Foreign Exchange Policy Department-1
Bangladesh Bank
Head Office
Dhaka
www.bb.org.bd

FEPD-1 Circular No. 24 Date: July 23, 2026

All Authorized Dealers in
Foreign Exchange in Bangladesh

Master Circular on Export Development Fund

Dear Sirs,

Please refer to FE Circular No. 45, dated December 31, 2017 through which revised operational procedure of Export Development Fund (EDF) was issued. To bring ease in operations of EDF, revised operational procedure prepared through compilation of existing instructions of FE Circular No. 45/2017 and its subsequent relevant circulars at one place with modifications as necessitated is attached herewith.

Instructions of FE Circular No. 45/2017 and its subsequent circulars shall stand repealed with issuance of this circular.

Please bring the contents of this circular to the notice of all concerned constituents.

Encl. As stated.

Yours faithfully,

(Md. Harun-Ar-Rashid)
Director (FEPD-1)
Phone: 9530123

EXPORT DEVELOPMENT FUND

The Export Development Fund (EDF) at Bangladesh Bank, its operational procedure:

01. The EDF and its objective

The EDF is intended to facilitate access to financing in foreign exchange for input procurement by manufacturer-exporters. Authorized Dealers (ADs) may borrow US Dollar funds from the EDF against their foreign currency loans extended to manufacturer-exporters for input procurement. At their discretion, the ADs may also lend, to some extent, from their own foreign exchange funds for input procurement (up to fifty percent of NFCD balances).

The EDF is administered by the Forex Reserve and Treasury Management Department-1 (FRTMD-1) at the head office of Bangladesh Bank (BB). Borrowings by ADs from the EDF and repayments thereof are handled through head offices/principal offices of the AD banks concerned. ADs operating under Shariah-compliant financing modes may also avail themselves of EDF facilities in compliance with Shariah principles. In such case, they may enter into deal-to-deal Restricted Mudaraba Agreement with FRTMD-1 to ensure Shariah compliance against their EDF investment.

02. Interest rate on borrowings from EDF

(a) EDF loan disbursements to ADs in USD will be charged interest @ 6-month SOFR+0.5 percent p.a., with the ADs charging @6-month SOFR+1.5 percent p.a. on their USD loan disbursements to manufacturer-exporters.

(b) In addition, ADs may charge an additional interest not exceeding 1.0 percent p.a. to borrowers for the period between the date of import payment from AD’s own sources and the date of receipt of EDF refinancing.

(c) Bangladesh Bank may charge penal interest (compensation in case of Shariah based Islamic Banking) to ADs at 4.0 percent p.a. above the prevailing interest rate on overdue amount of EDF loans for delayed period.

(d) In the case of an extension of the repayment tenure of EDF loans beyond 180 days, the interest rate prevailing at the time of such extension shall be applicable for the extended period.

03. Tenor of EDF loans

EDF loans from Bangladesh Bank are repayable by the AD upon receipt of proceeds of the relative exports (except in case of loans for bulk imports by member mills of eligible associations against past export performance); in all cases within 180 days from dates of disbursement of EDF loan, extendable by Bangladesh Bank up to 270 days upon application to Bangladesh Bank explaining the necessity of longer period for repatriation of export proceeds. Proceeds retained in margin account in terms of paragraph 56(1) of FE Circular no. 33, dated August 14, 2025 and its subsequent circulars may be useable for settlement of EDF loans extended to eligible bulk importers.

04. Eligibility for EDF loans

(a) EDF financing will be admissible for input procurements against back to back import LCs/inland back to back LCs in foreign exchange; by manufacturers producing output for direct exports, and also by producers of local deliveries of intermediate outputs to manufacturers of the final export.

(b) Input imports by manufacturer-exporters against which an AD seeks EDF loan must be in full compliance with the value addition criterion and other requirements of the Government's IPO in force; and of foreign exchange regulations and instructions laid down in FE circulars of Bangladesh Bank.

(c) Input imports of a manufacturer-exporter defaulting in repatriation of export proceeds within the statutory period of 120 days from the date of shipment, or within such extended period as permitted by Bangladesh Bank under general or special permission, shall not be eligible for financing from the EDF, in addition to any other applicable regulatory penalties.

(d) ADs shall verify the overdue status of deemed exporters before submitting applications for EDF loans to Bangladesh Bank.

(e) Manufacturer-exporters whose EDF liabilities have been settled through funded facilities will not be eligible for further EDF loan. In such cases, the AD bank must immediately inform FRTMD-1 of Bangladesh Bank. However, an exporter may regain eligibility for the EDF facility if the overdue export proceeds are subsequently repatriated or exempted by the Discount Committee.

(f) If any bank fails to repay EDF loans within the prescribed time frame, it shall not be eligible for further EDF facilities until the overdue amounts are fully settled.

(g) The loans to manufacturer-exporters to be eligible for EDF financing must be within the single borrower exposure limit prescribed by Bangladesh Bank. The limits prescribed under 5(a) and 5(b) shall apply as the maximum outstanding EDF exposure per exporter.

05. Amounts of EDF loans

(a) Manufacturer-exporters procuring input under back to back LC

For manufacturer-exporters including Type B industries in EPZs producing readymade garments for export and Type C industries of EPZs/EZs (other than member mills making bulk imports), EDF loans extended to an AD against such back to back LCs shall not exceed the lower of the following:

(i) the value of input imports permissible against the relevant export LC, firm export contract, or inland back-to-back LC in accordance with the value addition requirements prescribed in the Import Policy Order (IPO) in force (and customs bond regulations, where applicable); or

(ii) the limit for a member mill, as set out in the table below:

(USD in million)

SL	Name of Association	Maximum Limit
1	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)	20
2	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)	15

(USD in million)

SL	Name of Association	Maximum Limit
3	Footwear Leathergoods & Accessories Exporters Association (FLAXA)	15
4	Bangladesh Bicycle & Parts Manufacturer and Exporter's Association (BBPMEA).	10
5	Bangladesh Furniture Exporters Association (BFEA)	10
6	Bangladesh Frozen Foods Exporters Association (BFFEA)	5
7	Any sector other than the mentioned association	10

(b) Bulk import of raw materials for local delivery to manufacturer-exporters against inland back-to-back LCs denominated in foreign exchange

For member mills of the associations listed below, engaged in bulk import of raw materials for producing intermediate goods for local delivery to manufacturer-exporters against inland back to back LCs in foreign exchange, an EDF loan to an AD shall not exceed the lower of the following:

(i) the amount in foreign exchange realized against inland back to back LCs during the preceding twelve months; or

(ii) the limit for a member exporter, as specified in the table below:

(USD in million)

SL	Name of Association	Items	Maximum Limit
1	Bangladesh Textile Mills Association (BTMA)	Cotton and other fibres	20
2	Bangladesh Dyed Yarn Exporters Association (BDYEA)	Unprocessed yarn and chemicals	10
3	Bangladesh Packaging & Accessories Manufacturers & Exporters Association (BPAMEA)	Raw materials	2
4	Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)	Raw materials	1
5	Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA)	Raw materials	1

(c) Additional support facility

Refinance from the EDF will also be admissible to ADs for bulk imports by manufacturer-exporters irrespective of sectors against eligible requirements, based on their export performance over the preceding twelve months or USD 500,000 whichever is lower. This facility and entitlement for bulk imports as referred to 5(b) will be mutually exclusive and shall be part of, and not in excess of, the admissible limit determined under clause 5(a).

(d) If an exporter intends to import both in bulk and under back-to-back (BTB) arrangements, or on behalf of multiple associations, the exporter shall be eligible to avail the maximum limit applicable to any one association only.

06. Procedure of application for EDF loans from Bangladesh Bank

Head offices/principal offices of AD banks shall submit to FRTMD-1, Bangladesh Bank duly filled in application in **Form-A** listing the input procurements financed by them in foreign exchange, against which EDF loans are being sought. The application, signed by two appropriately empowered officials shall also authorize Bangladesh Bank to realize the principal and accrued interest on the EDF loans to the AD immediately upon expiry of the permissible periods of the loans by debit to the FC clearing accounts of the concerned AD with Bangladesh Bank; unless such loans are repaid by them earlier. Repayment advices of the AD should be accompanied by calculation worksheets in online system.

07. The application for time extension for repayment of EDF loan

(a) The application for extension shall be submitted at least 10 days prior to the maturity date of the loan and must be signed by an officer not below the rank of Deputy Managing Director (DMD), along with any other duly authorized official.

(b) All applications must be accompanied by a copy of relevant Bill of Entry, and ADs shall clearly articulate the reasons for such extension, duly supported by proper documentation.

(c) If the export proceeds sufficient to liquidate the EDF loan have already been realized, the AD banks shall not apply for extension and shall instead ensure immediate repayment.

(d) In this context, ADs are instructed to submit Annex-1 for deemed exporters and Annex-2 for direct exporters.

Form-A

(Letter head of AD bank)

Ref: Date:

Director (FRTMD-1)
Forex Reserve and Treasury Management Department-1
EDF Section
Bangladesh Bank
Head Office,
Dhaka.

Application for Loan under EDF

Dear Sir,

In accordance with the procedure set out in Master Circular on Export Development Fund dated July 23, 2026, we hereby apply for the loan from Bangladesh Bank against the advances made by us in foreign currency under the following letters of credit:

Sl. No.	Name of the Direct/ Deemed exporter borrowing from the AD	ERC No. & Date	Import LC /inland back to back LC No. & date	Amount in USD	Date of import payment by raising USD loan in the name of the borrower	Related Master LC/Contract No. & Date of back to back LC
1	2	3	4	5	6	7

We confirm that the transactions are eligible for financing under EDF as per terms and conditions stipulated in the aforesaid circular and hold ourselves liable for any falsity or misstatement.

We would, therefore, request Bangladesh Bank to grant the loan and credit USD………(in words) to our FC Clearing account maintained with you. We hereby authorize Bangladesh Bank to debit our FC Clearing account maintained with Bangladesh Bank in realization of principal and accrued interest due upon expiry of the permissible tenors of the loan, if not repaid earlier by us. In case of delay in settlement the loan, we also authorize you to debit our account for penal interest/compensation (as the case may be) at 4.0% p.a. above the prevailing interest rate for the delayed period.

Yours faithfully,

Signature.......................	Signature.......................
Name:………………….	Name:………………….
Designation:...…………	Designation:...…………
PANo………...………..	PANo………...………..

Annex-1 (Extension of Bulk)

Name of the Banks	Total Import Payment in USD (Last One Year)	Total Export in USD (Last One Year)	Total Realized Export Proceed in USD (Last One Year)	Current Stock Position in USD
Bank 1				
Bank 2				

Annex-2 (Extension of B2B)

Master LC/Contract No	Date	Contract Value in USD	Total Value of B2B in USD	Total Availed EDF in USD	Total Realized Export Proceed in USD in all the Banks