



COVID-19 REGULATORY UPDATES August 2020

BANKING & FINANCE

- ✓ Bangladesh Bank has clarified that the tenure of the refinance facility under the stimulus package for large industries and services sector shall three years from August 04, 2020 to August 03, 2012. The installments will be collected on a quarterly basis from the banks and NBFIs ([DOS Circular No. 25 dated August 06, 2020](#)).
- ✓ Bangladesh Bank has extended a moratorium on the payment of loan installments to non-bank financial institutions (NBFIs) by three months to September 30 due to the coronavirus pandemic situation ([DFIM Circular No 05 dated August 26, 2020](#)).
- ✓ To facilitate export trade amid the ongoing situation due to Covid-19 pandemic, it has been decided to bring relaxation to restriction on refinance from EDF. Accordingly, refinancing from EDF will be admissible in case of no overdues against the realizable export proceeds during the immediate past 720 days from the date of applications by manufacturer-exporters for loans from EDF against concerned input imports ([FE Circular No 36 dated August 27, 2020](#)).
- ✓ Export-oriented garment sector SMEs manufacturers will continue to cash subsidy for producing the garments using homegrown textiles ([FE Circular No 35 dated August 25, 2020](#)).
- ✓ Due to ongoing COVID-19 pandemic situation, official meetings of Government and corporate sectors are being held virtually through webinar solutions. To facilitate payment for availing webinar solution services, it has now been decided that ADs may effect remittances on account of actual payments against relevant invoices of webinar solution services and supporting documents regarding payment of applicable taxes/levies. In case of requirement for online payments against such services, ADs may issue virtual card or one time card in the name of the nominated official of the applicant entities ([FE Circular No 34 dated August 23, 2020](#)).
- ✓ To enhance the scope for foreign portfolio investment in stock market, it has been decided that balances held in NITAs of non-residents may be used to purchase units of open-end mutual funds as ‘over the counter (OTC) products’; subject to compliance with the circular ([FE Circular No 33 dated August 20, 2020](#)).
- ✓ Non-Resident Bangladeshis (NRBs) can deposit their income earned abroad in Bangladesh. The banks has been asked to introduce deposit products in taka for NRBs ([FE Circular No 32 dated August 09, 2020](#)).
- ✓ The NBFIs are allowed to extend the tenure of term loans and leases by a maximum of 50 per cent of the remaining time to maturity, instead of existing 25 per cent ([DFIM Circular No 04 dated August 09, 2020](#)).
- ✓ The textile mills and buying houses will require mandatory registration with the Textiles Department under the Textiles Act 2018, and banks are asked to confirm the same with the clients ([BRPC Circular No 45 dated September 03, 2020](#)).
- ✓ Bangladesh Bank has simplified transaction modalities of foreign airlines by easing the remittance process of surplus earnings ([SPA Circular No 01 dated September 03, 2020](#)).
- ✓ Bangladesh Bank has directed the banks to ensure proper utilization of the loans and ensure that loans are not taken to payback previous loans ([BPRD Circular No dated September 02, 2020](#)).

- ✓ Under the Refinance Scheme for Pre-Shipment Credit to Mitigate the Crisis due to Novel Coronavirus Banks cannot refinance exporter under the scheme who has Overdue Export Bill in the last two years ([BRPC Circular No 42 dated August 23, 2020](#)).

GENERAL RESTRICTIONS/ BUSINESS OPERATION

- ✓ The Government has taken the following decisions in light of the ongoing COVID-19 situation and general functions/activities of the public:
 - each ministries/division/authority must take measures in compliant with health directives for continuing the general functions/activities of the public;
 - ensure general public wear mask outside home, maintain social distance and other health related directives;
 - the Local government department, information ministry, religious affairs ministry, health services department, and civil administration of district and sub-district to take adequate public awareness campaign to prevent the spread of COVID-19 Coronavirus;
 - necessary legal actions including mobile court action must be taken against individual/organization disobedient of the health related directives. [Cabinet Ministry Notification dated 31st August 2020](#).
- ✓ The general transportation shall charge the previous fares from 1st September 2020. No bus shall carry more than the general number of passengers and all passengers and staffs must wear face mask at all times. ([Ministry of RHTD Notification August 29, 2020](#)).
- ✓ The foreign nationals working in various projects, industries and organisations may enter Bangladesh through the land ports subject to having a valid visa, COVID-19 Negative Certificate issued in last 72 hours, and examination by a doctor for COVID-19 related symptoms at the entry port. ([SSD Notification dated August 24, 2020](#)).
- ✓ All local schools, colleges, technical and madrasha institutions to remain close until 03 October 2020 ([Ministry of Education Notification dated August 27, 2020](#) & [September 03, 2020](#)). Nonetheless, the Government has started the “Ghore bose Shikhi” (education from home) project promoting basic education through distance mode of Bangladesh Radio and Community Radio ([MOPME Notification dated August 10, 2020](#)). The Ministry of Education directed the local school’s Headmaster to admit students who have left the cities to the village after verifying the present documents of the student; in that case no TC will be required. ([MOPME Notification dated August 09, 2020](#)).

LIST OF CIRCULARS/NOTIFICATIONS

Banking and Finance	Date
Regarding Refinance Scheme against Stimulus Packages for Large Industry and Service sector	06.08.2020
Deposit products for Non-Resident Bangladeshis (NRBs) working abroad	09.08.2020
Regarding extension of term to maturity of term loans and leases for Financial Institutions	09.08.2020
Investment in 'Open-End Mutual Fund' by Non-resident Investors (Foreigners and NRBs) through Non-Resident Investor's Taka Accounts (NITAs)	20.08.2020
Payment of fees for webinar solution services to conduct virtual meetings	23.08.2020
Refinance Scheme for Pre-Shipment Credit to Mitigate the Crisis due to Novel Coronavirus	23.08.2020
Export subsidy for SME in textile/RMG sectors	25.08.2020
Regarding Loan/Lease/Advance Classification for Financial Institutions	26.08.2020
Export Development Fund (EDF)-relaxation	27.08.2020
Directives to Prevent Outbreak of Corona Virus Disease 2019 (COVID-19)	02.09.2020
Regarding registration of textile Industries including buying houses under The Textile Act, 2018	03.09.2020
Bangladesh Bank has simplified transaction modalities of foreign airlines by easing the remittance process of surplus earnings	03.09.2020
Prevention of COVID-19 and Health Directives	Date
General Instruction and Guidelines for 15 August 2020, National Mourning Day	04.08.2020
Bangladesh Preparedness and response plan for COVID-19	05.08.2020
COVID-19 Examination User Fee	20.08.2020
COVID-19 Certificate Fee for foreign travelling passengers	27.08.2020
COVID-19 Dedicated Hospital list	01.09.2020
Business Operation	Date
Regarding general restriction on public movement	03.08.2020
Direction to ministries/division/authorities to take certain action in light of the COVID-19 situation having regard to the continuity to general activities	31.08.2020
Education	Date
Students admission in Primary schools during the Corona Virus (COVID-19) situation	09.08.2020
Primary education programme using distance Mode of Ratio during the COVID-19 Situation	10.08.2020
All local schools, colleges, technical and madrasha institutions to remain close until 03 October 2020	27.08.2020
Travel Advisories	Date
Standard Operating Procedure to restart the tourism industry during COVID-19	05.08.2020
Regarding entry to Bangladesh from land port for foreign nationals working in various project and industries/organisations	24.08.2020
General transportation shall charge the previous fares from 1st September 2020	29.08.2020



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