



বাংলাদেশ ব্যাংক  
(সেন্ট্রাল ব্যাংক অব বাংলাদেশ)  
প্রধান কার্যালয়  
মতিঝিল, ঢাকা-১০০০  
বাংলাদেশ।

ডেট ম্যানেজমেন্ট ডিপার্টমেন্ট

ডিএমডি সার্কুলার নং-০২

তারিখঃ ২২ মাঘ ১৪২৯  
০৫ ফেব্রুয়ারি ২০২৩

ব্যবস্থাপনা পরিচালক/প্রধান নির্বাহী  
বাংলাদেশের সকল শরীয়াহ্ ভিত্তিক তফসিলি ব্যাংক।

প্রিয় মহোদয়,

**Mudarabah Liquidity Support (MLS) প্রবর্তন প্রসঙ্গে।**

শরীয়াহ্ ভিত্তিক ব্যাংকসমূহের সুষ্ঠু তারল্য ব্যবস্থাপনা ও আর্থিক স্থিতিশীলতা নিশ্চিতকরণ লক্ষ্যে ৭, ১৪ ও ২৮ দিন মেয়াদি 'Mudarabah Liquidity Support (MLS)' প্রবর্তনের সিদ্ধান্ত গৃহীত হয়েছে। শরীয়াহ্ ভিত্তিক ব্যাংকসমূহ সপ্তাহের প্রতি কার্যদিবসে নিয়মিতভাবে এ সুবিধা গ্রহণের জন্য আবেদন করতে পারবে (ফরম সংযুক্ত)। এ বিষয়ে অনুসরণীয় নীতিমালা এতদসাথ সংযুক্ত করা হয়েছে।

এ নির্দেশনা ০৫/০২/২০২৩ তারিখ হতে কার্যকর হবে।

সংযোজনী:

১. MLS নীতিমালা।
২. আবেদন ফরম।

আপনাদের বিশ্বস্ত,

(খোন্দকার সিদ্দীকুর রহমান)  
পরিচালক (ডিএমডি)  
ফোন: ৯৫৩০১৩১

ই-মেইল: khondaker.rahman@bb.org.bd

## **Guidelines for Shari'ah Compliant Mudarabah Liquidity Support**

With a view to ensure financial stability and the resilience of Islamic Banks, Bangladesh Bank has introduced a new Shari'ah compliant financial instrument, namely, '**Mudarabah Liquidity Support (MLS)**' for the Islamic Banking system in Bangladesh. This liquidity support may be used as one of the possible contingency measures for meeting interim liquidity shortages in exceptional circumstances. These guidelines explain operating and settlement procedures for participating in the MLS.

### **2. Features of Mudarabah Liquidity Support (MLS)**

- a) The MLS is a framework for providing liquidity support under Mudarabah Contract to Shari'ah based banks maintaining current account with Bangladesh Bank, where Bangladesh Bank (BB) acts as the Investor (Rab al-Mal/Sahib al-Mal) and bank act as the Investment Manager (Mudarib) under an agreed Profit Sharing Ratio (PSR).
- b) *Claims of banks on the Government of Bangladesh arising from subsidies or incentives to be received against special schemes/programs* shall be considered as collateral for MLS. This type of collateral shall include:
  - (i) Claims against Remittance Incentives;
  - (ii) Claims against Financial stimulus/incentives facilities.

These collaterals shall be used to cover loss, if the bank fails to pay MLS amount due to negligence, misconduct or breach of contract and other relevant issues in this regard.

- c) While providing MLS, the entire claim shall be treated as collateral, even if a haircut is imposed.
- d) The applied amount of MLS shall be for a minimum amount of Taka 10 (ten) crores, or multiples thereof.
- e) The expected profit rate shall be equivalent to prevailing 03 (three) months MTDR (Mudarabah Term Deposit Receipt) rate of respective bank at the time of availing MLS.
- f) The tenor of the MLS shall be 07/14/28 days.
- g) Day count convention for profit calculation will be Actual/Actual.

### **3. Description of Collaterals**

- a) **Claims against remittance incentives:** According to FE Circular No. 31, dated 06 August 2019, the Government provides incentives against inward remittances to encourage repatriation of hard-earned foreign exchange of Bangladeshi workers abroad. Claims on Government for providing cash incentives to the remitters by the banks,

lodged with and duly approved by the concerned department of BB, shall be considered as eligible collateral for MLS.

- b) **Claims against stimulus facilities:** According to the BRPD Circular No. 08, dated 12 April 2020 and SMESPD Circular No. 09, dated 09 September 2021, with the aim to reduce profit burden on COVID affected industrial & service sector and CMSME sector, two stimulus packages have been introduced by the Government. Under these stimulus packages, banks provide investment to the affected industrial, service and CMSME sector and receive a certain portion of the total profit as a subsidy. These types of claims on Government for providing cash facilities under these stimulus packages by the banks, lodged with and duly approved by the concerned department of BB, shall be considered as eligible collateral for MLS.

#### **4. Operating Procedures of Mudarabah Liquidity Support (MLS)**

- a) The institution may apply for MLS on every working day to Securities Section of Motijheel Office of BB along with required documents.
- b) After satisfactory scrutiny of the application by the concerned department(s) and the Auction Committee of BB, investment decision shall be taken.
- c) The Collateral of MLS shall be assigned in favor of BB during the MLS period.
- d) MLS to be provided by the BB shall be credited to the current account of the respective institution.
- e) BB reserves full discretion to accept or reject the application or provide partial MLS.

#### **5. Haircut on Collateral**

The applicable haircut of collateral shall be as under:

- a) Remittance incentives: 10% of total incentive amount;
- b) Financial stimulus/incentives: 10% of total incentive amount.

#### **6. Documents need to be submitted while applying for MLS**

- a) Written request, duly signed by the CEO/MD of the bank (format given in Annexure-1) along with list of collateral and their value.
- b) Reason specifying the need for MLS.
- c) Assignment letter duly signed by the CEO/MD of the bank to transfer the collateral in favor of BB for MLS period.
- d) Debit authority signed by two authorized officials of the bank declaring that at maturity BB can debit the current account of the respective bank for the MLS amount and profit.
- e) Undertaking of the bank duly signed by the CEO/MD for adjusting MLS amount by BB if any interim payment is received by the bank during the MLS period.

- f) Authorization letter from the Accounts and Budgeting Department of Bangladesh Bank regarding claims of incentives against remittances or financial stimulus facilities.

**7. Settlement Procedures of Mudarabah Liquidity Support (MLS)**

- a) At maturity, BB will debit the current account of the bank to recover the investment amount and the profit (as per the provisional profit rate) and release the collateral in favor of the respective bank;
- b) If any interim payment is received by the bank during the MLS period, the payment will be adjusted by BB accordingly and profit will be calculated on remaining amount;
- c) Bank can make early settlement of full or partial MLS amount and the profit will be calculated for holding period only;
- d) If MLS matures on a holiday, then the tenor of MLS will be extended by the number of holidays, and the profit calculation will incorporate this extended period;
- e) At the end of the calendar year, profit will be adjusted according to the actual profit of the respective bank.

**8. Treatment regarding breaching the terms of contract**

At maturity, if the bank fails to maintain adequate fund in the current account for the settlement of MLS, the title of the collateral shall be transferred to the BB and BB shall adjust the investment amount along with applicable profit by disposing of collateral.

- 9. Shari'ah Board/Committee of respective bank shall be responsible to verify Shari'ah compliance of each MLS transaction with BB.
- 10. BB may change/extend/add or remove policies and procedures related to MLS as necessary.

-----

Date:

The Executive Director  
Motijheel Office  
Bangladesh Bank  
Motijheel, Dhaka-1000.

Dear Sir,

**Request for Mudarabah Liquidity Support (MLS) ----- Crore.**

With reference to the DMD Circular No. \_\_\_\_\_ Dated \_\_\_\_\_, we hereby apply for fund under MLS as per details given below with necessary documents:

Rab al-Mal (Partner 1): Bangladesh Bank (BB)  
Mudarib (Partner 2): \_\_\_\_\_.

**A. Details of the eligible collateral**

Collateral Type:	
Value of Collateral:	
Applicable Haircut:	
Value of collateral after imposing haircut:	

**B. Details of fund**

Requested amount:	
Amount in words:	
Fund to be credited in Account No:	
Existing profit sharing ratio (PSR) applicable for current Mudaraba Term Deposit:	
Tenor:	
Expected profit rate (attach rate sheet):	
Expected Profit Amount :	
Total amount payable to BB at maturity (Financing amount +Expected Profit amount):	

1. We hereby assign the aforementioned collateral to BB for MLS period. We also authorize BB to credit our current account with the allotted amount, and also authorize to debit our current account at maturity.
2. If we fail to maintain adequate fund in the current account for the settlement of MLS, the title of the collateral shall be transferred to the BB.
3. We are obliged to follow any decisions made by the Auction Committee.

Yours faithfully,

Enclosure:

Name & Signature of MD/CEO  
with Seal/Rubber Stamp