

**BANGLADESH BANK**

(Central Bank of Bangladesh)

**Head Office**

Motijheel, Dhaka-1000

Bangladesh

www.bb.org.bd

Foreign Exchange Policy Department

FE Circular No. 06

Date: February 15, 2024

Managing Director/ CEO

Head offices of

All Scheduled Banks in Bangladesh

Dear Sirs,

**Currency Swap between Bangladesh Bank and Commercial Banks**

Please refer to paragraph 1, chapter 3 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 and subsequent circulars regarding purchases and sales in foreign currencies between Bangladesh Bank and Commercial Banks. Considering the local foreign exchange market dynamics, it has been decided to introduce currency swap between Bangladesh Bank and Commercial Banks, complying with the following terms and conditions:

1. For conventional commercial banks: at the near-leg, BDT will be sold in exchange of approved foreign currencies at the spot rate. At the far-leg, the deal shall be settled applying the same exchange rate with swap point based on the interest rate differential considering prevailing benchmark rate of foreign currency (e.g. 03 Month Term SOFR for US Dollar) and Policy Rate for BDT.
2. For shariah-based commercial banks: at the near-leg, BDT will be sold in exchange for approved foreign currencies at the spot rate. At the far-leg, the deal shall be settled applying the same exchange rate.
3. Swap deal shall be executed within the counterparty limit to be set by Forex Reserve and Treasury Management Department (FRTMD) of Bangladesh Bank.
4. Each deal shall be multiples of 1.00 (one) million of the foreign currency, starting from a minimum value of 5.00 (five) million and equivalent BDT with a tenor of 7 to 90 days.
5. Rollover may be allowed applying the prevailing rates.

You are advised to bring the contents of this circular, come into force immediately, to the notice of all concerned.

Yours faithfully,

(Md. Sarwar Hossain)

Director (FEPD)

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