

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

FE Circular No. 19

Date: April 12, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Refinancing for imports against usance back to back LCs

Please refer to paragraph 2(c) of FE Circular No. 13, dated March 19, 2020 in terms of which usance period of back to back LCs opened under supplier's/buyer's credit can be extended up to 180 days, as additional time from permissible period of 180 days, for bonafide grounds required to settle the payments. Accordingly, usance period can be extended to 360 days from existing 180 days by suppliers/lenders of buyer's credit for back to back imports under deferred payment/buyer's credit at the indicative rate of interest as per FE Circular No. 19 of May 05, 2019. In case of non-extension of the tenure by respective parties, ADs may, for the extendable tenure, arrange refinancing at the indicative rate of interest against their accepted import bills from authorized sources to settle supplier's payments/buyer's credit extended by earlier lenders.

2. To facilitate exporters in minimizing COVID-19 pandemic related disruptions, it has been decided that ADs may seek refinancing facilities from Export Development Fund (EDF) for settlement of import payments against back to back LCs under supplier's/buyer's credit depending on the actual situation for which extension of usance period/refinancing for extendable tenure is not available. The tenure of refinancing facilities shall not exceed 180 days (maximum) in accordance with FE Circular No. 13/2020. Interest rate will, as per stipulation of FE Circular No. 18 of April 07, 2020, be applicable for the refinancing facilities.

3. As usual, relevant instructions with regards to operational formalities of EDF shall remain unchanged.

Please bring the contents of this circular, effective till September 30, 2020, to the notice of your concerned clientele.

Yours faithfully,



(Mohammad Khurshid Wahab)
General Manager
Phone: 9530123