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BANGLADESH BANK
(Central Bank of Bangladesh)
Head Office
Motijheel, Dhaka-1000
Bangladesh.



SME & Special Programs Department
SREUP PMU

SMESPD Circular Letter No.: 01

Dated: 16/04/2024

Managing Directors/CEOs
All Banks and Financial Institutions in Bangladesh
Head Office
Dhaka

Dear Sirs,

Re-fixing interest rate on pre-finance facility under SREUP.

Please refer to our SMESPD Circular No.1 dated March 31, 2019 and SMESPD Circular Letter No. 06 dated September 26, 2022 on the captioned subject.

02. The interest rate for pre-financing facility to all new sub-loans under SREUP has been re-fixed to a maximum of 7% per annum, while interest rate on already sanctioned prevailing sub-loan will remain at 5% per annum.
03. Interest rate to be paid by the PFIs to Bangladesh Bank for new On-Lending Loan (OLL) under this Project is re-fixed at 4.5% per annum, where margin for the PFIs is 2.5%.
04. Investment grants will be sanctioned on a "first come, first served basis.
05. All other instructions of the aforesaid circulars will remain unchanged.

These instructions will come into force immediately and continue to be valid until further order.

Please bring the contents of this circular to the notice of all your constituents concerned.

Sincerely Yours,

(Moni Shankar Kundu)
Director (SREUP) & Project Director
SREUP
SME & Special Programs Department
Phone: 9530715

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SME & Special Programs Department
SREUP PMU



BANGLADESH BANK
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SMESPD Circular No.: 01

Dated : March 31, 2019

CEOs/MDs
All Banks and Financial Institutions in Bangladesh
Head Office
Dhaka
Dear Sirs,

Loan fund for pre-finance under Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector Project (SREUP) (BD-2230322)

01. Government of the People's Republic of Bangladesh has constituted a Loan fund in Bangladesh Bank to support the RMG factories through medium to long term finance under the "Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector Project (SREUP)" sponsored by AFD (Agence Française de Développement)
02. The loan fund size of the project is EUR 50 million. Technical Assistance (TA) component for Participating Financial Institutions (PFIs) & RMG factories is also offered under SREUP sponsored by European Union (EU), Kreditanstalt für Wiederaufbau (KfW), Gesellschaft für Internationale Zusammenarbeit (GIZ) and Bangladesh Bank. The total fund size for TA is EUR 14.29 million.
03. PFIs will be provided with pre-finance for disbursing the credit to eligible RMG factories under the loan fund for Safety Retrofits and Environmental Up-gradation.
04. A Guideline comprising policies and procedures of this project has been developed. The fund will be governed by this Guideline for SREUP which is attached with this Circular at *annexure-5*.
05. The loans provided by the PFI to an end borrower of RMG sector (named Sub-loan) which is described in details in the Guideline of SREUP.