

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

FE Circular No. 02

Date : 06 February, 2012

All Authorized Dealers of
Foreign Exchange in Bangladesh

Dear Sirs,

Usance interest rate for deferred payment imports.

Please refer to the chapter 7, paragraph 33(a) of the Guidelines for Foreign Exchange Transactions, 2009 (GFET), Vol-I in terms of which usance interest , if any, on import trade financing on deferred basis is admissible only at rate no higher than LIBOR for the period in question. With LIBOR prevailing at very low levels, borrowing interest rates for non bank clients in international markets are now much higher . In light of recent usance interest rate trends on public sector import financing, it has been decided that for private sector imports on usance terms the interest rates may bear mark-ups over LIBOR according to the prevailing market conditions subject to overall interest cost not exceeding 6% per annum.

02. Besides trade credit from suppliers, the revised interest level will be applicable also for buyers' credits from foreign banks and financial institutions arranged through designated authorized dealers of the importers in Bangladesh.

03. Other instructions contained in the above mentioned paragraph of GFET shall remain unchanged.

Please bring the content of this circular to the notice of all concerned.

Yours faithfully,



(Md. Golam Haider)
Deputy General Manager
Phone:7120375