

Foreign Exchange Policy Department-2
Bangladesh Bank
Head Office
Dhaka
www.bb.org.bd

FEPD-2 Circular No.06

Date: 07 October 2026

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

**Opening and maintenance of foreign currency accounts
for the retention of approved external loan proceeds**

In terms of paragraph 28, Part-C of FEPD-1 Circular No. 32, dated September 02, 2026, private sector industrial enterprises in Bangladesh can avail medium and long term external financing, subject to prior approval from the competent authorities.

02. To facilitate cross-border settlement of payments from approved foreign loans, it has been decided that designated Authorized Dealers (ADs) may open Foreign Currency (FC) accounts in the names of eligible borrowers for retaining the proceeds of approved foreign loans in foreign currency. FC accounts shall be operated in accordance with the terms and conditions of the loan approval(s) and the following instructions:

(a) ADs shall obtain and retain true copies of the specific approval of the competent authority for the foreign loan, including approval of the Scrutiny Committee on Foreign Loan/Supplier's Credit of Invest Bangladesh Authority (IBA), where applicable. In cases where the foreign loan is approved by Bangladesh Bank and/or the Standing Committee on Non-Concessional Loan (SCNCL), true copies of the relevant approval(s) shall be obtained and retained by the ADs.

(b) Balances held in FC accounts shall be utilized for making payments against imports in accordance with the Import Policy Order in force including foreign exchange regulations and for bonafide service payments required for implementation of the relevant works for which the foreign loan has been approved, subject to the terms of the relevant loan approvals.

(c) In case of service payments, ADs shall obtain approvals from the competent authority, where applicable, and conduct necessary due diligence, including deduction of applicable taxes and VAT in accordance with the prevailing laws and regulations, and payment thereof.

(d) Encashment of foreign currency into Taka from FC accounts may be made for local procurement in accordance with provisions of approvals.

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(e) FC accounts opened under this authorization may earn interest/profit, subject to the terms and conditions governing the banker-customer relationship.

(f) ADs shall report utilization of the foreign loan proceeds in the prescribed Form LU (enclosed) to the Foreign Exchange Investment Department (FEID), Bangladesh Bank, on a quarterly basis, i.e., for the quarters ending December, March, June and September.

(g) Upon completion of drawdown and utilization of foreign loan proceeds, ADs shall close FC accounts and intimate FEID accordingly. However, where the terms of the loan agreements require retention of funds for repayment of foreign loans, FC accounts may be maintained until maturity of loans for this purpose. Such accounts may be credited with export proceeds, net of import payments, and funds arising from conversion of Taka from legitimate local sources. Balance maintained for repayment purposes shall not exceed the amount required for three subsequent installments.

03. The provisions of this circular shall be applicable to opening and operation of FC accounts against foreign loans approved for eligible borrowers by IBA, Bangladesh Bank and SCNCL, as applicable, subject to the terms of the relevant approvals and loan agreements with foreign lenders.

04. ADs shall ensure that the proceeds retained in such FC accounts are used only for the purposes for which the relevant foreign loan has been approved and in accordance with the applicable foreign exchange regulations, approval conditions and loan agreements.

Please bring the above instructions, effective immediately, to the notice of all your clientele.

Yours faithfully,

Encl. Form LU



Kazi Shafiqul Islam
Director (FEPD-2) (Current Charge)
Phone: 9530119

Form LU

Name of the borrower:

Address:

Name and address of the lender:

Approved loan amount:

Currency:

FC Account No..... (Currency)

Date of opening:

Statement of utilization of foreign loan for the quarter ended on.....

Sl. No.	Date of drawdown	Amount	Date of credit in FC account	Date of payment	Payment in FC	Date of encashment	Encashment in Tk.	Beneficiary's name and address	Purpose of utilization	Remarks
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

Balance as per last statement (FC):

Total drawdown during the quarter (FC):

Total payment during the quarter (FC):

Total encashment during the quarter (Tk.):

Total utilization during the quarter (FC equivalent):

Grand Total of Loan Proceeds (FC):

Total Utilization of Loan Proceeds (FC equivalent):

Balance as on (FC):

Declaration by Borrower

We hereby declare that the information furnished above is true and correct. We undertake that we shall be held liable for any false or incorrect information furnished in this statement.

Signature:

Name:

Designation:

Date:

Countersignature by Authorized Dealer bank

Signature:

Name:

Designation:

PA No.:

Date: