

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

FE Circular No. 05

Date: March 19, 2023

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Repayment of loans availed from Export Development Fund (EDF)

Please refer to paragraph 6 of FE Circular No. 45, dated December 31, 2017 and its subsequent circulars regarding procedures and realization of principal and accrued interest on EDF loans immediately upon expiry of the permissible periods by debit, unless repaid within due dates, to FC clearing accounts of relevant Authorized Dealers (ADs) with Bangladesh Bank.

2. It is observed that EDF loans are not being realized in accordance with the instruction as stated at FE Circular No. 45/2017. In view of the situation, it has been decided that penal interest (compensation in case of Shariah based Islamic Banking) will be charged by Bangladesh Bank to ADs at 4.00% pa above the prevailing interest rate on overdue amount of EDF loans for the delayed period.

3. In accordance with the above decision, ADs will submit a debit authority to Bangladesh Bank for realizing the principal and accrued interest, including penal interest/compensation (as the case may be), at the time of application for EDF loan as per revised Form-A (copy enclosed).

Other relevant instructions on EDF shall remain unchanged. Please bring the contents of the circular, effective immediately, to the notice of your relevant customers.

Yours faithfully,



(Debashish Sarkar)
Director (FEPD) (In Charge)
Phone: 9530092

Encl. As stated.

(Letter head of AD bank)

Ref:

Date:

Director (FRTMD)

Forex Reserve and Treasury Management Department
 EDF Section
 Bangladesh Bank
 Head Office
 Dhaka.

Dear Sir,

Application for Loan under EDF

In accordance with the procedure set out in Master Circular on Export Development Fund dated December 31, 2017, we hereby apply for the loans 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
1	2	3	4	5	6

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 you to grant the loan and credit USD (in words) to our FC Clearing account maintained with you. We hereby authorize you 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 loans, if not repaid earlier by us. In case of delay in settlement of loans, we also authorize you to debit our account for penal interest/compensation (as the case may be) at 4.00% pa above the prevailing interest for the delayed period.

Yours faithfully,

Signature.....
 Name:.....
 Designation:.....
 PA No.....

Signature.....
 Name:.....
 Designation:.....
 PA No.....