

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

FE Circular No. 13

Date: 12 March, 2014

All Authorized Dealers of
Foreign Exchange in Bangladesh

Dear Sirs,

Foreign owned/controlled industrial enterprises – access to short term interest free loan from parent companies/shareholders abroad

In terms of paragraph 1, chapter 15 of the Guidelines for Foreign Exchange Transactions (GFET, 2009 edition), private sector industrial enterprises in Bangladesh can access short term (upto one year duration) external borrowing subject to Bangladesh Bank guidelines issued from time to time. These guidelines permit external borrowing by way of buyers' credit/suppliers' credit for inputs procurements.

Foreign owned/controlled industrial enterprises in Bangladesh have indicated occasionally arising urgent necessity of short term borrowing for business needs other than inputs procurements, for which working capital financing from the local market has not yet been lined up. To help foreign owned/controlled industrial enterprises get around such difficulties, it has been decided that they may henceforth access interest free loans from parent companies/shareholders abroad for upto one year without any prior approval, subject to post facto reporting through their Authorized Dealer banks to Foreign Exchange Policy Department, Bangladesh Bank head office within one week of availing each such loan. Repayments of these loans will likewise require no prior approval, but will have to be reported to Foreign Exchange Policy Department, Bangladesh Bank head office through Authorized Dealer banks.

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

Yours faithfully,



(Jagannath Chandra Ghosh)
Deputy General Manager
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