

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

FE Circular No. 35

Date: December 01, 2024

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Import of capital machinery on usance term

Attention of Authorized Dealers (ADs) is invited to paragraph 33(a)(i), chapter 7 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1 (GFET) regarding import of capital machinery, inter alia, on up to 360 days usance term.

02. Paragraph 1, chapter 15 of GFET outlines the approval procedure for medium and long term external borrowing proposals of private sector industrial enterprises registered with Bangladesh Investment Development Authority (BIDA) and Department of Textiles. Approvals are accorded by BIDA based on the decisions of its Scrutiny Committee on Foreign Loan/Supplier's Credit chaired by the Governor, Bangladesh Bank. At its 182nd meeting, the Scrutiny Committee accorded general authorization for import of capital machinery on a 3-year usance term. In accordance with the authorization, ADs may allow their industrial importers to import capital machinery on usance term up to 3 years under supplier's/buyer's credit. Hence, the instruction at paragraph 33(a)(i), chapter 7 of GFET shall stand revised.

03. To stimulate long term investment, it has been decided that revised usance tenure shall also be applicable to capital machinery imports by industrial enterprises operating in export processing zones/private export processing zones/economic zones/hi-tech parks and other areas designated as specialized zones by the Government.

04. The cost for usance period shall not exceed the rate permissible for short term import finance under supplier's/buyer's credit.

All other relevant instructions regarding import trade shall remain unchanged. You are advised to bring the revised tenure to the notice of your constituents.

Yours faithfully,



(Md. Harun-Ar-Rashid)
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