

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

FE Circular No. 12

Date: July 13,2022

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Repayment guarantees by importers against short
term import finance under buyer's credit

Attention of Authorized Dealers (ADs) is invited to paragraph 9, chapter 16 of the Guidelines for Foreign Exchange Transactions- 2018, (GFET), Vol-1 in terms of which private sector borrowers can extend guarantees like corporate guarantee, personal guarantee, third party guarantee, etc. to the foreign lenders as per stipulations of foreign loan agreement provided the loan concerned has been approved by the Bangladesh Investment Development Authority. However, issuance of repayment commitments by ADs is subject to approval from Bangladesh Bank as per FE Circular No. 23 of June 21, 2021.

02. Short term import finance under buyer's credit is accessible in accordance with paragraph 33(b), chapter 7 of GFET for payments against eligible imports at the prescribed interest rate. External lenders including offshore banking operations extend buyer's credit against usance import bills duly accepted by ADs. To facilitate short term import finance under buyer's credit, it has been decided that importers may extend guarantees like corporate guarantee, personal guarantee, third party guarantee, etc. to foreign lenders making payments to suppliers under buyer's credit against admissible imports on sight letters of credit.

Please bring the contents of this circular to the notice of your clientele concerned.

Yours faithfully,



(Md. Harun-Ar-Rashid)
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