



Project Implementation Unit  
COVID-19 Emergency and Crisis Response Facility Project  
(AIIB Loan No. L0415A)  
SME & Special Programmes Department  
Bangladesh Bank  
Head Office  
Dhaka  
[www.bb.org.bd](http://www.bb.org.bd)

SMESPD Circular Letter No. 03

Dated : 16 February, 2023

Managing Director/Chief Executive Officer  
All Banks and Financial Institutions in Bangladesh  
Head Office, Dhaka.

**Additional Refinance fund for COVID-19 affected Cottage, Micro, Small and Medium Enterprises (CMSME) sector under “COVID-19 Emergency and Crisis Response Facility Project (CECRFP, L0415-A)’ funded by Asian Infrastructure Investment Bank (AIIB)**

Please refer to the SMESPD Circular No. 06, dated June 23, 2021.

02. In order to mitigate the adverse effects of Covid-19 and also to revive the economic activities, the Government of Bangladesh announced a financial stimulus package of BDT 200 billion in 2020 so as to increase the flow of credit/investment in the CMSME sector of the country. To implement this stimulus package, necessary instructions/guidelines have been issued through SMESPD Circular No. 01, dated April 13, 2020 and revised SMESPD Circular No. 09, dated September 09, 2021. In this regard, a revolving refinance scheme amounting BDT 100 billion was introduced from the Bangladesh Bank’s own source through SMESPD Circular No. 02, dated April 26, 2020. Under the said scheme, participating banks and financial institutions (PFIs) are availing refinance facility up to 50 percent of their lending.

03. With a view to support credit expansion and liquidity constraints of CMSMEs brought on by the COVID-19, another refinance scheme titled as “COVID-19 Emergency and Crisis Response Facility Project (CECRFP)” is being implemented by Bangladesh Bank with the financial support from Asian Infrastructure Investment Bank (AIIB). Under this Project, the PFIs are availing additional refinance up to 50 percent of their lending against working capital loans/investment only.

04. Now, to make the fund available for renovation and decoration of existing infrastructure and purchase of short to mid-term asset for the CMSEs, it has been decided to extend the refinance facility to the PFIs against term loan/investment up to three years to CMSEs from the date of SMESPD Circular No. 09/2021 (i.e. September. 09, 2021); however the refinanced amount will be realized after 1 (one) year from the date of refinance along with applicable interest/profit/ charges. In this regard, instructions contained in serial no. 2 (e), (h) and (k) of SMESPD Circular No. 06/2021 will be replaced/modified by the following:

2. e) **Interest/Profit Rate:** The interest/profit rate will be 4% (four percent) for refinancing loan/investment, which will be charged at the time of realization of principal amount of refinance.

2. h) **PFI Agreement:** All eligible banks and financial institutions must sign a participation agreement to avail the refinance facilities under the project except those already signed agreement under SMESPD Circular No. 06/2021. Banks/FIs have to follow the usual prudential rules and regulations and instructions/guidelines (SMESPD Circular No. 02/2020, SMESPD Circular No. 06/2021, SMESPD Circular No. 09/2021 and subsequent changes there on) concerning the CMSME stimulus loan and refinance facilities and Operations Manual of the project.
2. k) **Recovery of Refinancing Loan (RL):** BB will realize the amount refinanced to a PFI along with applicable interest/profit/charges on completion of 1 (one) year from the date of refinance by debiting their current accounts maintained with the Motijheel Office of BB.

05. Accordingly, provisions in the project Operations Manual attached with the SMESPD Circular No. 06/2021 will be changed. All other terms and conditions of said circular will remain unchanged.

06. For participation into the project, interested banks and financial institutions (except those already signed participation agreement with the project under SMESPD Circular No. 06/2021) are requested to apply as per the application format attached with this circular by March 10, 2023.

07. The instruction is issued under the authority conferred in section 45 of the Bank Company Act, 1991 and section 18 of the Financial Institutions Act, 1993.

The instruction shall come into effect immediately.

Attachment: As mentioned.

Yours Sincerely,



(Md. Abdul Wahab)

Director (CECRFP)

&

Project Director

Phone: 88-02-9530010

Project Director  
COVID-19 Emergency and Crisis Response Facility Project (CECRFP)  
SME & Special Programmes Department  
Bangladesh Bank  
Head Office  
Dhaka-1000.

Dear Sir,

Letter of Intent to become Participating Financial Institutions under AIIB funded  
COVID-19 Emergency and Crisis Response Facility Project (CECRFP, L0415-A)

With reference to the SMESPD Circular Letter No.03, dated 16 February 2023, we intend to express our interest for participating in the aforesaid project. We attach the documents as required for your kind consideration. We also furnish the information as sought in the annexure of the circular and in the Operations Manual.

We, therefore, request you to consider our application and allow us to work with you for the development of CMSME sector in Bangladesh through our active participation in CECRFP finance.

Thanking you.

Truly yours,

(  
CEO/MD  
Bank/FI Name  
)

## Annex-A to Accreditation Application Form

Name of Bank/ Financial Institution:

Criterion	Statement	Fulfill the Criteria (Yes or No)
(1) Legality	Bank/Financial Institution license with BB:	
(2) Operational Experiences	Establishment Year: (Copy of audited financial statements for the latest 3 years attached)	( > 3 years )
(3) CMSME Financing	Committed to support CMSME sector for Covid-19 emergency and crisis response facility.	
(4) Capital Adequacy		
(a) Capital in Net Worth	Taka billion (as of )::	
(b) Paid-up Capital	Taka billion (as of )::	
(c) Capital Adequacy Ratio	(as of ):: (evaluated by BB)	( > 10 % )
(5) Profitability	Net Profit Taka Billion (in Fiscal Year ending ):: Taka billion (in Fiscal Year ending )::	( > 0 )
(6) Non-Performing Loans (NPL)	NPL Ratio: (as of )::	( < 10 % )
(7) CAMELS Rating	Determined rating for the Fiscal Year ending )::	( =< 3 )
(8) Prudential Regulations	“fulfilling the prudential regulations” (Copy of risk management procedures attached)	
(a) Transparency		
(b) Corporate Governance		
(c) Risk Management		
(d) Others, if any		

## Contact Details of Relevant Personnel

Name of the Bank/ FI

Sl.	Name of the Important Officers	Mailing Address				Electronic Communication			
		Address Line 1	Address Line 1	City	Post Code	Phone Number	Fax Number	Cell phone no	Email
1.									
2.									
3.									