

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

FE Circular Letter No. 17

Date: 15/10/2018

Head offices/principal offices of all Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Holding collateral on behalf of non-resident lenders

Please refer to paragraph 13, chapter 16 of the Guidelines for Foreign Exchange Transactions (GFET)-2018, Vol.-1 in terms of which Authorized Dealers (ADs) are permitted to hold collaterals on behalf of overseas bank branches or correspondents in respect of external borrowing by industrial enterprises as approved by Bangladesh Investment Development Authority (the then Board of Investment) and Bangladesh Bank. In addition to external borrowing approved by Bangladesh Investment Development Authority and Bangladesh Bank for private sector, access to term borrowing is admissible by public sector entities subject to specific approval from Standing Committee on Non-Concessional Loan.

2. To facilitate the transactions, it has now been decided that ADs are allowed to hold collaterals on behalf of overseas bank branches or correspondents or lenders against external loans as approved by Standing Committee on Non-Concessional Loan within the purview of the aforementioned regulations.

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

Yours faithfully,



(Debashish Sarkar)
Deputy General Manager
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