

জনতা ব্যাংক লিমিটেড
প্রধান কার্যালয়
ঢাকা।

Website: www.janatabank-bd.com

ফরেন ট্রেড ডিপার্টমেন্ট-এক্সপোর্ট
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এফডি সার্কুলার নং-২৩৪

তারিখ : ০৭/০১/২০১৮ ইং

সকল মহাব্যবস্থাপক/উপমহাব্যবস্থাপক
একান্ত সচিব, সিইও এন্ড এমডি এবং সকল উপব্যবস্থাপনা পরিচালক
সকল সহকারী মহাব্যবস্থাপক এবং ব্যবস্থাপক
জনতা ব্যাংক লিমিটেড
প্রধান কার্যালয়ের সকল ডিভিশন ও ডিপার্টমেন্ট/বিভাগীয় কার্যালয়/
লোকাল অফিস/জনতা ভবনকর্পোরেট শাখা/এরিয়া অফিস/সকল শাখা
এবং সাবসিডিয়ারী কোম্পানী।


বিষয়ঃ Master Circular on Export Development Fund.

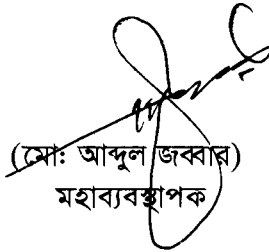
মহোদয়,

উপর্যুক্ত বিষয়ে সম্প্রতি বাংলাদেশ ব্যাংক, প্রধান কার্যালয়, ঢাকা এর বৈদেশিক মুদ্রানীতি বিভাগ কর্তৃক জারীকৃত এফই সার্কুলার নং ৪৫ তারিখ: ডিসেম্বর ৩১, ২০১৭ইং সংশ্লিষ্ট সকলের অবগতির জন্য এতদসঙ্গে সংযুক্ত করা হলো।

উক্ত সার্কুলারে বর্ণিত সিদ্ধান্ত যথাযথভাবে অনুসরণের জন্য অত্র ব্যাংকের এডি শাখাসহ সংশ্লিষ্ট সকলকে পরামর্শ প্রদান করা হলো।

আপনার বিশ্বস্ত,


(কাজী রইস উদ্দিন আহমেদ)
উপ-মহাব্যবস্থাপক


(মেঃ আব্দুল জব্বার)
মহাব্যবস্থাপক

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

FE Circular No. 45

Date: December 31, 2017

All Authorized Dealers in
Foreign Exchange in Bangladesh

Dear Sirs,

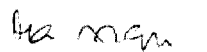
Master Circular on Export Development Fund

Please refer to FE Circular No. 25, dated December 22, 2009 through which revised operational procedure of Export Development Fund (EDF) was issued. To bring ease in operations of EDF, revised operational procedure prepared through compilation of existing instructions of FE Circular No. 25/2009 and its subsequent relevant circulars at one place with modifications as necessitated is attached herewith.

Instructions of FE Circular No. 25/2009 and its subsequent circulars shall stand repealed with issuance of this circular.

Please bring the instructions to the notice of your constituents.

Faithfully yours,



(Md. Abdul Mannan)
Deputy General Manager
Phone: 9530319

Encl. As stated.

The Export Development Fund (EDF) at Bangladesh Bank (BB), its operational procedure:

01. The EDF and its objective: Established in 1989, the EDF is intended to facilitate access to financing in foreign exchange for input procurements by manufacturer-exporters. Authorized Dealer (AD) banks can borrow US Dollar funds from the EDF against their foreign currency loans to manufacturer-exporters for input procurements. At their option the ADs can also lend to some extent from their own foreign exchange funds for input procurements (up to fifty percent of NFCD balances, cf., para 20, chapter 13, GFET-2009).

The EDF is managed by the Forex Reserve and Treasury Management Department (FRTMD) at the head office of Bangladesh Bank. Borrowing by ADs from the EDF and repayments thereof are handled through head offices/principal offices of the AD banks concerned. ADs working under Shariah financing mode may also avail financing facilities from the EDF complying with Shariah principles. In this case, they may enter deal to deal Restricted Mudaraba Agreement with FRTMD for Shariah compliance against their EDF investment.

02. Interest rate on borrowings from EDF: EDF loan disbursements to ADs in USD will be charged interest @ six-month USD LIBOR+1 percent, with the ADs charging @ six-month LIBOR+2.5 percent on their USD loan disbursements to manufacturer-exporters.

03. Tenor of EDF loans: EDF loans from Bangladesh Bank are repayable by the ADs upon receipt of proceeds of the relative exports (except in case of loans for bulk imports by member mills of eligible associations against past export performance); in all cases within 180 days from dates of disbursement, extendable by Bangladesh Bank up to 270 days upon application to Bangladesh Bank explaining the necessity of longer period for repatriation of export proceeds. Proceeds retained in margin account in terms of paragraph 39(ii), chapter 7 of GFET-2009 may be useable for settlement of EDF loans extended to eligible bulk importers.

04. Eligibility for EDF loans: (i) Input imports by manufacturer-exporters against which an AD seeks EDF loan must be in full compliance with the value addition criterion and other requirements of the government's IPO in force; and of foreign exchange regulations and instructions laid down in FE circulars of Bangladesh Bank.

(ii) Input imports of a manufacturer-exporter defaulting in repatriation of export proceeds within the statutory period (within 120 days from date of shipment, or such extension as permitted by Bangladesh Bank) will not be eligible for financing from the EDF besides other usual regulatory penalties.

(iii) The loans to manufacturer-exporters to be eligible for EDF financing must be within the single borrower exposure limit prescribed by Bangladesh Bank. The loan limit to be set by ADs under EDF to eligible exporters for bulk import is subject to lower value based on calculations as criteria stipulated at 5(b) and onwards.

(iv) EDF financing will be admissible for input procurements against back to back import LCs/inland back to back LCs in foreign exchange; by manufacturers producing final output for direct export, and also by producers of local deliveries of intermediate outputs to manufacturers of the final export.

05. Amounts of EDF loans: (a) For manufacturer exporters including BGMEA/BKMEA member mills and Type C industries of EPZs/EZs other than member mills of eligible associations making bulk import, an EDF loan to an AD shall not exceed i) the limit of input imports permissible against an export LC/firm export contract/inland back to back LC in terms of the value addition requirements prescribed in the IPO in force (customs bond regulations in case of import by Type C industries), or ii) USD 15 million, whichever is lower. The limit of USD 15 million is maximum single borrower limit. This limit is USD 20 million for BGMEA member mills.

(b) For BTMA mills making bulk import of raw cotton or other fibres against deemed exports (local deliveries of yarn to manufacturer-exporters against inland back to back LCs in foreign exchange), an EDF loan to an AD shall not exceed i) the amount in foreign exchange realized against inland back to back LCs over the past twelve months, or ii) USD 20 million, whichever is lower.

(c) For member mills of Bangladesh Dyed Yarn Exporters Association (BDYEA) making bulk import of unprocessed yarn and chemicals for processing yarn for local deliveries to manufacturer-exporters against inland back to back LCs in foreign exchange, an EDF loan to an AD shall not exceed i) the amount in foreign exchange realized against inland back to back LCs over the past twelve months, or ii) USD 15 million, whichever is lower.

(d) For member mills of Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) making bulk import of raw materials for local deliveries of garment accessories to manufacturer-exporters against inland back to back LCs in foreign exchange, an EDF loan to an AD against their foreign currency financing of input imports of BGAPMEA member mills, shall not exceed (i) the value realized in foreign exchange against inland back to back LCs over the past twelve months, or (ii) USD 2 million, whichever is lower.

(e) EDF loans will be available to member mills of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) making bulk import of raw materials for local deliveries of garment accessories to manufacturer-exporters against inland back to back LCs in foreign exchange. An EDF loan to an AD against their foreign currency financing of input imports for a BPGMEA member mill shall not exceed (i) the value realized in foreign exchange against inland back to back LCs and export LCs/Contracts over the past twelve months, or (ii) USD 1 million, whichever is lower.

(f) Member manufacturer-exporters of Leathergoods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) and Bangladesh Ceramic Wares Manufacturers' Association (BCWMA) will be allowed to draw EDF finance for bulk imports against estimated requirements for upto one year, based on their export performance over the preceding year.

06. Procedure of application for EDF loans from Bangladesh Bank: Head offices/principal offices of AD banks shall submit to FRTMD, Bangladesh Bank duly filled in application in Form-A listing the input procurements financed by them in foreign exchange, against which they are seeking the EDF loans. The application, signed by two appropriately empowered officials will also authorize Bangladesh Bank to realize the principal and accrued interest on the EDF loans to the ADs immediately upon expiry of the permissible periods of the loans by debit to the FC clearing accounts of the concerned ADs with Bangladesh Bank; unless repaid by them earlier. Repayment advices of the ADs should be accompanied by calculation worksheets in Form-B. Monthly statements detailing the outstanding USD loans of ADs to customers against which EDF financing have been drawn should be submitted in Form-C by head offices/principal offices of the AD banks by the second week of the following month.

(Letter head of AD bank)

Ref:

Date:

General Manager
Forex Reserve and Treasury
Management Department
EDF Section
Bangladesh Bank
Head Office
Dhaka.

Dear Sir,

Application for Loan under EDF

In accordance with the procedure set out in Master Circular on Export Development Fund dated December 31, 2017, we hereby apply for the loans from Bangladesh Bank against the advances made by us in foreign currency under the following letters of credit:

Sl. No.	Name of the direct/ deemed exporter borrowing from the AD	ERC No. & Date	Import LC/inland back to back LC No. & date	Amount in USD	Date of import payment by raising USD loan in the name of the borrower
1	2	3	4	5	6

We confirm that the transactions are eligible for financing under EDF as per terms and conditions stipulated in the aforesaid circular and hold ourselves liable for any falsity or misstatement.

We would, therefore, request you to grant the loan and credit USD (in words) to our FC Clearing account maintained with you. We also hereby authorize you to debit our FC Clearing account with you in realization of principal and accrued interest due upon expiry of the permissible tenors of the loans, if not repaid earlier by us.

Yours faithfully,

Signature.....
Name:.....
Designation:.....
PA No.....

Signature.....
Name:.....
Designation:.....
PA No.....

Form-B

Name of the Bank:
Address:

Calculation Worksheet of Repayment of EDF Loans

Sl. No.	Name of the direct exporter /deemed borrower	ERC No. & Date	Date of raising the AD's USD loan on a/c of the direct/deemed exporter	Date of repatriation/ receipt of proceeds of direct/deemed export	EDF Loan to AD					Total interest in USD	Total amount in USD (Principal + Interest)
					Drawal date of EDF loan by AD	Loan amount in USD	Repayment date	Duration of the loan	Interest rate		
Total:											
										USD.....	USD.....

Signature:.....
 Name:.....
 Designation.....
 PA No.....
 Date:.....

Form-C

Name of the Bank:
Address:

Monthly statement relating to outstanding USD loans to direct/deemed exporters against which EDF Loan has been drawn from Bangladesh Bank

(As of end20....)

Sl. No.	Particulars of procurements by direct/deemed exporters against which USD loan was raised by AD				Particulars of LC/Contract for the final export						Particulars of inland back to back LC for deemed export				Amount and date of AD's loan to direct/deemed exporters	Amount and date of EDF loan to AD	
	Import LC/ Inland back to back LC		Name of input items imported/procured	Expiry Date	Name of the direct exporter	ERC No. & Date	LC/Contract No. & date	Value	Expiry date	Name of the deemed exporter	ERC No. & Date	Inland back to back LC No. & date	Value	Expiry date			
	No. & date	Value															

Signature:.....
Name:.....
Designation.....
PA No.....
Date:.....