

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka

Website: [www.bb.org.bd](http://www.bb.org.bd)

**FE Circular No. 04**

**Date: 25/04/2012**

Managing Directors/Chief Executives  
All Scheduled Banks in Bangladesh and  
All Non-Bank Financial Institutions in Bangladesh

Dear Sirs,

**Term lending in Taka to foreign owned/ controlled companies**

Please refer to the chapter 16, paragraph 4 (B) of the Guidelines for Foreign Exchange Transactions-2009 (GFET), Vol-1 wherein term loans in Taka for capacity expansion/BMRE of foreign owned/controlled industrial firms may be extended/renewed by banks without prior Bangladesh Bank approval provided that:

- (i) the term loan in Taka does not exceed, as percentage of total term borrowing, the percentage of equity of the firm/company held by Bangladesh nationals and firms/companies not owned or controlled by foreigners, and
- (ii) total debt of the firm/company does not exceed the 50:50 debt equity ratio.

The prevailing credit norms and regulatory provisions regarding lending including single party exposure limits etc. will have to be duly complied with.

02. This is to clarify that non-authorized dealer bank branch(es) or non-bank financial institutions may provide such term loan in Taka to foreign owned/controlled firm/company only in association with authorized dealer bank branch(es) subject to observance of instructions stipulated above. Authorized dealer will ensure the compliance of the instructions contained in chapter 16 of GFET for entire financing.

03. Other instructions contained in the paragraph 4 of the chapter 16 of GFET shall remain unchanged.

Please bring the content of this circular to the notice of all your branches.

Yours faithfully

Sd/-

(Md. Azizul Haque)

Deputy General Manager

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