

Allow outbound tour operators to remit sale proceeds abroad

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Dhaka : Outbound travel from Bangladesh to various destinations worldwide is at its peak currently. With an increase of disposable income and knack for travel among Bangladeshis, outbound travel from the country is now trending. However, outbound tour operators still do not have the permission to remit sale proceeds abroad to their overseas counterparts, resulting in losses for both tour operators and the government itself.

The government might worry, what if tour operators misuse such facility, if given, for money laundering purposes. However, there are proper ways to ensure legal methods to remit sale proceeds abroad for tour operators by the government and monitor the activities thereby.

Similar to the way Bangladesh Bank has eased foreign exchange transaction for inbound tour operators to encourage joint travel packages with overseas agencies. Inbound tour operators can remit sale proceeds to their overseas partners without any hassle.

"So why can't outbound tour operators do that?" said Faridul Haque, Managing Director of Tour Planner and Ex-President of TOAB, adding, "Outbound trips from the country takes place way more than inbound. Yet, inbound tour operators are enjoying the facility while outbound cannot."

Even, Bangladesh Bank has allowed receiving inward remittances through online payment gateway service providers (OPGSPs). The foreign exchange policy department of the central bank approved the authorised dealer (ADs) banks to repatriate remittances through OPGSPs. While there is no way of sending outward remittances online for outbound tour operators.

Moreover, Hajj and Umrah tour operators are allowed to remit sale proceeds overseas, but not outbound tour operators.



M Shahadat Hossain Taslim, President, HAAB said, they received permission to remit sale proceeds abroad for Hajj and Umrah purposes under BB through IBAN account. In case of Hajj, BB has allocated a certain amount and for Umrah, the allocated amount is equivalent to the price of Umrah package.

To note, these allowances are in addition to the travel quota for each traveller going to Hajj or Umrah. Speaking of which, travellers, themselves, can now carry up to USD 10,000 without declaration while departing Bangladesh.

Even all authorised dealer (AD) banks are now allowed to remit maximum USD 10,000 or its equivalent annually to a member firm of e-Commerce Association of Bangladesh (e-CAB) for meeting the bonafide current expenses abroad through traditional banking channel or card channel.

Jahangir Alam Shovon, General Member, e-CAB, said, "Only our members can enjoy this facility. We will provide the members with cards. This is also in addition to the travel quota of USD 10 thousand for each traveller."

However, no light can be seen at the end of the tunnel for outbound tour operators for remitting sale proceeds overseas legally.

Faridul Haque claimed, Bangladesh Bank should allow outbound tour operators to open Foreign Currency Accounts immediately and provide them with the liberty to remit sale proceed abroad to respective partners.

"When we book a hotel for a traveller abroad, we have to pay first. We need to pay the tour operators in the destination country in advance too. How do we do it? If the government doesn't allow us to remit sale proceeds abroad. People will go to illegal means such as money laundering or hundi to do it if not facilitated legally," the former TOAB President urged.

To ensure transparent and legal transactions, tour operators can submit all necessary documents to Bangladesh Bank such as travellers' passport, tour expenditure, bank statements, quotations etc, said Haque, adding, Bangladesh Bank can easily monitor the activities the way it does in case of others who are permitted to remit sale proceeds overseas.

President of Bangladesh Outbound Tour Operators Association Iqbal Mahmud on this note said, the lack of legal channel to remit sale proceeds abroad for outbound tour operators are making a few turn to illegal methods. That is unsafe. There is no liability. It also costs more that way.

The most crucial thing about outbound tour is remitting sale proceeds abroad to respective counterparts. And this sadly is the biggest hindrance currently, Iqbal Mahmud sighed, saying they are having to ask tourists to carry money since they cannot remit sale proceeds themselves. This is ruining their reputation as a tour operator.

"Government must facilitate us to resolve this foreign remittance issue. We are ready to accept their limits or any restriction they impose along the way to ensure proper use of foreign remittance. But do help nevertheless," Mahmud said.

"To prevent money laundering, BB can even investigate if the numbers we are

submitting is official or not. They can speak to our foreign counterparts. This can be managed," Mahmud hoped.

Also, the lack of facility creates ill-motive among outbound tour operators. They are forced to find illegal means to send sale proceeds abroad. So if the government ensures such facility for us with legal channels, people will be motivated to be transparent in business, he added.

Zahirul Roman, CEO of Discovery Tours and Logistics said, "Due to the lack of remitting sale proceeds abroad, we are losing business. We cannot negotiate with agencies abroad for the tour packages. We are forced to make do with higher rates. This way, we are losing customers even."

"If we can remit sale proceed abroad through a bank under BB, we would have gotten better deals from the foreign counterparts. Even, we would have been able to offer discounts to the travellers for the tour packages. They could have saved money," Roman added.

Also, the destination country's government could learn about how much Bangladeshis spend in their country for tourism purpose if we could remit sale proceeds overseas through legal channels. This will motivate the destination country to facilitate travellers from Bangladesh further, claimed Roman.

According to reports, in 2019, tourism expenditure in other countries from Bangladesh was USD 1,388 million. Though Bangladesh tourism expenditure in other countries fluctuated substantially in recent years, it tended to increase through 2000 - 2019 period ending at USD 1,388 million in 2019.

Last but not the least, even the government is losing the opportunity to earn millions of taxes by not facilitating outbound tour operators with legal method of remitting sale proceeds abroad, said Roman.

M Shahadat Hossain Taslim, President, HAAB, said, outbound tour operators should be facilitated in this regard like Hajj and Umrah agencies. For group tours, outbound tour operators play a significant role. Travellers can enjoy discounts if they arrange a trip by an outbound tour operator.

If facilitated with a legal channel to remit sale proceeds abroad, outbound tour operators can negotiate to get cheaper deals from foreign counterparts, Taslim added.

Therefore, the government should provide outbound tour operators with foreign remittance facility to help them survive and prevent illegal transactions while enjoying the opportunity to earn taxes from it and making outbound travel easier for both travellers and tour operators alike.