

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

FE Circular No. 18

Date: April 07, 2020

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

Interest rate on borrowing from Export Development Fund (EDF)

Please refer to paragraph 2 of FE Circular No. 45, dated December 31, 2017 in terms of which interest on EDF loan disbursements to Authorized Dealers (ADs) was charged by Bangladesh Bank at six-month USD LIBOR+1%, with the ADs charging at six-month USD LIBOR + 2.50% on their USD loan disbursements to manufacturer-exporters, subsequently revised vide FE Circular No. 44 of November 19, 2019 at six-month USD LIBOR + 0.50% to be charged to ADs, while interest charge to manufacturer-exporters is six-month USD LIBOR + 1.50%; for disbursements until June 30, 2020.

2. To facilitate export trade due to COVID-19 related disruptions in supercession of the above FE circulars relating to interest rates, it has been decided that interest rates on EDF loans to ADs will be charged by Bangladesh Bank at 1.00% pa, while ADs will charge interest to manufacturer-exporters at 2.00% pa; for disbursements until further instructions.

3. The size of EDF has been enhanced to USD 5.00 billion.

Other relevant instructions contained in FE Circular No. 45, dated December 31, 2017 and its subsequent circulars shall remain unchanged. Please bring the contents of this circular, effective from April 01, 2020, to the notice of your concerned clientele.

Yours faithfully,



(Mohammad Khurshid Wahab)
General Manager
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