

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka

www.bb.org.bd

FE Circular No. 12

Date: March 11, 2014

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

Dear Sirs,

Term lending in Taka to foreign owned / controlled companies in Bangladesh.

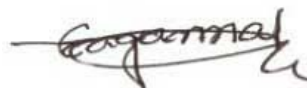
Paragraph 4B(i), chapter 16 of the Guidelines for Foreign Exchange Transactions (GFET, 2009 edition) read with [FE Circular No. 04, dated April 25, 2012](#) restricts access of foreign owned/controlled companies in Bangladesh to term loans in Taka from the local market, limiting admissibility only to the percentage of local content in the company's equity, if any.

02. Given the prevailing comfortable liquidity situation in the local markets, it has been decided that foreign owned/controlled companies engaged in manufacturing or services output activities for three years or longer in Bangladesh can access Taka term loans from the domestic market regardless of local content in their equity; subject to adherence by banks/financial institutions to all applicable credit norms and prudential parameters including single borrower exposure limit, debt-equity ratio and so forth.

03. As usual, banks/financial institutions will report their term lending to foreign owned/controlled institutions post facto to General Manager, Foreign Exchange Investment Department, Bangladesh Bank head office in proforma prescribed at Appendix 5/75 of the GFET.

Please bring the above instructions, effective immediately, to the notice of all your concerned constituents.

Yours faithfully,



(Jagannath Chandra Ghosh)

Deputy General Manager

Phone: 9530092