

Foreign Exchange Policy Department

Bangladesh Bank

Head Office

Dhaka.

www.bb.org.bd

FE Circular No. 28

Date: 15/10/2018

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Repayment of External Borrowings by Public and Private Sector entities

Please refer to paragraph 2, chapter 15 of the Guidelines for Foreign Exchange Transactions (GFET)-2018, Vol.-1 in terms of which Authorized Dealers (ADs) are permitted to repay installments of interest and principal against the supplier's credits/loans from abroad availed of in terms of general/specific authorization of the Bangladesh Investment Development Authority (BIDA) without prior reference to Bangladesh Bank (BB). In terms of paragraph 3 ibid, term borrowing by public sector entities is subject to approval from Standing Committee on Non-Concessional Loan (SCNCL). Paragraph 7 ibid stipulates instructions for term borrowing by EPZ/EZ/other approved zones entities subject to approval from BB. This is to clarify that:

- (a) repayment installments of interest and principal against external loans approved by SCNCL and BB are permissible within the purview of the aforementioned regulations contained in paragraph 2, chapter 15 of GFET,
- (b) charges related to such term loans as approved by BIDA, SCNCL and BB within the purview of effective interests or within the framework of approved term sheets/loan agreements are also remittable.

ADs shall, while effecting the transactions in accordance with the above authorization, be satisfied with the deductions of applicable taxes and payment thereof. ADs are also advised to incorporate information of such external loans approved by SCNCL in the format prescribed in Appendix 5/93 required to submit quarterly to BB as per stipulation of paragraph 8, chapter 15 of GFET.

Please bring the above instructions of this circular to the notice of all concerned.

Yours faithfully,



(Debashish Sarkar)
Deputy General Manager
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