incentive amount, subject to the applicable laws and regulations.
- All applicable taxes and duties in relation to the cash incentive amount shall be borne by the eligible customer(s)/beneficiary(ies) and the Bank shall deduct at source, any applicable tax or

withholding tax from the cash incentive payments, without prior notification to the eligible customer(s)/beneficiary(ies).

- All matters related to the cash incentive payments shall be subject to the Personal Account Terms and Conditions of the Bank and the applicable laws and regulations of Bangladesh (as amended from time to time) and any separate product terms and conditions as available on www.hsbc.com.bd shall continue to apply. Without limitation to the foregoing, In the event of inconsistency between these terms and conditions and applicable directives/regulations of Bangladesh Bank, the latter shall prevail.
- To the fullest extent permitted by law, HSBC expressly excludes and disclaims any representations, warranties, or endorsements, express or implied, written or oral, including but not limited to, any warranty of quality, merchantability or fitness for a particular purpose in respect of the cash incentive payments.
- In no event will HSBC be liable for any losses or damages (including without limitation, loss of income, profit or goodwill, direct or indirect, incidental, consequential, exemplary, punitive or special damages of any party including third parties) howsoever arising whether in contract, tort, negligence or otherwise, in connection with the cash incentive payments, even if HSBC has been advised of the possibility of such damages in advance, and all such damages are expressly excluded.
- These terms and conditions and any disputes arising from these terms and conditions are governed by the laws of Bangladesh and the exclusive jurisdiction of the Courts of Bangladesh.

For any queries, please call us at 16240 (accessible from within Bangladesh); +88 096667 16240 (accessible from overseas) 24/7, including government holidays.