

Bangladesh Bank

(Central Bank of Bangladesh)

Head Office

P.O Box-325

Dhaka

Website: www.bb.org.bd

Department of Off-site Supervision

DOS Circular No.-02

Date: 10 Agrahan, 1422

24 November, 2015

Chief Executives

All Scheduled Banks in Bangladesh

Dear Sir,

**Investment in Special Purpose Vehicle, Alternative Investment Fund
or similar fund/funds by the scheduled banks.**

Your attention is drawn on the captioned subject. It has been decided that from now on scheduled banks willing to invest in non-listed special purpose fund/funds (Special Purpose Vehicle, Alternative Investment Fund or similar, stated as such fund(s) henceforth) which are registered with Bangladesh Securities and Exchange Commission (BSEC) shall generally follow the guidelines stated below:

1) The aggregate investment in such fund(s) made by any scheduled bank shall be limited up to Tk. 2 (Two) billion.

2) Before making any firm commitment to investment in such fund(s), the investor bank company shall have to apply for permission from Department of Off-site Supervision, Bangladesh Bank (BB). Hence, a resolution duly passed in the Board describing the intention of investment in such fund(s) along with the latest information regarding position of Capital, Liquidity, Asset & Liability and other information as prescribed by BB from time to time shall have to be submitted by the bank.

3) The investor bank company shall enter into an agreement with the trustee of such fund(s) so that no investment shall be made by such fund(s) with any related party of the investor bank company or no investment shall be made to purchase the share/debenture/bond or similar instruments of the investor bank or no fund shall be deployed in such investment which constitutes a financial claim over any other bank or financial institution in future certifying that no such investment has already been made. The copy of this agreement shall be submitted to BB with application as described in clause (2) above.

4) Investment in such fund(s) shall not be included in the Capital market investment, under sub-section (1) of section 26Ka of the Bank-Company Act, 1991 (Amended up to 2013), of the investor bank.

In the event of any conflict between the meaning of English Text and Bengali Text of this circular, the Bengali Text shall prevail.

This policy shall come into force with immediate effect.

Please acknowledge receipt.

Yours Sincerely,

Sd/-

(S. M. Rabiul Hassan)
General Manager
Phone: 9530093