

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

FE Circular Letter No. 21

Date: June 29, 2022

Head offices/principal offices of all
Authorized Dealers in Bangladesh

Dear Sirs,

Settlement of loans against Export Development Fund (EDF)

Please refer to paragraph 3 of FE Circular No. 45, dated December 31, 2017 in terms of which repayment of EDF loans needs to be settled on receipt of proceeds of the relative exports. This instruction is exempted in case of loans for bulk imports by member mills of eligible associations; with facility to use proceeds of local delivery retained in foreign currency as per paragraph 39(ii), chapter 7 of the Guidelines for Foreign Exchange Transactions-2009 (GFET) [paragraph 42(ii) as per 2018-edition] for settlement of EDF loans to eligible bulk importers.

02. It is observed that EDF loans are settled, without repayment out of realized value in foreign currency, by extending funded facilities. The situation does not ensure export of goods for which EDF loans have been used. In view of the situation, you are advised to comply with the instructions in settlement of EDF loans and refrain from forwarding applications of EDF loans, irrespective of nature of imports, for customers whose liabilities have been settled through funded facilities in the immediate past 180 days.

Please bring the contents of this circular letter to the notice of your relevant customers.

Yours faithfully,



(Kazi Rafiqul Hassan)
Director (FEPD)
Phone: 9530123