

**Banking Regulation and Policy Department**  
Bangladesh Bank  
Head Office  
Dhaka

BRPD Circular Letter No. 06

21 Boishakh, 1415  
Date :-----  
04 May, 2008

Chief Executives  
All scheduled banks in Bangladesh

Dear Sir,

**Sub: - Introduction of SME Service Centres for loan disbursement  
and recovery in the Small and Medium Enterprise (SME) sector.**

Having the opportunity for investment promotion, opportunity for low-cost income generation, advantage of low capital to production ratio in the Small and Medium Enterprise (SME) sector, it is expedient to boost up the credit flow in the SME sector with a view to reducing high rate of unemployment in densely populated Bangladesh. As it may not be cost effective to open bank branches by the scheduled banks only for SME sector's loan disbursement facilities and facilitating monitoring for and recovery from thereof, there is necessity for opening SME Service Centres and, as such, Bangladesh Bank has taken a decision in principle to accord permission for opening SME Service Centres. These Service Centres will be allowed to perform the following functions:-

1. The SME Service Centres will render banking services only for receiving application, disbursement, monitoring and recovery of loan to SME sector.
2. The SME Service Centres will be allowed to receive foreign remittances and deliver /hand over the same in domestic currency to the payees concerned.
3. The SME Service Centres will be allowed to open a separate desk in order to prioritize the women entrepreneurs involved in the promotion of Small and Medium Enterprise (SME) sector.

The scheduled banks operating in Bangladesh are advised to apply to the Banking Regulation and Policy Department of Bangladesh Bank for opening limited number of SME Service Centres only in areas of Bangladesh where no branches of the same bank exist at present. The scheduled banks are advised to submit their application for opening the aforesaid centres by 15 June, 2008 for the year 2008 and, for 2009, alongwith the application for opening bank branches of same year.

Please acknowledge the receipt

Yours sincerely  
Sd/-  
( Md. Jahangir Alam)  
General Manager  
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