

Banking Rules and Policy Department
Bangladesh Bank
Head Office
Dhaka

Circular 07.

Date: 2nd April, 2020

Managing Director/Chief Executive
All Schedule Banks in Bangladesh

Financial Stimulus package for Export Oriented Companies due to Covid-19 outbreak with minimum conditions

- (a) Financial Stimulus Fund (FSF) & objective: The owners of export-oriented companies and factories can pay wages to their workers for up to three months from the Tk 5,000 crore stimulus package unveiled by Prime Minister Sheikh Hasina. Eligible export oriented companies can collect the loan/investment through scheduled banks.
- (b) FSF Management: Accounts & Budgeting Department of Bangladesh Bank will manage the fund and collection of loans and repayment of loans will be handled by the principal branch of scheduled banks.
- (c) Eligibility for the Fund:
 - 1. Active export oriented companies will get the loan. Active export oriented companies mean those who export 80% of their products and who completed their employees' salary for last December 2019, January & February 2020. They should be certified by the related bodies like BGMEA, BKMEA (signed by President & Secretary)
 - 2. Company should be client of local scheduled banks and should have minimum three months (December 2019-February 2020) export date/salary records. If any company is the client of multiple banks, then should have applied through only one scheduled bank through mutual understanding.
- (d) Loan Amount from FSF & Distribution Process: only for salary contribution for the employees. Scheduled banks will examine the companies' 'Salary Sheet' and issue loan money only for the Average of Three Months' Salary, not more than that. On behalf of clients companies, schedule banks will disburse salary directly to employees' MFS (Mobile Financial System) accounts. Banks will examine the NID (National Identification Number) of the employees and no cash money will be provided except MFS accounts. If employees have no MFS account, beneficiary companies will provide the support to its employees. Related scheduled banks will support the company's employees to open accounts without any charge.
- (e) Collection of loan from Loanee Company and Applicable charges:
 - Bangladesh bank will not impose any interest. But scheduled banks can impose 2% Service Charge (one time).

- Beneficiary company will repay the money within 2 years (6 month's grace periods) after taking last loan in June 2020. Company will repay the money with 18 installments including service charge.
 - If the beneficiary company fail to repay the installments on time, they will be Defaulter and should pay 2% interest on due installments.
- (f) After grace period, through scheduled banks payment will submit to the Bangladesh bank in 18 monthly installments.

Grace period: July 2020 to December 2020

First instalment: January 2021

Last installment: June 2022

- (g) Documents Storage: Collect and store all related Data for further inspection/audit for at least Three years

Procedure to apply for Loan:

- Submit filled up Form A to Accounts & Budgeting Department through your Scheduled Bank
- Submit Promissory Note attached Form B.
- Scheduled bank will submit Form C- Statement showing repayment and outstanding against Loans from FSF.