

COVID-19: Bangladesh Braces for Impact.

**A Comprehensive Analysis of
The Stimulus Package
& Other Regulatory Measures
Adopted in Bangladesh**

Acknowledgement

We from **A.S & Associates** would like to express our deepest appreciation to all those who provided us the possibility to complete this entire report.

A special gratitude to our **Managing Partner, Mr. A.S.A Bari**, without whom this entire report would never have been possible. Mr. Bari has invested his full effort in guiding the entire team that worked for this report and dedicated a huge chunk of his everyday schedule into drafting and finalizing most of the major parts of it.

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Also, to the **entire team of A.S & Associates** for being each other's strength and inspiration in every little thing that we do.

Given the fact that within a very short span of time the hundreds of administrative orders and regulatory developments have been issued or promulgated, due to the outbreak of the pandemic COVID-19, compiling and translating them have been nothing but monumental. On a related note, we would like to inform our valued readers that they may get the latest regulatory developments in Bangladesh relating to the COVID-19 through the following link: <https://as-associates.net/covid-19-resource-center/>. The first three parts of this report, also compiled here, are also separately available in the Resource Center.

We would also like to thank all our valued clients for being our pillars of support in all our endeavors. Without their suggestions, constant updates and feedbacks these would never have been possible.

Lastly, but not the least, even though due credit has been given to the relevant sources in the appropriate part of the report, it would be unjust if we fail to convey our gratitude to the sources of information and data, both local and international, used in this report, including but not limiting to, the Office of the Honorable Prime Minister of Bangladesh, Bangladesh Bank, BBC, the Guardian, International Labour Organization, International Monetary Fund, Oxfam International, United Nations Department of Economic and Social Affairs, World Bank, World Trade Organization etc.

We have used our best endeavor to avoid any mistakes in the Compilation and Report. Despite that, if there remains any mistake in the report, we sincerely apologize to our readers. If any such mistake is brought to our attention, we will be more than happy to rectify such mistake.

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Glossary of Terms

ABD	Asian Development Bank
AD	Authorized Dealer
ADM	Application Development and Maintenance
AIT	Advance Income Tax
AT	Advance Tax
AUD	Australian dollar
BACH	Bangladesh Automated Clearing House
BCP	Business Continuity Plan
BDT	Bangladeshi taka
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BILS	Bangladesh Institute of Labour Studies
BHTPA	Bangladesh Hi-Tech Park Authority
BIDA	Bangladesh Investment Development Authority
BKMEA	Bangladesh Knitwear Manufacturers & Exporters Association
BRPD	Bangladesh Regulation and Policy Department
BSEC	Bangladesh Securities and Exchange Commission
CAD	Canadian dollar
CARES Act	Coronavirus Aid, Relief and Economy Security Act
CD	Custom Duties
CDA 2018	Communicable Diseases (Prevention, Control and Elimination) Act 2018
CIT	Corporation Income Tax
CMSME	Cottage, Micro, Small and Medium enterprises
COVID-19	Corona virus
CRR	Cash Reserve Ratio
CSE	Dhaka Stock Exchange
CTC	Cost to Company
DGHS	Directorate General of Health Services
DSE	Chittagong Stock Exchange
EAP	East Asia and Pacific
EDF	Export Development Fund
EPZ	Export Processing Zones
ERTE	Expedientes de Regulación Temporal de Empleo/ Temporary Employment Regulation Proceedings
EZ	Economic Zones
EU	European Union
FBCCI	Federation of Bangladesh Chambers of Commerce & Industries
FCC	Foreign owned or controlled companies
FCR	Forwarder Cargo Receipt
FIMD	Financial Institution and Market Department
FY	Fiscal year
GFET	Guidelines for Foreign Exchange Transaction
GDP	Gross domestic product
HFO	Heavy Furnace Oil
HSFO	High Sulphur Fuel Oil

<i>IATA</i>	International Air Transport Association
<i>ICRRS</i>	Internal Credit Risk Rating System for Banks
<i>IDRA</i>	Insurance Development and Regulatory Authority
<i>IEDCR</i>	Institute of Epidemiology Disease and Research
<i>IMF</i>	International Monetary Fund
<i>ILO</i>	International labor Organization
<i>IP</i>	Intellectual properties
<i>IRRCS</i>	Internal Risk Rating Credit System
<i>IT</i>	Information Technology
<i>ITES</i>	IT Enable Services
<i>KRW</i>	South Korean won
<i>LTRO</i>	Long Term Refinancing Operation
<i>MFI</i>	Micro-Finance Institutions
<i>MFS</i>	Mobile Financial Service
<i>MoFA</i>	Ministry of Foreign Affairs
<i>MRA</i>	Micro-credit Regulatory Authority
<i>OMS</i>	Open Market Sales
<i>NID</i>	National Identity Card
<i>NGO</i>	Non-Governmental Organization
<i>NPL</i>	Non-performing loans
<i>PATA</i>	Pacific Asia Travel Association
<i>POS</i>	Point of Sale
<i>Q4</i>	October, November, and December
<i>RMB</i>	Renminbi/ Chinese yuan
<i>RMG</i>	Readymade Garments
<i>RBI</i>	Reserve Bank of India
<i>RD</i>	Regulatory Duties
<i>SD</i>	Supplementary Duties
<i>SDF</i>	SAARC Development Fund
<i>SME</i>	Small and Medium-sized Enterprises
<i>SMESPD</i>	SME and Special Programs Department
<i>SOD</i>	The Standing Orders
<i>US</i>	United States
<i>USD</i>	United States dollar
<i>VAT</i>	Value Added Tax
<i>VGD</i>	Vulnerable Group Development
<i>VGF</i>	Vulnerable Group Feeding
<i>WHO</i>	World Health Organization
<i>WTO</i>	World Trade Organization

Table of Contents

CHAPTER	TOPIC	Page Number
	EXECUTIVE SUMMARY	
1	INTRODUCTION	10
1.1	COVID-19 IN BANGLADESH & PREVENTIVE MEASURES	13
1.2	IMPACT ON GLOBAL ECONOMY: A NOSEDIVE?	16
1.3	IMPACT ON BANGLADESH ECONOMY: “MAY DAY, MAY DAY” ??	21
1.4	BAILING OUT ECONOMIES: GLOBAL CONTEXT	27
1.5	BAILING OUT BANGLADESH’S ECONOMY: “PUNCHING ABOVE ITS WEIGHT”	32
1.6	HONORABLE PRIME MINISTER’S 31-POINT DIRECTIVE	37
2	THE STIMULUS PACKAGE	40
2.1	FINANCIAL STIMULUS FUND FOR EXPORT-ORIENTED INDUSTRY	41
2.2	WORKING CAPITAL: STIMULUS PACKAGE	45
2.2.1	WORKING CAPITAL: STIMULUS PACKAGE FOR AFFECTED INDUSTRIES AND SERVICE SECTOR	46
2.2.2	SPECIAL WORKING CAPITAL FACILITY FOR CMSME SECTOR	50
2.3	REFINANCING SCHEME	56
2.3.1	PRE-SHIPMENT CREDIT REFINANCING SCHEME	57
2.3.2	SPECIAL INCENTIVE REFINANCING SCHEME FOR AGRICULTURE SECTOR	60
2.3.3	REFINANCE SCHEME FOR LOW-INCOME PROFESSIONALS, FARMERS and MARGINALIZED BUSINESSES, 2020	62
2.3.4	MISCELLANEOUS	65
3	CRITICAL ANALYSIS OF THE STIMULUS PACKAGE	67
3.1	HEAVY DEPENDENCE ON BANKS	68
3.2	UNFETTERED DISCRETION OF BANKS AND FINANCIAL INSTITUTIONS	69
3.3	POSSIBLE INCREASE IN NON-PERFORMING LOANS	71
3.4	DEFAULTER in EXPORT ORIENTED INDUSTRIES	73
3.5	WOES OF DEEMED EXPORTERS	73
3.6	WOES OF IT AND ITES SECTOR	75
4	OTHER REGULATORY UPDATES	77
4.1	BANKING & FINANCE	78
4.2	CAPITAL MARKET	82
4.3	EXPORT IMPORT	83
4.4	TRAVEL RESTRICTIONS	85
4.5	DISASTER MANAGEMENT AND RELIEF EFFORTS	86
4.6	MISCELLANEOUS	87
5	CRITICAL ANALYSIS OF OTHER REGULATORY MEASURES	89
5.1	HOLIDAY: TIME FOR A VACATION	90
5.2	UNDERSTANDING THE ESSENTIALITY	90

5.3	REMOTE HEARING (or Limited Hearing) OF CASES: A LOST OPPORTUNITY?	92
5.4	HAVE GIG WORKERS BEEN LEFT OUT?	93
5.5	GRANT TO INFORMAL ECONOMY: A DROP IN THE OCEAN ?	95
5.6	GRANT TO INFORMAL ECONOMY: DISTRIBUTION CHALLENGE	95
5.7	CAPITAL MARKET: INADEQUATE AUTOMATION	97
5.8	DEFERRAL/WAIVER: COMPLIANCE REQUIREMENTS	97
6	RECOMMENDATIONS	99
6.1	BANGLADESH BANK	100
6.2	MINISTRY OF PUBLIC ADMINISTRATION	101
6.3	MINISTRY OF LABOUR AND EMPLOYMENT	102
6.4	MINISTRY OF FINANCE AND/OR NATIONAL BOARD OF REVENUE	103
6.5	OTHERS	104
Annexure	LIST OF REGULATORY DEVELOPMENTS WITH LINK	106
	Aviation	107
	Banking and Finance	107
	Bangladesh Securities and Exchange Commission	108
	BGMEA Circulars	109
	Business Operation	109
	Export - Import	110
	General Holiday	111
	General	111
	IT/ITES & E-commerce Businesses	113
	Labor and Employment Matter	113
	Prevention of COVID-19 AND Health Directives	113
	Relief Work	115
	Stimulus Packages	115
	Supreme Court	116
	Travel restriction [Local/International]	117
	Agricultural	117

EXECUTIVE SUMMARY

The aim of this Report is to comprehensively review and analysis the government intervention in response to the global pandemic disease coronavirus (COVID-19). Bangladesh government has imposed lock down since the March 25, 2020 and the entire Bangladesh has been declared at the risk of coronavirus (COVID-19) on April 16, 2020. Bangladesh is relatively safe as of 1 May 2020 compared to the global impact of the pandemic with 3.27 million infected cases and 234,000 deaths. The Government has extended the lock down period up to May 16, 2020 with few essential services continuing and industries gradually opening while being compliant with social distancing orders of the Directorate General of Health Services. The impact of the COVID-19 pandemic on industries, companies and small and medium enterprises are enormous. It is predicted that Bangladesh's growth rate may fall to between 2% to 3%. similar trend is observed globally with fall in global GDP. It exposes the trade cycle of goods and services because we live in a highly interdependent economies and society. The informal sector has been hit the hardest with survey report predicting 60% people being pushed into extreme poverty, undoing the enormous work done by the Bangladesh government to bring the country out of poverty and improve human development index.

The Honorable Prime Minister, Sheikh Hasina, has declared financial stimulus packages and relief packages for the nation. A staggering BDT. 95,619 (nearly \$12 Billion), which is equal to 3.3% of the GDP, has been declared to protect the economy and the people of the Nation. Honorable Prime Minister's 31-point directives have been essential for guiding the economic, social and regulatory measures adopted to tackle the impact of the COVID-19. Financial Stimulus Packages as working capital for affected industries and service sector enterprises, cottage, micro, small and medium enterprises (CMSME) and export-oriented industries worth BDT. 55,000 Crore and policies for the same have been formulated by Bangladesh Bank, though implementation and equal distribution of the stimulus packages to the affected industries and CMSME Sector is questionable and concerning due to lack of clear policy to reach the most affected enterprises and businesses, especially those in the informal sector with low credit assessment or no credit history at all. Bangladesh Bank has also formulated refinancing schemes for Pre-shipment Credit, Agricultural sector, and Low-Income Professionals, Farmers and Marginalized Businesses in aggregate of BDT 13,000 Crore.

The International Monetary Fund (IMF) posited that "unprecedented policy actions undertaken by central banks and governments worldwide". Bangladesh Bank, the central bank of Bangladesh, has been swift and decisive in its policy response to support the industries and businesses of Bangladesh as per the direction of the Honorable Prime Minister. Bangladesh Bank instructed the banks to continue operation in this critical time directing them to ensure adequate cash reserve, cuts cash reserve ratio and repo rate to enable banks have adequate liquidity; increase the transaction limited of Mobile Financial Services (MFS). The banks were advised on the mode of operation, safe cash management and declared insurance for the bank employees as the frontline fighting providing support during the coronavirus. Other economic response relates to relaxation the foreign exchange regulations for trade transactions thereby

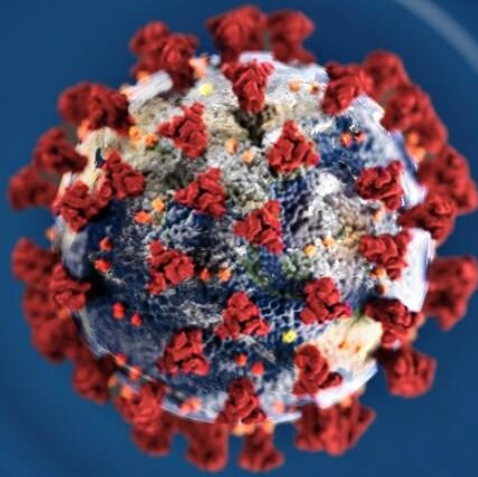
extending the period for realization of export, extend the period of submission of bill of entry, usage period of back to back LCs opened under the Supplier's/buyer's credit. Similarly, Export Development Fund loans could be extended up to 180 days for settling the payment. Furthermore, Authorized Dealers on *bona fide* grounds may permit repatriation of export bills at a discounted price up to 10% of the FOB value without prior approval of Bangladesh Bank. These facilities shall be available to the exporters till September 30, 2020. Bangladesh Bank has allowed advance payment of USD 500,000 or equivalent other foreign currencies without repayment guarantee, in respect of import of the COVID-19 related drugs, kits, equipment and other medical essentials and extended the usage period for importing lifesaving drugs to a maximum of 180 days instead of current 90 days.

On the issue of Loan Classification, Bangladesh Bank circular directed that the borrowers shall not be adversely classified due to their inability to repay loans between January 1, 2020 to June, 2020. In the capital market sector, circuit breaker was imposed along with temporary relaxation of compliance requirements in the sector. It is apparent that in the banking sector and capital market, regulators have promoted use of digital platforms for holding meetings. There are exemptions on duties for importing essential medical goods, baby foods and necessary supplies amid the COVID-19 outbreak. The National Board of Revenue and Chittagong Port Authority has ensured continuation of the port, though those affected with the travel restriction in place were provided waiver on the rent for storage in the port.

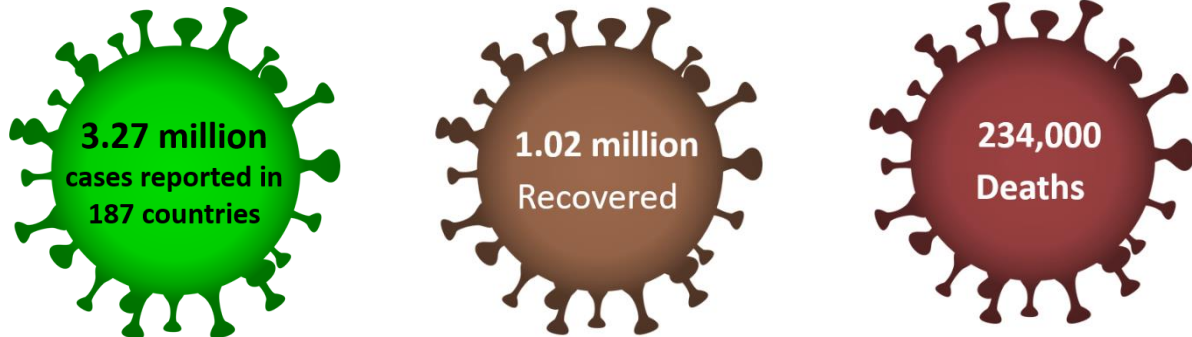
Bangladesh's economic responses to the COVID-19 were bold, radical and risk-based meaning authorities first getting a grasp of the risks and challenges and adopting measures in a manner to tackle the same. Undeniably, the measures to tackle economic fallout came fast and swift though doubts remain on their uniform and efficacious implementation, offering equal opportunities for all sectors with reasonable classifications. Having said that let's not take away the due credit that government of Bangladesh deserves. Now as we brace for the economic impacts, we are adequately braced to face the challenges posed by the COVID-19 pandemic, with few adjustments and refinements for sure, come what may.

Chapter 1

INTRODUCTION & HONORABLE PRIME MINISTER'S DIRECTIVES



Corona virus (COVID-19) is an ongoing pandemic which was first identified in Wuhan, China, in December 2019. On January 30, 2020, the outbreak of COVID-19 was labelled as a Public Health Emergency of International Concern by the World Health Organization (WHO). Eventually, on 11 March 2020 it has been recognized as a pandemic.

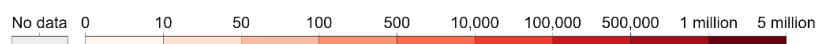
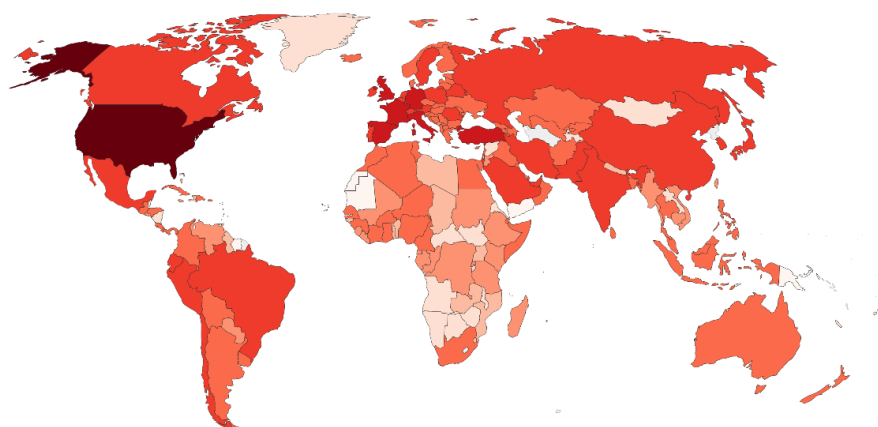


**As of 01 May, 2020*

Similar to the first identified case, the first confirmed death was also in Wuhan, China on January 09, 2020. The first death outside mainland China occurred on February 01 in the Philippines, and the first death outside Asia was in France on February 14, 2020. By February 28, 2020 outside mainland China, more than a dozen deaths each were recorded in Iran, South Korea, and Italy. By March 13, more than 40 countries and territories had reported deaths, on every continent except Antarctica. Based on Johns Hopkins University statistics, the global death-to-case ratio is 7 % (183,424 deaths for 2,628,527 cases) as of April 23, 2020. The ratio varies by region.

Total confirmed COVID-19 cases, Apr 29, 2020

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.



Source: European CDC – Situation Update Worldwide – Last updated 1st May, 11:30 (London time) OurWorldInData.org/coronavirus • CC BY

Number of confirmed COVID-19 cases per million people as of April 29, 2020.

At A.S. & Associates, we have been in the forefront disseminating information and orders of the government in relation to COVID-19. Since March 21, 2020, we have been compiling and

disseminating, through our website and social medial platforms, various information, data, update and regulatory developments relating to the COVID-19. The valued readers of this report may get the latest regulatory developments in Bangladesh relating to the COVID-19 through the following link: <https://as-associates.net/covid-19-resource-center/>

This part of the report is an attempt to outline the preventive measures taken globally by various governments for ensuring health and safety of its citizens, residents, and economy and respective stakeholders. In particular, we will briefly describe the key features of various stimulus packages declared by the G-20 Countries. It is obvious that this report will not be completed unless we touch upon the primary points of the stimulus package of BDT 956.19 Billion, which is equal to 3.3% of the GDP of Bangladesh, unveiled by the Honorable Prime Minister of the Government of Bangladesh, Sheikh Hasina, under whose visionary leadership Bangladesh has observed exemplary growth, which is nothing less than a miracle, throughout the last decade.

GLOBAL PREVENTIVE MEASURES

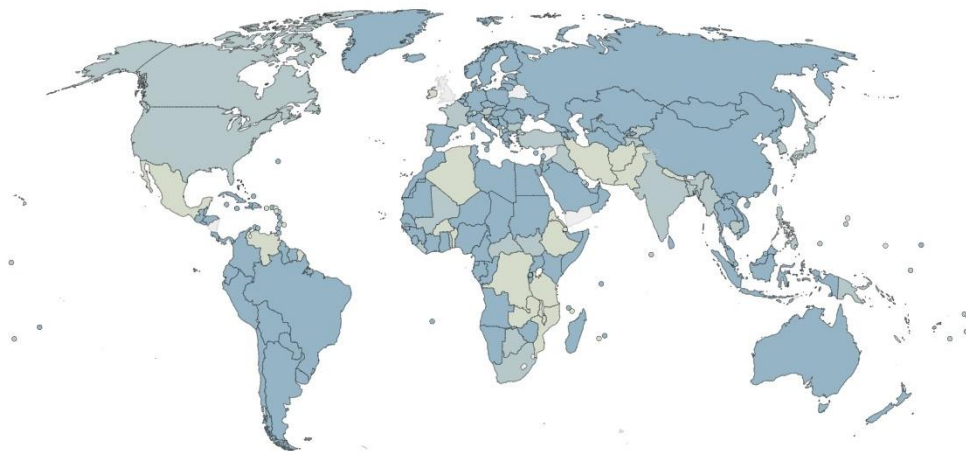
The pandemic has led to unprecedented global socioeconomic disruption, the postponement or cancellation of events of all types, from sports to political to cultural, and widespread shortages of supplies exacerbated by panic buying. The pandemic has triggered the largest global recession in history, with more than a third of the global population being in lockdown. Educational institutions have closed in 197 countries, affecting nearly 100 % of the world's student population.

As a result of the pandemic, many countries and regions have imposed quarantines, entry bans, or other restrictions for citizens of or recent travelers to the most affected areas. Other countries and regions have imposed global restrictions that apply to all foreign countries and territories, or prevent their own citizens from travelling overseas.

These Are the Places Restricting Travel Because of the Outbreak 📍

As of 24 April 2020, 10:58 GMT+6

- Bans all foreign visitors
- Bans travel from various places with confirmed cases
- Other restrictions



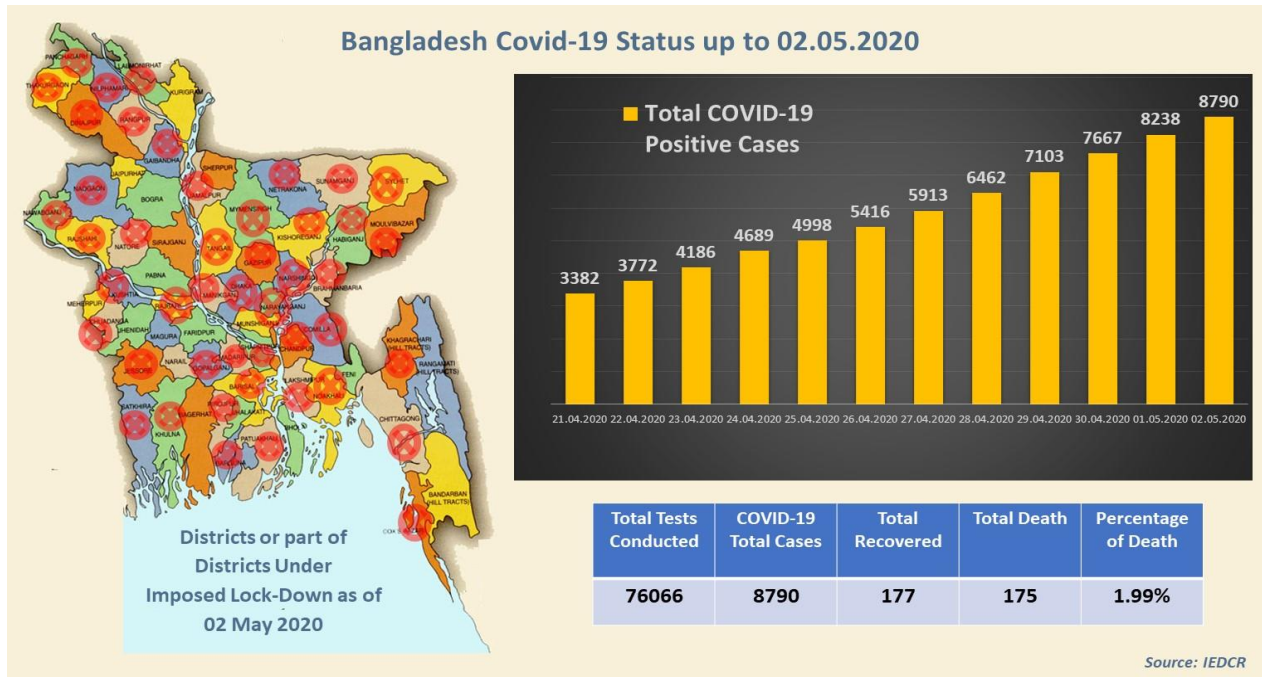
Sources: [IATA](#), U.S. Dept. of State, Bloomberg News reporting

Chapter 1.1

COVID-19 IN BANGLADESH & PREVENTIVE MEASURES







The first case of the COVID-19 in Bangladesh was reported by the Institute of Epidemiology Disease and Research (IEDCR) on March 08, 2020 and the first death from the COVID-19 was reported on March 19, 2020. The COVID-19 has been declared as a communicable disease pursuant to the [Communicable Diseases \(Prevention, Control and Elimination\) Act 2018](#) (CDA 2018) on March 23, 2020. As of May 02, 2020, the total number of confirmed cases are 8,790, leading to 175 deaths.



In order to prevent spread of the COVID-19 in Bangladesh, on 26 March, the government of Bangladesh first introduced a 10-day general holiday till 4 April, which was later extended up to April 11, and then again up to April 14. In the latest move, the government has extended the general holiday to May 5, until further notice. The services illustrated remain outside the ambit of the general holidays. ([Prime Minister’s Office Directive, dated April 09, 2020](#))

Services and Institutions available during General Holiday

-  Law Enforcing Agencies
-  Newspaper Agencies
-  Hospital, Health service & other emergency services
-  Utility Services (electricity, water, gas, fire service, telephone, Internet, etc.)
-  Transportation services carrying agricultural goods, fertilizers, foods, petroleum, industrial goods, medical equipment, medicine, foods and other daily essentials, will be allowed to move

-  Restaurants
-  Kitchen Market/ Raw Market (bazar)
-  Pharmacies & drug stores
-  Banks remain open for limited hours

In addition to the above, the government of Bangladesh has taken, from time to time, other precautionary measures for prevention of the COVID- 19, which include suspension of public transport, on arrival visa facility, commercial flights (both local and international), and imposition of mandatory quarantine requirements, travel restrictions for all foreigners entering into Bangladesh through land borders etc. Despite of these commendable attempts by the government, the COVID-19 has spread over in 63 districts out of 64 districts in Bangladesh, causing 51 districts to be officially “locked down”.



Eventually, having no other option, Directorate General of Health Services (DGHS) in exercise of power conferred under section 11 of the CDA 2018 has declared entire Bangladesh being at risk of the COVID-19 infection. The circular issued by DGHS stipulated strict adherence to social distancing due to the unavailability of vaccines.

The circular also prohibited travelling from one area to another during any given time of the day and, leaving the home between 6 pm to 6 am, save for any exceptional circumstances. Failure to follow the directive may lead to legal action including prosecution for the offences under the CDA 2018.

Chapter 1.2

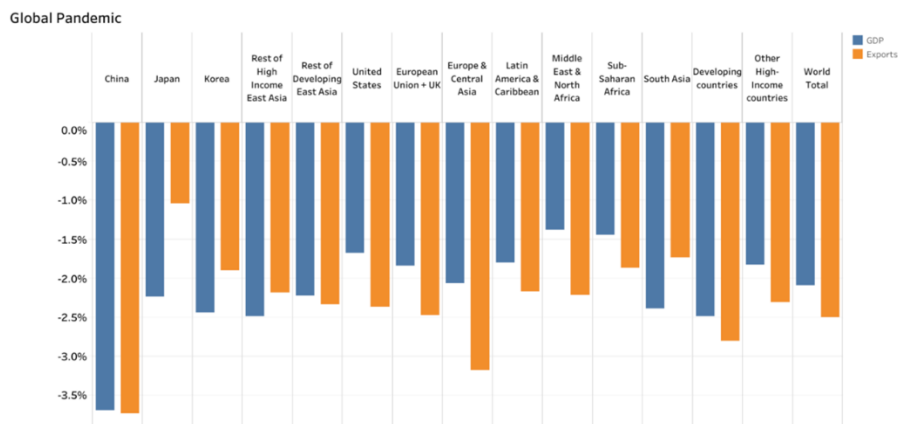
IMPACT ON GLOBAL ECONOMY: A NOSEDIVE?



SLOWING DOWN OF GLOBAL GDP

According to a recent briefing issued by the United Nations Department of Economic and Social Affairs, the global economy could shrink by almost 0.9% - 1 % this year due to the COVID-19 pandemic, and world output could contract further, if imposed restrictions on economic activities extend to the third quarter of the year and if fiscal responses fail to support income and consumer spending.

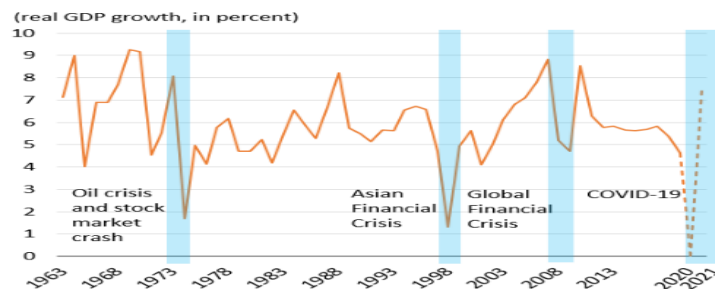
In contrast, a recent policy working paper published by World Bank predicts that global GDP is expected to decline by 2.1%, while developing countries' GDP is expected to decline by 2.5% and high-income countries by 1.9%. According to the working paper, the biggest GDP losses under the global pandemic scenario are expected in East Asia and Pacific (EAP) countries due to their relatively deep integration through trade and direct impact on tourism, e.g. Cambodia (3.2 %), Singapore (2.1 %), Hong Kong SAR, China (2.3 %), Thailand (3 %), Vietnam (2.7 %), and Malaysia (2.1 %).



Source: Potential Impact of Covid-19 on GDP and Trade, World Bank Group, April 2020

According to a report of International Monetary Fund (IMF), growth in Asia is expected to stall at 0 % in 2020. This is the worst growth performance in almost 60 years, including during the Global Financial Crisis (4.7 %) and the Asian Financial Crisis (1.3 %), as illustrated in the graph below.

Historic fall The COVID-19 crisis is expected to inflict steep declines in output across Asia.

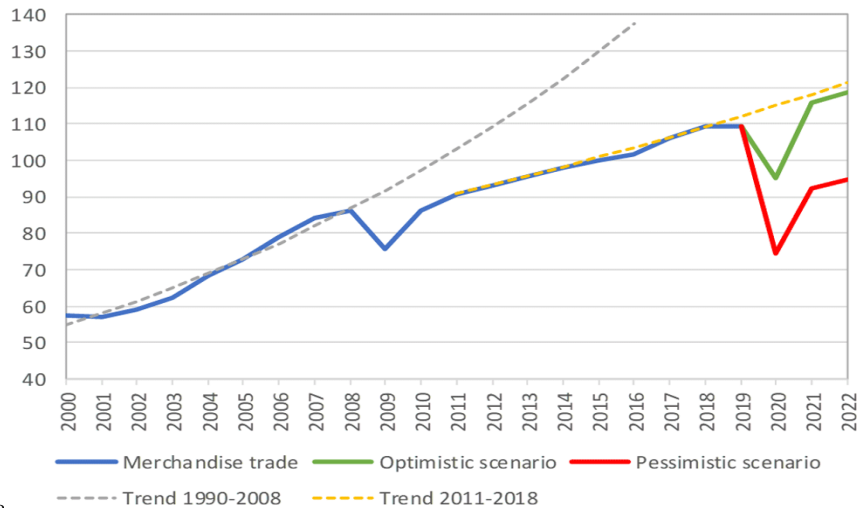


Source: IMF Staff calculations.

INTERNATIONAL MONETARY FUND

FALL OF WORLD TRADE

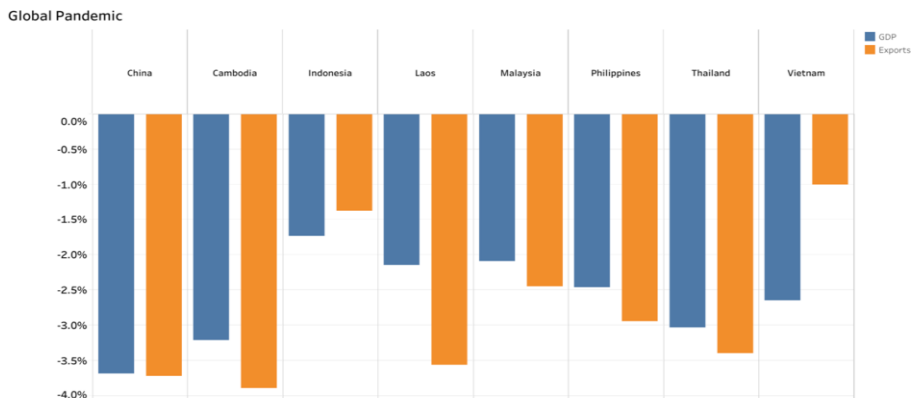
World Trade Organization (WTO) estimates that world trade is expected to fall by between 13% and 32% in 2020 as the COVID-19 pandemic disrupts normal economic activities and lives around the world.



Source: WTO

WTO predicts that nearly all regions will suffer double-digit declines in trade volumes in 2020, with exports from North America and Asia hit hardest. Trade will likely fall steeper in sectors with complex value chains, particularly electronics and automotive products. Services trade may be most directly affected by the COVID-19 through transport and travel restrictions.

A recent policy working paper published by World Bank projects that exports at the global level are expected to decrease by 2.5%. China sees a contraction in exports of 3.7%. Vietnam sees a decline in its total exports by only 1%, because it benefits to an extent from the gap left by the decrease in Chinese exports. Some countries in the East Asia and Pacific region are the most affected in terms of export declines, with Hong Kong SAR, China, suffering the biggest losses (5.2%), followed by the Lao People's Democratic Republic (3.6%), Cambodia (3.9%) and Singapore (4.4%).



Source: Potential Impact of COVID-19 on GDP and Trade, World Bank Group, April 2020

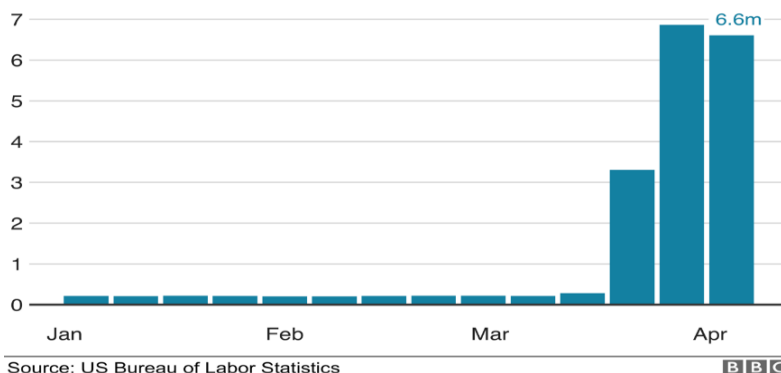
GLOBAL WORK FORCE

International labor Organization (ILO) reported that, through the massive economic disruption, the COVID-19 crisis is affecting the world's workforce of 3.3 billion. Full or partial lockdown measures are now affecting almost 2.7 billion workers, representing around 81 % of the world's workforce. In the current situation, businesses across a range of economic sectors are facing catastrophic losses, which have threatened their operations and solvency, especially among smaller enterprises, while millions of workers are vulnerable to income loss and layoffs. As of April 1, 2020, the ILO's new global estimates indicate that working hours will decline by 6.7% in the second quarter of 2020, which is equivalent to 195 million full-time workers. There is a high risk that the increase in the global number of unemployed at the end of 2020 will be significantly higher than the ILO's initial projection of 25 million.

In the United States, the number of people filing for unemployment hit a record high. It is reported that more than 22 million workers have sought unemployment benefits during the months of the COVID-19 related shutdowns.

US jobless claims at record high

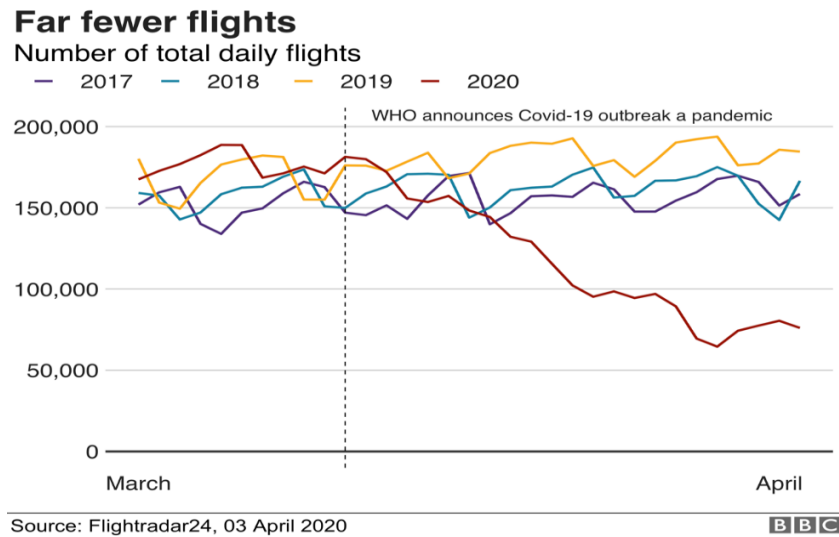
Weekly total of unemployment claims in 2020



In respect of the formal economy, the ILO estimates that 1.25 billion workers, representing almost 38 % of the global workforce, are employed in sectors that are now facing a severe decline in output and a high risk of workforce displacement. Key sectors include retail trade, accommodation and food services, and manufacturing. In contrast, around 2 billion people working informally, most of them in emerging and developing countries, have been, in some ways or another, affected by the COVID-19 related shutdowns. For example, in India, with a share of almost 90 % of people working in the informal economy, about 400 million workers in the informal economy are at risk of falling deeper into poverty during the crisis.

FEWER FLIGHT

Among the affected industries, the travel industry has been hit the hardest, with airlines being forced to reduce the number of flights and tourists cancelling business trips and holidays. Governments around the world have introduced travel restrictions to try to contain the virus.



HIKE IN POVERTY RATE

The financial impact of coronavirus will stop almost 24 million people from escaping poverty in East Asia and the Pacific, according to the World Bank. On the other hand, Oxfam International fears that the economic fallout from the COVID-19 pandemic could push half a billion more people into poverty unless urgent action is taken to bail out developing countries. According to a research released by the United Nations University's World Institute for Development Economics Research, which has been reported in the Guardian on April 9, 2020, poverty levels in developing countries could be set back by up to 30 years.

IMPACT ON BANGLADESH ECONOMY:

Chapter 1.3

“MAY DAY, MAY DAY”??

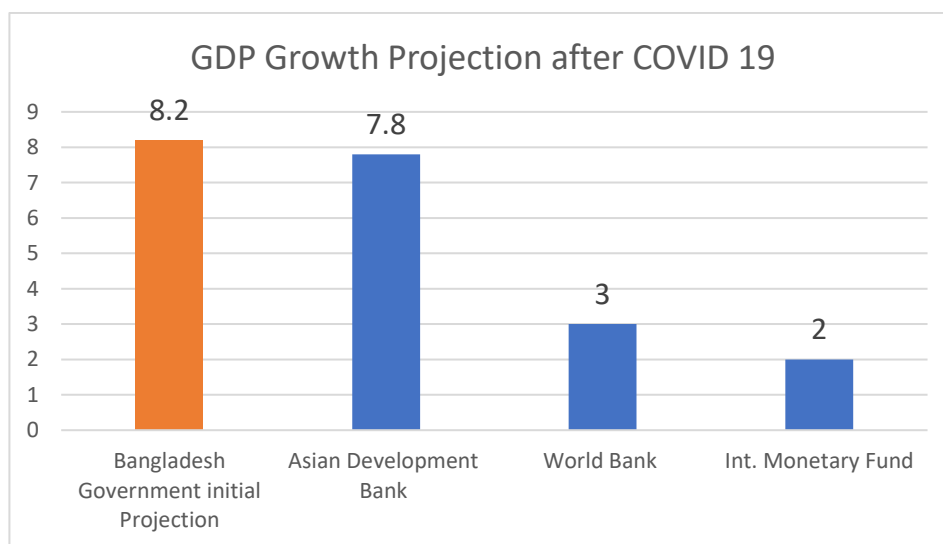


Bangladesh is not new to disasters or major humanitarian crises. Sitting astride a river delta at the bottom of the Himalayan range, the country is fighting a longstanding battle against the impact of climate change and currently hosts the world's largest refugee camp along its southern border. In its 49-year existence, Bangladesh and its people have shown tremendous resilience in fending off not only natural disasters such as floods and cyclones but also manmade ones, like the 1997 Asian financial crisis and 2008 global financial crisis.

The COVID-19 pandemic, however, is a crisis of a completely different magnitude and one that will require a response of unprecedented scale. It has wrecked the global economy in such a way which could be worse than the financial crisis of 2008. Countries have already unveiled unprecedented bailout plans to save their respective economies.

With the spread increasing gradually, Bangladesh economy has started taking a hit. Exporters are saying that international orders are being cancelled while importers say that their businesses have declined. In March, remittance inflows were \$1.28 billion, a 12% drop from the same period last year, according to Bangladesh Bank's data. The country's export witnessed 4.8 % negative growth during the first eight months of this fiscal year (FY) than that of the same period last year. The apparel export alone saw negative growth of 5.5%, while buyers have so far either cancelled or held up orders worth more than US\$ 3.0 billion following the outbreak of the COVID-19.

According to the Asian Development Bank (ABD), the COVID -19 pandemic could wipe out USD \$3.02 billion off Bangladesh's US\$ 300 billion-plus economy in the worst-case scenario of a significant outbreak. With that, the country can also see 894,930 lost jobs. ADB as a preliminary indication, estimated about 0.2% to 0.4% of Bangladesh's GDP may be lost due to spillover effects of the global COVID-19 pandemic.

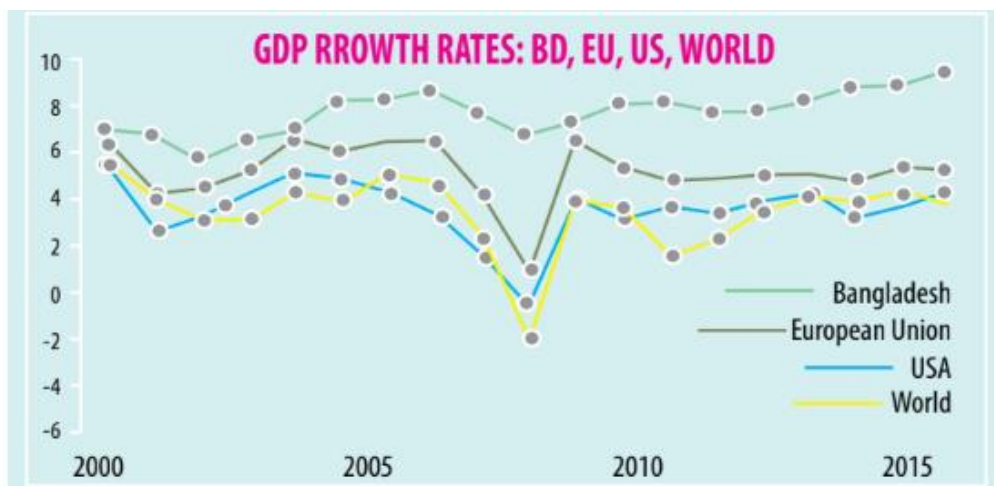


The World Bank has also forecasted a grey picture for the economy, indicating the country's economic output would come down to 2% - 3% in the current fiscal year as a consequence of the pandemic. The multinational lender said that Bangladesh's economy will significantly be

impacted by the COVID-19 pandemic. The decline in national and global demand for manufactured goods, particularly in the garment sector will risk creating unemployment and deepen poverty. World Bank added that the urban poor will be hit hardest, while the number of additional poor will be higher in rural areas, as the national shutdown will impact private consumption. While growth is expected to recover over the medium term, downside risks remain, particularly from a domestic outbreak of the COVID-19 and fragilities in the financial sector.

The potential negative impact on Bangladesh’s economy due to the COVID-19 however depends on the duration of the crisis. There is a limited possibility, following lockdowns around the world, that infections may return in subsequent waves, even if in limited quantities, which may continue to have economic impacts. There are experts however who argue that a potential global recession will fade out by Q4 2020. On a contrary, the IMF thinks that the recession will be worse, but more short-lived than the global financial crisis of 2008. The IMF has also predicted a bleak economic prospect for Bangladesh, setting the country’s GDP growth at only 2% for the current fiscal year due to the COVID-19 pandemic fallout. The country last witnessed a less-than 3% GDP growth (2.83%) in 1989-90 due to a devastating flood.

This is not surprising because slowdown in US and EU economies have had ripple effects in the Bangladesh economy before. This correlation is very evident for the global financial crisis of 2008, when Bangladeshi GDP growth curve reflected those of the US and EU, although the drop off was less severe than for those developed economies.



Source: World Bank

CHALLENGES FOR THE BANGLADESH FINANCIAL SECTOR

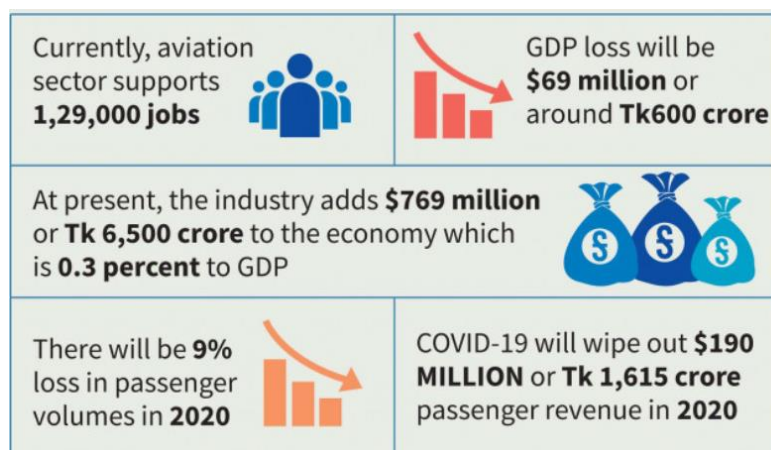
COVID-19 catches the Bangladesh financial sector at an inopportune time. Banks were trying to come to terms with the Ministry of Finance directive of 6% and 9% caps to interest rates on deposits and advances; vulnerable asset quality; moribund capital markets; and microfinance sector as access to donor funds and bank financing become more competitive.

Banks were already taking time to adjust to the 9% directive, as many were reluctant to offer lending at this rate. As effects of COVID-19 intensify and considering that there have been several large-scale order cancellations for RMG clients, many loans may go into default. In the coming months, government sector bank borrowing may also decline and this is because large projects such as the Padma Bridge, Padma Rail Link, Karnaphuli Road Tunnel and the Greater Dhaka Sustainable Urban Transport Project involve financial and technical input from China, both of which are expected to be adversely affected. But, a temporary slowdown in government borrowing may assist private sector lending. Bangladesh Bank has also attempted to inject cash into the economy and for doing so, it has already cut both repo rate and cash reserve ratio (CRR) by 50 and 100 basis points, respectively.

BANGLADESH AVIATION INDUSTRY TO LOSE OVER 11,000 JOBS

The outbreak of the COVID-19 could result in 11,600 job losses in the aviation industry in Bangladesh, according to an estimate of the International Air Transport Association (IATA). The pandemic will cause a loss of US\$ 69 million or around BDT 600 crore from the GDP (which is supported by the aviation industry). Currently, the aviation industry in Bangladesh is supporting 129,000 jobs and it was expected that around 140,000 more jobs would have been placed by 2038 amid faster growth of the industry. But the COVID-19 related travel restrictions and shutdowns have caused the industry to stray from its growth curve, raising concern of a 9% job loss instead of new job creation.

The job loss is already here in the industry as it is reported that Regent Airways, a local private airline, grounded its fleet for three months recently amid flight suspension over the coronavirus outbreak forcing Regent to cut its staff by 600. Biman Bangladesh Airlines, the country's national carrier, made a 10 % salary cut of its staff and cancelled overtime and other extra benefits. The cut in salary and other benefits affected its 5,173 employees. Prior to the outbreak of COVID-19, Bangladesh's air transport industry's economic contribution was estimated at US\$ 769 million or BDT 6,500 crore contributing 0.3 % to the GDP. IATA estimated that COVID-19 could result in a 9 % loss in passenger volumes in Bangladesh in 2020 and this loss in passengers will wipe out US\$ 190 million or BDT 1,615 crore revenue from airline operators just in 2020 alone.



Source: The Business Standard

No comprehensive data exists in the Bangladesh tourism sector. However, industry leaders are able to provide much needed insights. The Pacific Asia Travel Association (PATA) Bangladesh Chapter says that their losses till June 2020 will be to the tune of US\$ 931 million or BDT 7,910 crore with initial of at least 300,000 job losses, that too by conservative estimates. It is estimated that hundreds of travel and tour companies will close and hundreds of small hotels, motels, resorts and restaurants will shut down. The numbers are escalating with each passing day of the COVID-19 lockdown.

PANDEMIC SPELLS DISASTER FOR THE “LESS FORTUNES”

While the restriction of movement and general holidays are helping the nation contain the spread of the deadly virus, it will have a huge adverse impact on the livelihoods of millions of people engaged in informal sector as their 'wages are disappearing'.

Rickshaw-pullers, transport workers, day-labourers, street-vendors, hawkers, the employees of hotels, restaurants and different shops, markets, construction workers and other informal workers are the worst victims of the halt in economic activities as they have lost their means to earn bread and butter. According to the Labour Force Survey-2017, around 60.8 million people were in various employment or engaged in economic activity, with the informal employment dominating almost 85.1 % of this employed population.

Of the total 60.8 million people employed in various ways both in formal and informal sectors, 14 million people get monthly salary from their employers while over a 10 million are day-labourers who get daily wages based on their work. With that, there's another 27 million people who are self-employed like hawkers, street vendors, and small businessmen like grocery and other shop owners. An overwhelming majority of the country's 37 million labour forces, self-employed ones and day labourers have become temporarily jobless and they have almost no earning as the lockdown continues. Around 2.5 million people are involved only in the services sector like hotels, restaurants and resorts and with the lockdown continuing, these businesses have started to slow down to an eventual halt. There are around 7 to 8 million people, who are involved in small and medium-sized enterprises (SME) sector while around 4.5 million workers in the RMG sector. Many of the workforces have already become temporarily jobless while many others are at the risk of losing jobs due to the coronavirus shutdown.

Remittances are another major source of foreign exchange. According to World Bank's data, Bangladesh received US\$ 15.5 billion in remittances in 2018, 15 % higher compared to the previous year. Nearly 10 million Bangladeshis are working in foreign countries. Most of them are in Gulf countries, Western countries, and some Southeast Asian countries like Malaysia. After the pandemic hit the globe, a large number of these workers returned home because of the disruptions in their host countries. Many host countries now have travel restrictions and economic slowdowns of their own. These returnees generate additional concerns, both with

regard to possible new infections and the economy. They also won't be able to return to their usual places of work abroad until the global situation improves.

So far, government of Bangladesh has made extraordinary progress in reducing poverty as, according to World Bank data poverty rate has declined to 13.8% in 2016-2017 from 44.2% in 1991. Bangladesh also performed well in reducing mortality rate of Neonatal/infant, life expectancy, literacy rate, high school enrolment rate etc. Mostly, the rural segment of the population were elevated out of poverty in the last decade with significant improvement in all these segment of the human index. There is a risk that success of achieving development in all aspects over the decade may be undone due to poverty. The pandemic threatens the low-income section of the population with an estimation that 60% of them may reach extreme poverty, according to a recent study of Brac.¹

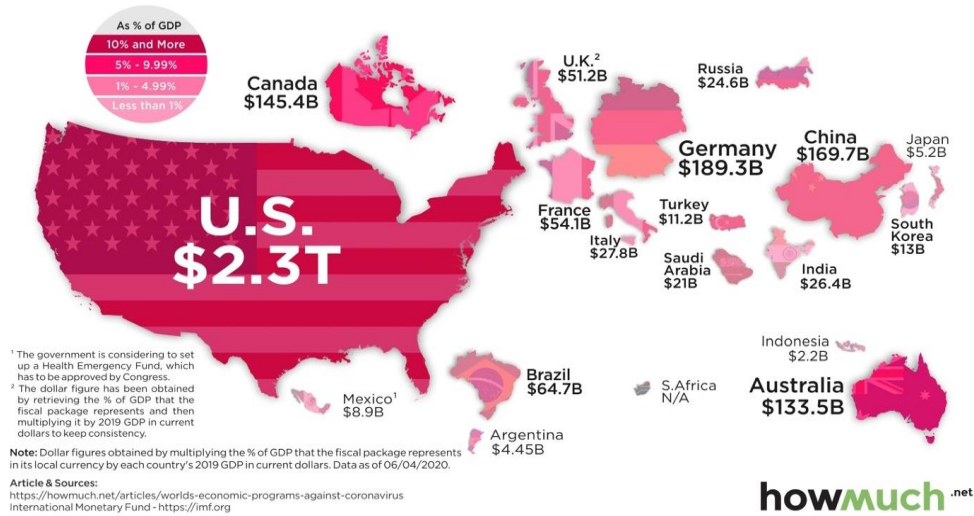
¹ <https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/extreme-poverty-rises-60-percent-amid-covid-19-brac-survey>

Chapter 1.4

BAILING OUT ECONOMIES: GLOBAL CONTEXT



World's Economic Programs Against the Coronavirus Total Fiscal Stimulus Packages Implemented to Fight the COVID-19 in G20 Countries



Analyzing the key features of every stimulus package declared around the World is beyond the ambit of this Report. Hence, we will only cover, in alphabetical order, a brief summary of selected stimulus packages declared by few of the G-20 countries (as reported in the Policy Tracker developed by the IMF).²

Australia

Australia has placed three economic stimulus packages at the Commonwealth level, with total expenditure and revenue measures of \$ 194 billion AUD (9.9% of GDP) through FY 2023-24, the majority of which will be executed in FY 2019-20 and FY 2020-21. Measures include significant wage subsidies (6.7 % of GDP), income support to households, cash flow support to businesses, investment incentives, and targeted measures for affected regions and industries. Australia's stimulus package allows furloughed employees to receive \$1,500 AUD (US\$ 996.65 USD) every two weeks.

Canada

Canada has declared a stimulus of \$193 billion CAD which is 8.4% of its GDP. Key measures include: i) around \$105 billion (4.6% of GDP) in direct aid to households and firms, including wage subsidies, payments to workers without sick leave and access to employment insurance, an increase in existing GST tax credits and child care benefits, and a new distinctions-based Indigenous Community Support Fund; and ii) around \$85 billion (3.7% of GDP) in liquidity support through tax deferrals. Canada will give \$2,000 CAD (US\$ 1,433) each month for up to four months to those who've lost jobs due to the epidemic.

² The Policy tracker is available at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#B>

China

China has announced an estimated RMB 2.6 trillion (or 2.5% of GDP) of financing, nearly half of are already being implemented. Key measures include: (i) Accelerated disbursement of unemployment insurance. (ii) Tax relief and waived social security contributions.

France

France has announced an increase in the fiscal envelope devoted to addressing the crisis to €110 billion (nearly 5 % of GDP, including liquidity measures), from an initial €45 billion. This adds to an existing package of bank loan guarantees and credit reinsurance schemes of €315 billion (close to 14 % of GDP). Key immediate fiscal support measures include (i) liquidity support through postponements of social security and tax payments for companies and accelerated refund of tax credits (e.g. CIT and VAT); (ii) support for wages of workers under the reduced-hour scheme; (iii) direct financial support for affected microenterprises, liberal professions, and independent workers; and (iv) postponement of rent and utility payments for affected microenterprises and SMEs. France will pay 70 % of an employee's gross salary to a monthly maximum of €6,927 (US\$ 7,575).

Germany

The federal government of Germany adopted a supplementary budget of €156 billion (4.9% of GDP) which includes: (i) broader access to short-term work subsidy to preserve jobs and workers' incomes, expanded childcare benefits for low-income parents and easier access to basic income support for the self-employed, (ii) €50 billion in grants to small business owners and self-employed persons severely affected by the COVID-19 outbreak in addition to interest-free tax deferrals until year-end. At the same time, the government is expanding the volume and access to public loan guarantees for firms of different sizes and credit insurers, some eligible for up to 100 % guarantees, increasing the total volume by at least €757 billion (23% of GDP). Germany will pay 67 % of net wages up to a maximum of €6,700 per month (US\$ 7,326.78).

India

On March 26, 2020, our neighboring nation, India, has announced a stimulus package valued at approximately 0.8 % of its GDP. The key elements of the package are in-kind (food; cooking gas) and cash transfers to lower-income households; insurance coverage for workers in the healthcare sector; and wage support to low-wage workers. Several measures to ease the tax compliance burden across a range of sectors have also been announced, including postponing some tax-filing and other compliance requirements. Numerous state governments have also announced measures to support the health and wellbeing of lower-income households, primarily in the form of direct transfers (free food rations and cash transfers)—the magnitude of these measures varies by state, but on aggregate measures thus far amount to approximately 0.2 % of India's GDP.

Italy

Italian government unveiled a €25 billion (1.4 % of GDP) "Cura Italia" emergency package. It includes the following elements: (i) measures valued at €10.3 billion for preserving jobs and

support income of laid-off workers and self-employed (Italy has pledged up to 80 % of an employee's salary for nine weeks up to a maximum of €1,130 net per month; Self-employed workers will be given a one-off payment of €600.); (ii) other measures valued at €6.4 billion to support businesses, including tax deferrals and postponement of utility bill payments in most affected municipalities; (iii) measures to support credit supply (€5.1 billion). On April 6, 2020, the Liquidity Decree allowed for additional state guarantees of up to €400 billion (25 % of GDP). The guarantee envelope from this and earlier schemes is aimed to unlock more than €750 billion (close to 50 % of GDP) of liquidity for businesses and households.

Japan

Japan adopted the Emergency Economic Package Against COVID-19 of ¥108.2 trillion (20 % of GDP) and subsumed the remaining part of the previously announced packages (the December 2019 stimulus package (passed in January 2020) and the two COVID-19-response packages announced on 13 February and 10 March respectively). The April package aims at five objectives, including: (i) to protect employment and businesses (15.1 % of GDP), (ii) to regain economic activities after containment (1.6 % of GDP), (iii) to rebuild a resilient economic structure (3 % of GDP), and (iv) to enhance readiness for the future (0.3 % of GDP). The key measures include cash handouts to affected households and firms, deferral of tax payments and social security contributions, and concessional loans from public and private financial institutions.

Korea

Korea has taken direct measures valued at 0.8 % of GDP (approximately KRW 16 trillion, including a supplementary budget for KRW 11.7 trillion). Measures for households include transfers to quarantined households, employment retention support, consumption coupons for low-income households, and emergency family care support. Measures for firms cover loans and guarantees for business operation, and support of wages and rent for small merchants. Revenue measures adopted by Korea include consumption tax cut for auto purchases; tax cuts for landlords who reduce rent for commercial tenants; VAT reduction for the self-employed; and tax payment deferral covering a broad range of taxes for small businesses and the self-employed in medical, tourism, performance, hospitality, and other affected sectors. Additional measures of approximately KRW 13 trillion have been announced but not yet approved, including 1) direct transfers to low-and middle-income households, and social security contribution cuts and deferrals for affected firms; 2) support private consumption and investment through advancing government purchases, increasing consumption tax exemption and additional policy finance to SMEs and venture companies.

Spain

Key measures (about 1 % of GDP, €13.9 billion; depending on the usage and duration of the measures the amount could be higher) include entitlement of unemployment benefit for workers temporarily laid off under the Temporary Employment Adjustment Schemes (ERTE) due to COVID-19, with no requirement for prior minimum contribution or reduction of accumulated entitlement; increased sick pay for COVID-19 infected workers or those quarantined, from 60 to 75 % of the regulatory base, paid by the Social Security budget; an

allowance for self-employed workers affected by economic activity suspension; a temporary subsidy for household employees affected by COVID-19 with an amount equal to 70 % of their contribution base; a temporary monthly allowance of about EUR 430 for temporary workers whose contract (at least two months' duration) expires during the state of emergency and are not entitled to collect unemployment benefits; new rental assistance programs for vulnerable renters whose landlord is not a large property holder; and extension of the social benefit for energy provision. Further measures include exemptions of social contributions by impacted companies that maintain employment under the ERTE; tax payment deferrals for small and medium enterprises and self-employed for six months (€14 billion); one-month extension of the deadlines for filing tax returns and self-assessment for SMEs and self-employed; 50 % exemption from employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities; a 6-month interest-free suspension of social security contributions for the self-employed (for the period April-June), subject to a condition of continued activity in May and June.

UK

UK's tax and spending measures include (i) measures to support businesses (£27 billion), including property tax holidays, direct grants for small firms and firms in the most-affected sectors, and compensation for sick pay leave; and (ii) strengthening the social safety net to support vulnerable people (by nearly £7 billion) by increasing payments under the Universal Credit scheme as well as expanding other benefits. The government has launched with the British Business Bank the Coronavirus Business Interruption Loan Scheme to support SMEs and has announced the Coronavirus Large Business Interruption Loans Scheme to support bigger firms; is deferring VAT payments for the second quarter of 2020 until the end of the financial year and income tax payments of the self-employed by six months; and will pay 80 % of the earnings of self-employed workers and furloughed employees (to a maximum of £2,500 per employee per month) for an initial period of 3 months.

USA

An estimated US\$ 2.3 trillion (around 11% of GDP) Coronavirus Aid, Relief and Economy Security Act ("CARES Act"). The Act provides for: (i) US\$ 250 billion to provide one-time tax rebates to individuals; (ii) US\$ 250 billion to expand unemployment benefits; (iii) US\$ 24 billion to provide a food safety net for the most vulnerable; (iv) US\$ 510 billion to prevent corporate bankruptcy by providing loans, guarantees, and backstopping Federal Reserve 13(3) program; and (v) US\$ 359 billion in forgivable Small Business Administration loans and guarantees to help small businesses that retain workers.

Chapter 1.5

BAILING OUT BANGLADESH'S ECONOMY: “PUNCHING ABOVE ITS WEIGHT”



VISIONARY LEADERSHIP OF the HONORABLE PRIME MINISTER



The “X-factor” to the miraculous growth of Bangladesh’s economy throughout the last decade is the visionary leadership of its Prime Minister, Sheikh Hasina. The Honorable Prime Minister is considered as one of the most powerful women in the world, ranking 26th on Forbes' list of The World's 100 Most Powerful Women in 2018, and 30th in 2017. She has also made to the list of "Top 100 Global Thinkers" of the present decade.

Her visionary leadership and strategic alliance with major economies in the world, couple with the effort of both public and private sector, have transformed Bangladesh from a “bottomless basket” to the “new Asian tiger” and, have graduated Bangladesh to the class of lower middle-income countries. Bangladesh is now ambitious of becoming a developed country by 2040. It is no wonder that the country would look up to her during this testing period. It is equally not surprising that the Honorable Prime Minister would rise to the occasion, as she always does, exceeding the expectations from her.

Since the outbreak of the COVID-19 in Bangladesh, she has delivered three speeches addressing the nation and comforting stakeholders from every sector of economy, from the mighty export sector to the informal economy consisting of daily wage earners, hawkers etc.

The Honorable Prime Minister has addressed the nation on the occasion of National Independence Day and conveyed details of measures taken to tackle the COVID-19. During this speech, the Honorable Prime Minister declared the following financial aid packages to tackle the crisis:

- a) Day labourers and workers would be supported under the “Ghore Fera” program in their own villages. Homeless people would be provided with free homes, food for 6 months and cash.
- b) Bhashanchar has been designed to accommodate 1 lac people with jobs, and Government would make necessary arrangements for people who are interested to go there.
- c) Free VGD, VGF and 10 BDT (\$ 0.15 USD) per kg rice program would continue, and 30 types of different medicines along with treatment would be provided free of cost.
- d) For export-oriented Industries, a stimulus of BDT. 5,000 (Five Thousand) Crore [equivalent to US\$ 600 million] has been declared to be used for the payment of worker’s salary and allowances.

After about ten days from her first speech, the Honorable Prime Minister once again addressed the nation setting out four (4) activity plans to be implemented in three phases – immediately, for short-term and for long-term to tackle the economic impact of the COVID-19:

- a) Increasing public expenditure focusing and prioritizing creation of employment and reducing foreign travel or luxurious expenditures;
- b) Introducing fiscal packages through banking channel as loan facilities at a minimal interest; reviving economic activities, engaging workers-employees in work and assisting the entrepreneurs;
- c) Expanding social safety net program for the poorer section, daily wage earners and other workers with activities to providing free food rations; BDT 10 per kg Rice program; cash incentives for specific section of the population; old allowance and widow women allowance activities in 100 sub-district, implementation of home-construction for poorer section.
- d) Increasing money supply activities such as CRR and Repo rate reduction to increase money supply, though bearing mind not to cause inflation.

The Honorable Prime Minister also unveiled significantly larger stimulus package of BDT 72,750 Crore (US\$ 8.54 billion) which is valued at 2.52% of the total GDP of the country, the key features of which include:

- a) Working capital loan/investment of BDT 30,000 Crore for affected industries and service sectors to be disbursed through banks. Out of the 9% interest applicable on this facility, half of the interest will be subsidized by the government.
- b) Working capital loan/investment of BDT 20,000 Crore for CMSME sector to be disbursed through banks based on bank-client relationship. Out of the 9% interest applicable on this facility, more than half of the interest (5%) will be subsidized by the government.
- c) Export Development Fund to be enhanced from US\$ 3.5 Billion to US\$ 5 Billion. The interest rate would be fixed to 2%, which was previously 2.73% effectively.
- d) A new finance scheme, titled "Pre-Shipment Credit Refinance Scheme", of BDT 5,000 Crore to be introduced by Bangladesh Bank, for which interest shall be applied at 7%.
- e) BDT 5,000 Crore for export Oriented Industries, as declared in her first speech by the Honorable PM amid the pandemic outbreak in Bangladesh.

Lastly, the Honorable Prime Minister has appeared on the eve of Bengali New Year (13th April 2020) issuing 31-point directives and encouraging the nation of headfast during these unfortunate times. She announced that Pohela Boishak (Bengali New Year) Celebration would be from home and there would be restriction on gathering in any area. The size of the stimulus has been increased to BDT 95,619 Crore (nearly US\$ 12 Billion), which is equal to 3.3% of the GDP, from earlier amount of BDT 72,750 Crore. The financial measures are aimed at long and short-term facility from three months to three years shall be implemented. Following are the take-way points:

- a) Doctors, nurses and health workers in the frontline fighting against the COVID-19 to receive special incentive for which BDT. 100 Crore has been allocated.
- b) Doctors, nurses, health workers, field level civil servants, law enforcement agencies, Armed Forces and BGB members to receive insurance facility of BDT. 500,000 to BDT 1,000,000, which will increase five-fold in case of death of the person. BDT. 750 Crore has been set aside for this purpose.
- c) Poor person to receive food relief of 5 lac metric tons rice and 1 lac metric ton of wheat, equivalent to BDT. 2,503 Crore.
- d) Distributing 74,000 metric ton rice at BDT 10/kg through the Open Market Sales (OMS) programme in the next three months.
- e) BDT 760 Crore allocated for wage earners, rikshaw and van drivers, motor worker, construction workers, newspaper hawker, hotel worker and other informal sector workers affected by prolonged general holidays.
- f) BDT 185 Crore allocated for “Senior citizen benefit” and “widow women benefit” to be provided in 100 upazillas.
- g) Allocation of BDT 2,130 Crore for housing facilities benefiting those without house/home shall receive.
- h) For marginalized farmers, fishery, dairy and poultry sector, agriculture sector to receive BDT. 9,500 crore as subsidized loan

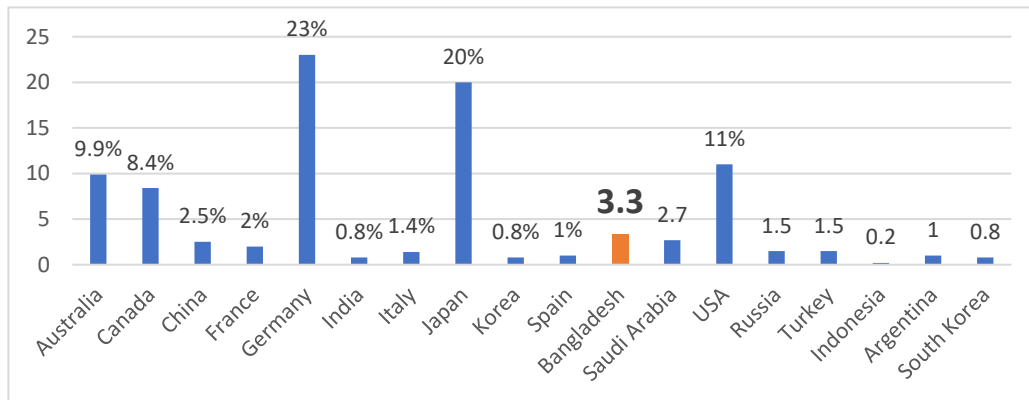
STIMULUS PACKAGE

Bangladesh, having the benefit of being led by a visionary, strong and bold Prime Minister, has a tendency to pack a punch above its weight class. When World Bank rejected financing of multipurpose Padma bridge, Bangladesh funded the construction of the bridge through its own source. When world leaders were hesitant as to the fate of million Rohingyas, the Honorable Prime Minister was decisive enough to open the border of Bangladesh, boldly stating that if we could arrange meal for 168 million people, we surely could feed another one million.

The Honorable Prime Minister has demonstrated a similar bold, yet generous, approach in providing stimulus for stabilizing the economy. Within a span of 20 days (from 25 March to 14 April), the size of the stimulus package has grown 19 times, from mere BDT 5,000 crores (\$USD 600 million) to BDT 95,619 crore (nearly US\$ 12 Billion), which is valued at 3.3% of the total GDP. As it will be evidenced from the below graph, the ratio of the size of the stimulus









to GDP of Bangladesh is comparatively higher than the same ratio of the most of the G-20 countries.

Country wise Stimulus Package to GDP comparison



Source: IMF, Statista 2020

In the Second Chapter (*The Stimulus Package*) of this Report, we aim to summarize the key features of the following six financing schemes introduced by Bangladesh Bank, in aggregate valued at BDT 68,000 Crore (approximately US\$ 8 billion), as a consequence of the stimulus package declared by the Honorable Prime Minister in three occasions:

 <p>Total Stimulus Package of BDT 95,619 crore (nearly US\$ 12 Billion), announced by HPM to tackle economic impact.</p>	 <p>The Package is valued at 3.3% of GDP</p>
 <p>BDT 300 Billion for working capital of affected industries and service sector enterprises</p>	 <p>BDT 200 Billion as working capital loan for small and medium enterprises</p>
<p>BDT 50 Billion as Pre-shipment Credit Refinance Scheme</p> 	 <p>BDT 50 Billion Special Incentive Re-financing Scheme for the Agricultural Sector</p>
 <p>BDT 50 Billion as loan facility for export-oriented industries</p>	 <p>BDT 30 Billion refinance scheme for assisting low income professionals, farmers & marginalized businesses</p>

Chapter 1.6

Honorable Prime Minister's 31-point Directive



Honorable Prime Minister's 31-point Directive

1. Taking coronavirus-related treatment measures and awareness programmes.
2. Do not conceal, seek medical attention if symptoms of surfaces.
3. General PPE usage is discouraged, mandatory for those involved in the treatment process and protect necessary equipment from infection.
4. Special priority shall be given to all doctors, nurses, lab technicians, cleaners, ambulance drivers involved in tackling impact of COVID-19.
5. Ensure humane treatment for persons in home quarantine or isolation.
6. Take measures to promote protocol of preventing COVID-19.
7. Naval ambulances for riverways.
8. Ensure proper health checkups and medical care for all.
9. Take measures for cleanliness in all city corporation, municipalities and upazila parishads across the country.
10. Comply with government orders including those provided by Health Services Division, administration, law enforcement agencies, Armed Force Division
11. No corruption shall be tolerated in relief activities
12. Aid those mostly affected such as (day labourers, workers and peasants) and prepare priority list of poor working people
13. Social safety activities to be continued.
14. Adequate support to be given to continue economic activities.
15. Food production system to continue to ensure food security.
16. Supply chain system to be maintained.
17. General activities to continue and price of commodities should be checked
18. Pohela Baishakh (Bangla New Year) programme would not take place to avoid public gathering, though celebration among the family members through digital system had been promoted.
19. Local public representatives, political leaders, people of all stages of the society would have to work together. The administration would have to work engaging all the people.
20. Affluent persons and institutions of the society would carry out their relief and healthcare activities, maintaining coordination with the Deputy Commissioners and Upazila Nirbahi Officers.

21. Public representatives and upazila administration would distribute food among the distressed people by preparing a ward-based list.
22. Special attention to be given to the most disadvantaged people like agriculture workers, day labourers, rickshaw- and van-pullers, transport workers, beggars, street children, the women abandoned by their husbands, widows and 'third gender' community and providing relief to them will have to be ensured.
23. Necessary arrangements to be made for senior citizens and children.
24. All government employees and volunteer organizations to follow the standing orders (SOD) regard the disasters.
25. Necessary arrangements to be made for monitoring on production, supply and regular marketing of the essential goods.
26. Not to involve in panic purchasing and stocking as there is adequate stock of all necessary goods including food grains.
27. The farmers to continue cultivation regularly, and in this case government incentives would be continued.
28. All industry owners, businesspeople and individuals to keep their own industries, business establishments and houses clean.
29. The owners of industries to continue production through discussion with the workers and ensuring their safety.
30. The media workers are playing a proper role in creating mass awareness and in this case, a close and vigilant monitoring to be kept so that various rumors and false information misleading the public at large cannot be spread.
31. Not to pay any heed or not be concern about any rumors, which need to be stopped.

***“If you are sincere to your Country and People,
then development is of course possible”***

*-Honorable Prime minister of Bangladesh,
Sheikh Hasina*

THE STIMULUS PACKAGE

Chapter 2



2.1 FINANCIAL STIMULUS FUND FOR EXPORT-ORIENTED INDUSTRY

Loans/Investments from stimulus Fund with minimum service charge (one time at 2%) for active export-oriented industries due to breakout of Corona Virus (COVID-19)

To contain the impact of COVID-19 pandemic on Bangladesh's economy, this is the first fund, valued at BDT 5,000 crore (approximately US\$ 600 Million) introduced and established under the stimulus package, for the export-oriented industries only. This fund was unveiled by the Honorable Prime Minister on March 25, 2020. The procedure for receiving loan/investment from the fund has been provided in detail in the [BRPD Circular No-07 dated April 02, 2020 issued by Bangladesh Bank](#), (as modified and/or supplemented from time to time).

The Finance Division of the Ministry of Finance has already allocated the fund. Bangladesh Bank will disburse the fund to the schedule banks as loan/investment without charging any interest thereon. The Account and Budgeting Department of Bangladesh Bank, Main Office shall be responsible for operation, management and monitoring of the Fund. The Fund shall only be utilized as loan/investment to pay the salary/benefit of workers. Initially, banks are required to forward the needs of its customers to Bangladesh Bank within 27 April, 2020 ([BRPD Circulars No -07 \(P-1\)/661/13/2020-3499, dated April 18, 2020](#)). But the application, deadline has been extended up to May 02, 2020; and upon receiving the applications, the banks must inform their respective demands to Bangladesh Bank by May 03, 2020. ([BRPD Circular Letter No 21 dated April 23, 2020](#));

Bangladesh bank has already granted exemption from the requirements under [section 26B\(1\) of the Bank Companies Act 1991](#), when determining single borrower exposure limit in respect of any loan to be granted under this fund ([BRPD Circular Letter No-15 dated April 11, 2020](#)).

WHO MAY APPLY FOR THE LOAN/INVESTMENT

- a) Export-oriented establishment that export 80% of its manufactured goods, and B-type and C-type companies operating in Export Processing Zones (EPZ), Economic Zones (EZ), and Hi-Tech Parks ([BRPD Circular Letter No -19 dated April 15, 2020](#); and [BRPD Circular Letter No 21 dated April 23](#));
- b) The borrower must have paid salaries of workers/employees for the months of December 2019, January 2020 and February 2020;
- c) A certificate confirming the above conditions must be obtained from the President and Secretary of the concerned trade organization such as BGMEA, BKMEA and the information related to the exporters export activities must be ascertained from the relevant bank.

PURPOSE OF UTILIZATION

Loan/investment from the fund can only be utilized for payment of three months' salary/benefit of the workers. For this purpose, "workers" will have the meaning as ascribed thereto in the [Bangladesh Labour Act 2006](#) and will include any category or class of workers expressly included in the schedule of recommended minimum wage rates published by the Wage Board from time to time [BRPD Circular Letter No -19 dated April 15, 2020](#)).

LOAN/INVESTMENT AMOUNT

The loan/investment amount for a particular export-oriented establishment shall not exceed the three months (December 2019, January 2020 and February 2020) average of the salary/wages paid to the workers by such establishment.

TENURE

The total tenure of the loan/investment under this fund is two (2) years with a grace period of 6 months.

INTEREST, PROFIT FEE, CHARGES ETC.

- a) The loan/investment granted by a schedule bank to an export-oriented establishment shall not bear any interest/profit.
- b) But the schedule bank may charge a fee of 2% of the loan/investment amount for meeting its administrative costs and expenses. Except for this particular fee, no other fee will be charged.
- c) A penal interest of 2% could be applied on the overdue amount, if a borrower fails to repay any instalment, fully or partly, towards the repayment of the loan/investment.

APPLICATION AND DOCUMENTS

- a) The concerned export-oriented establishment has to apply to its bank or banks through which it pays salaries/wages to its workers. In case of more than one bank being involved in the payment of salary process, a syndication arrangement could be entered into ([BRPD Circular Letter No -14, dated April 08, 2020](#)).
- b) The relevant bank, or the banks, as the case may be, will determine amount of loan/investment required upon scrutinizing the salary sheets for the months December 2019, January 2020 and February 2020.
- c) The industrial establishment during making the application shall state the salary/benefit amounts and the deduction of income tax and/or provident fund applicable thereon.
- d) The information related to the exporters' export activities must be ascertained by the banks.

- e) Following documents need to be submitted along with the application by the concerned bank and/or the relevant establishment:
- i) A certificate from the President and Secretary of the concerned trade organization such as BGMEA, BKMEA etc., confirming that the salaries/wages of the workers for the months December 2019, January 2020 and February 2020 have been paid;
 - ii) Form A - Application for loans/Investment from the fund must be submitted by the bank to the Bangladesh Bank Accounts and Budgeting Department;
 - iii) Form B - PROMISSORY NOTE must be submitted to Bangladesh Bank for realization of the loan amounts in case of default;
 - iv) Form C - Statement showing repayment and outstanding against loans from the fund must be maintained by the bank after the grace period;
 - v) Form D - Employee's salary statement to be submitted by the concerned establishment;
 - vi) National Identification Card (NID Card)/Birth Certificate ([BRPD Circular Letter No - 14, dated April 08, 2020](#)) of the workers to be submitted by the concerned establishment.

DISBURSEMENT

- a) The concerned schedule bank shall disburse the approved loan/investment amount only through bank account/ Mobile Financial Service (MFS) and must examine the NID card or birth certificate ([BRPD Circular Letter No -14, dated April 08, 2020](#)) of the worker/employees. No cash or other mode transactions will be permissible.
- b) The establishment shall encourage and facilitate the opening of bank accounts/ MFS accounts of the workers/employees, and same shall be allowed using NID card or birth certificate of the worker/employee ([PSD Circular No -3, dated April 06, 2020 issued by Bangladesh Bank](#)). No charge/fee shall be applicable for opening the account.
- c) The concerned bank shall disburse the loan/investment amount after deducting applicable amount for income tax and/or provident fund, and shall deposit the income tax so deducted to the government treasury in accordance with the Income Tax Ordinance and deposit the amount deducted on account of provident fund in the account maintained for such purpose. ([BRPD Circular Letter No -14, dated April 08, 2020](#)).
- d) The concerned MFS providers have been instructed that considering the position of the workers engaged in the export-oriented industries, the charges for "Cash Out" of salaries shall be 0.8%, out of which 0.4% shall be provided by the participating banks and the rest of 0.4% shall be borne by the workers. ([PSD Circular Letter No -10, dated April 23, 2020](#)).

REPAYMENT

Following the last disbursement on June 2020, six-month grace period shall be applicable and, thereafter, the loan/investment amount along with the 2% service fee shall be payable in 18 equal monthly installments. Failure to repay any installment in accordance with the terms and conditions of the loan/investment may lead to loan classification as a defaulter under the existing policies and guidelines issued by Bangladesh Bank from time to time.

Chapter 2.2

WORKING CAPITAL STIMULUS PACKAGE



2.2.1 WORKING CAPITAL STIMULUS PACKAGE FOR AFFECTED INDUSTRIES AND SERVICE SECTOR

In furtherance of the stimulus package declared by the Honorable Prime Minister on April 5, 2020, Bangladesh Bank issued a circular ([BRPD Circular No – 08 dated April 12 2020](#)) regarding BDT 30,000 Crore working capital facilities for affected industries and service sector. In broad terms, the purposes of this particular stimulus are reviving economic activities, engaging workers-employees in work and assisting the entrepreneurs with low cost working capital facilities.

Under this financial package, both scheduled banks and financial institutions will, based on banker-client relationship, offer affected industries and service sector loan/investment facilities, as working capital, from their own funds. In order to minimize the borrowing cost of these entities, government has undertaken to subsidize half of the interest out of the applicable 9 % interest rate. Even though the term of the package is for three (3) years, government's subsidy will be available for one (1) year for a particular entity.

The scheduled banks and the financial institutions shall disburse the loans/investment in accordance with their internal loan/investment policy. Banks and financial institutions, however, need to take prior approval of Bangladesh Regulation and Policy Department (BRPD) and Financial Institution and Market Department (FIMD), respectively, before disbursement of any working capital facility under this package. Accounts and Budget Department will handle the subsidized interest claim.

WHO MAY APPLY

Industries and service sector establishments (except Cottage, Micro, Small and Medium enterprise) those have been affected by the COVID-19 outbreak shall be eligible to apply for loan/investment under this package. But a defaulter shall not be eligible to apply for loan under this package. Similarly, a borrower who has rescheduled its existing financing facilities in more than three occasions shall not be eligible under this package.

For both the new borrowers (relied on their own capital but affected by the coronavirus) and continuing borrowers, the minimum rating, in accordance with the [Guidelines on Internal Credit Risk Rating System for Banks \(ICRRS\)](#) has to be "Marginal", based on the information disclosed in the audited financial statement for the latest financial year. If at the time of the application, six months from the end of the latest financial year have not been elapsed, the information disclosed in the previous financial year will be used for determining the rating.

For financial institutions, ICRRS shall not be applicable. Instead, financial institutions shall comply with the guidelines (if any) provided by the FIMD.

PURPOSE OF UTILIZATION

The loan/investment approved under this package shall only be used as working capital by the affected industry and service sector enterprises for continuation of its usual operation and business activities.

Any amount received under this package must not be used to repay/adjust existing loan facilities. Nor can it be used against BRME business improvement or establishing new businesses.

LIMIT: BANKS AND FINANCIAL INSTITUTIONS

Given that there is fixed ceiling for the fund, which is BDT 30,000 Crore, the banks and financial institutions need to determine their respective needs under the package considering their asset and liabilities in the balance sheet as of 31 December 2019. This will be the respective initial limits for the banks and financial institutions and, accordingly, the banks and financial institutions will operate their activities within the respective initial limits. Bangladesh Bank may adjust the initial limits for ensuring efficient and synchronized operation of the package.

LIMIT AND TERM: AFFECTED INDUSTRIES AND SERVICE SECTORS

Any eligible entity which has already availed any working capital facility may only receive up to 30% of the approved limit, which will be inclusive of the existing working capital facility. Similarly, any eligible entity which does not have any existing working capital facility will receive up to 30% of the approved limit that has been set for the respective bank or financial institutions under this stimulus package.

The tenure of each loan/investment shall not exceed 1 (one) year and cannot be renewed under this package. Banks and financial institutions may renew the working capital facilities based on “banker-client relationship” outside this package and, in such case, the government’s subsidy shall not be available.

INTEREST, PROFIT, FEE, CHARGE ETC.

9% interest/profit shall be applicable on the working capital facility granted under this package. Half i.e. 4.5% shall be payable by the borrower and the rest shall be subsidized by the government. A borrower may avail subsidized loan for only one (1) year.

Subsidized interest/profit shall not be the liability of the borrower. However, if the borrower fails to repay its portion of the interest/profit in accordance with the terms and conditions, the overall interest/profit shall become the liability of the borrower.

APPLICATION, APPROVAL, DISBURSEMENT AND INSPECTION PROCEDURE

- a) Application can be made to any schedule bank or financial institution;
- b) Loan/Investment limit shall be applicable as mentioned above, and government shall not be obliged to subsidize the amount beyond the approved limit;
- c) Prior to the approval of the loan/investment, on the basis of the “bank-client relationship”, banks/financial institutions shall assess the damage suffered by the potential borrower and undertake credit risk assessment as per their respective policies and guidelines;
- d) If any bank or financial institution receives applications of working capital facility, which in aggregate is beyond its approved limit, such bank will approve loan on priority basis for the most affected enterprises. After expiry of the first year of the term, of the package, banks and financial institutions shall again assess the most affected enterprises requiring working capital facility on the priority basis. In this manner, banks and financial institutions may grant working capital facilities for a period of three (3) years under this package, though one enterprise may avail subsidized loan for one (1) year only;
- e) Banks and financial institutions need to ensure that the working capital facilities under this package are available to the maximum affected industries and service-sectors;
- f) Single borrower exposure limit, as stipulated by Bangladesh Bank, shall be applicable for the working capital facilities under this package;
- g) Special monitoring unit shall be established under the BRPD to monitor working capital facilities granted under this package;
- h) For obtaining prior approval of the Bangladesh Bank, a bank must submit its recommendation in favour of the prospective borrower and other information in the prescribed format to the Bangladesh Bank along with copies of approval of the loan by the appropriate body/forum of the relevant bank;
- i) Banks and financial institutions shall establish their respective fund for disbursing working capital facilities under this package as per the direction of Bangladesh Bank;
- j) Banks must submit monthly report within the 10th day of the next month to the BRPD;
- k) The FIMD may issue similar guidelines for disbursing working capital facilities by financial institutions under this package.

MISCELLANEOUS

Under this package, the outstanding amount must not exceed the sanctioned loan/investment limit. However, if the outstanding amount exceeds the sanctioned loan/investment limit for any reason, the borrower shall pay/adjust the exceeding amount within five (5) working days after each quarter.

Banks and financial institutions will be entirely responsible for recovering the disbursed loan/investment. Besides, banks and financial institutions will also need to provision for the any defaulting loan in accordance with the guidelines.

REFINANCE SCHEME FOR PROVIDING WORKING CAPITAL LOAN/INVESTMENT FACILITIES IN LARGE INDUSTRIAL AND SERVICE SECTOR

According to [BRPD Circular No – 08 dated April 12, 2020](#) Bangladesh Bank provided directions regarding BDT 30,000 Crore working capital facilities for the affected industries and service sector. In order to ensure liquidity for providing the financial stimulus, Bangladesh Bank has formed a Revolving Refinance Scheme of BDT. 15,000 Crore, which will be 50% of the disbursed loans under the [BRPD Circular No. – 08/2020](#). ([BRPD Circular Letter No – 10 dated April 23, 2020](#))

The refinancing scheme shall be funded by Bangladesh Bank from its own source. The Refinanced loan under this scheme may only be used for the purpose provided in [BRPD Circular No. – 08/2020](#). Interested banks/financial institutions need to execute participation agreements with Bangladesh Bank for this purpose. Re-financed amount shall be repayable by the participating banks on quarterly basis (March, June, September & December) at the fixed interest rate of 4%.

PROCEDURE FOR APPLICATION FOR REFINANCING

The Department of off-Site Supervision shall be responsible for management of this Scheme.

- a) An application (Form A & B) shall be made to the Chief Executive, Department of off-Site Supervision, Bangladesh Bank within 10th day of the month for 50% refinancing of the loans disbursed under [BRPD Circular No. – 08/2020](#) in the previous month;
- b) The amount to be refinanced by Bangladesh Bank in favour of the participating bank shall be 50% of the loan disbursed. Participating Bank will be able to avail the refinance scheme for a period of 3 (three) years.

RECOVERY PROCEDURE AND OTHER CONDITIONS

- a) The participating bank will repay the refinanced amount in favour of the Bangladesh Bank on quarterly basis, which will be adjusted, in accordance with the schedule of repayment, from the current account of the participating bank maintained with Bangladesh Bank.
- b) The concerned participant bank will bear all risks relating to the loan granted to its customers and, will solely be responsible for recovering the loans from its customers, and repayment to the Bangladesh Bank will not be subject to recovery of such loan from the customers.
- c) If it appears to the Bangladesh Bank that the loan or any part of it has not been utilized for purpose other than the purpose of [BRPD Circular No. – 08/2020](#), 2% additional interest will apply on the refinanced amount. Provisions stipulated in [BRPD Circular No. – 08/2020](#) must be adhered to by the participating banks. The participating banks must submit monthly report in Form C to Department of Off-Site Supervision within 10th day of each month.

2.2.2 SPECIAL WORKING CAPITAL FACILITY FOR CMSME SECTOR

In furtherance of the stimulus package declared by the Honorable Prime Minister on April 5, 2020, Bangladesh Bank issued another circular ([SMESPD Circular No – 01 dated April 13, 2020](#)) regarding BDT 20,000 Crore working capital facilities for Cottage, Micro, Small and Medium enterprises (CMSME). Similar to the previous stimulus package for the affected industries and service sector, in broad terms, the purposes of this particular stimulus are reviving economic activities in CMSME sector, ensuring employed workforce is unaffected and assisting the entrepreneurs with low cost working capital facilities.

Under this financial package, both scheduled banks and financial institutions will, based on banker-client relationship, offer CMSME enterprises loan/investment facilities, as working capital, from their own fund. In order to minimize the borrowing cost of these entities, as like the previous stimulus package, government has undertaken to subsidize more than half of the interest (5 %) out of the applicable 9 % interest rate. Even though the term of the package is for three (3) years, government's subsidy for this package will be available for only one (1) year for a particular entity.

The scheduled banks/ financial institutions shall disburse loans/investment in accordance with their own regulation, however, must take prior approval from SME and Special Programs Department (SMESPD) of Bangladesh Bank before disbursement. Accounts and Budget Department will handle the subsidized interest claim.

ALLOCATION AND TERM

- a) A schedule bank or a financial institution may offer up to 10% of its CMSME's portfolio balance, as of 21 December 2019, as working capital facilities to CMSME for a year under this package. Each bank and financial institution must inform its applicable limit within three (3) months to SMMESPD of Bangladesh Bank. Bangladesh Bank may adjust initial limits for ensuring efficient and synchronized operation of the package. Banks and financial institutions will not be eligible to receive the subsidy from the government, if the amount of disbursed working capital facilities exceed the limit set out.
- b) Even though business/trade based micro and small industry shall be included under this package, manufacturing and service-sector businesses of the CMSME shall receive priority under this package. Manufacturing, services and business (trade) should be given priority in the ratio of 50:30:20.
- c) At least 15% of the annual working capital facilities have to be granted in rural areas.
- d) At least 70% of the annual working capital facilities have to be granted to the cottage, micro and small enterprises and, up to 30% to medium enterprises.

WHO MAY APPLY

- a) Only CMSME enterprises that have been affected by the COVID-19 outbreak shall be eligible to apply for the working capital facilities under this package. But a defaulter shall not be eligible to apply for loan under this package. Similarly, a borrower who has rescheduled its existing financing facilities in more than three occasion shall not be eligible under this package.
- b) New borrowers (relied on their own capital but affected by the COVID-19) and continuing borrowers from Cottage and Micro Industries shall be assessed based on the information disclosed in the audited financial statement for the latest financial year (if at the time of the application, six months from the end of the latest financial year have not been elapsed, the information disclosed in the previous financial year) or based on the production/sell/turnover for the previous year(s) disclosed in the books of accounts.
- c) New borrowers (relied on their own capital but affected by the COVID-19) and continuing borrowers from Small Industries shall be assessed based on the information disclosed in the audited financial statement for the latest financial year (if at the time of the application, six months from the end of the latest financial year have not been elapsed, the information disclosed in the previous financial year) or any reliable financial statement.
- d) For both the new borrowers (relied on their own capital but affected by the coronavirus) and continuing borrowers from Medium Industries, the minimum rating, in accordance with the [Guidelines on Internal Credit Risk Rating System for Banks \(ICRRS\)](#) has to be “Marginal”, basing on the information disclosed in the audited financial statement for the latest financial year. If at the time of the application, six months from the end of the latest financial year have not been elapsed, the information disclosed in the previous financial year will be used for determining the rating.

PURPOSE OF UTILIZATION

The loan/investment granted under this package shall only be used as working capital by the CMSME enterprises for continuation of its usual operation and business activities.

Any amount received under this package must not be used to repay/adjust existing loan facilities. Nor can it be used against BRME business improvement or establishing new businesses.

LIMIT AND TERM

- a) Affected CMSME enterprises shall calculate the required loan as working capital based on their production/sell/turnover of the previous year(s) and considering the downward production/sell/turnover since January 2020.

- b) Production-based and service-based enterprises who already have taken working capital facilities from banks/ financial institutions, may only receive up to 30% of their existing approved limit or 50% of the average operating expenses calculated based on the last three financial years including the immediate previous financial year, whichever is lower.
- c) Trade-based businesses who already have taken working capital facilities from banks/ financial institutions, may only receive up to 25% of average annual turnover calculated based on the last three financial years including the immediate previous financial year, provided that at any event the amount of the working capital facility under this package will not exceed BDT 1 crore.
- d) For CMSME enterprises who do not have any existing working capital facility the working capital facility limit will be determined in accordance with the internal policies of the respective banks and financial institutions.

provided that for any enterprise from production and service sector, based on the information disclosed in the last three financial years including the immediate previous financial year, the limit will be up to 30% of the approved limit for the production and service sector or 50% of on their production/sell/turnover of the previous year(s), whichever is lower;

Provided further that for any enterprise from trading business the limit will be up to 25% of the annual turnover or BDT 1 crore, whichever is higher.

- e) Banks/ financial institutions shall be responsible for procuring the documents related to production and turnover.
- f) The tenure of each loan/investment shall not be more than one (1) year and cannot be renewed under this package. Banks and financial institutions may renew the working capital facilities based on “banker-client relationship” outside this package and, in such case, the government’s subsidy shall not be available.

INTEREST, PROFIT, FEE, CHARGE ETC.

- a) 9% interest/profit shall be applicable on the working capital facility granted under this package. Half i.e. 4.5% shall be payable by the borrower and the rest shall be subsidized by the government. A borrower may avail subsidized loan for only one (1) year.
- b) Subsidized interest/profit shall not be the liability of the borrower. However, if the borrower fails to repay its portion of the interest in accordance with the terms and conditions, the overall interest/profit shall become the liability of the borrower.
- c) No charges except for those mentioned in [BRPD Circular No. 2 dated 13 March 2017](#) shall be applied. Bangladesh Bank may take legal action against any bank or financial institution for charging any hidden fee in this regard.
- d) In all circumstances, in respect of a borrower, the interest will be calculated based on declining balance method.

APPLICATION, APPROVAL, DISBURSEMENT AND INSPECTION PROCEDURE

- a) Application can be made to any schedule bank/ financial institution.
- b) Loan/Investment limit shall be applicable as mentioned above, and government shall not be obliged to subsidize the amount beyond the approved limit.
- c) Prior to the approval of the loan, on the basis of the “bank-client relationship”, banks and financial institutions shall assess the damage suffered by the potential borrower and undertake credit risk assessment as per their respective policies and guidelines.
- d) BRPD Circular No 2 dated 5 September 2019 shall not be applicable.
- e) Single borrower exposure limit, as stipulated by Bangladesh Bank, shall be applicable for the working capital facilities under this package.
- f) Special monitoring unit shall be established under this SMESPD to monitor working capital facilities granted under this package.
- g) Banks must submit monthly loan report within 10th day of the next month to the SMESPD. Any bank or financial institution which has knowingly reported any wrong or inaccurate information regarding working capital facilities will not be eligible to receive subsidy from the government under this package; besides, they will be liable to pay fine at 2% on the working capital facility amount. (Form 1, 2, 3 (A & B) & 4 as per [SMESPD Circular Letter No – 1, dated April 30,2020](#))
- h) Banks and financial institutions must provide assistance to CMSME enterprises to revamp economic activities. SMESPD Circular No – 02/2019 related to individual, social and group guarantee shall be applicable. Banks and financial institutions may take assistance of FBCCI or members of chambers and associations for disbursing the loan; and establish a monitoring team in the head office of the said bank/financial institution and name and contact particulars of concerned person from the monitoring team must be provided to the SMESPD focal point. ([SMESPD Circular No – 1, dated April 30,2020](#)).

MISCELLANEOUS

- a) Working capital facility being a continuous loan is repayable at the end of the term. During the term of one (1) year, a borrower may debit or credit the account within the limit sanctioned in favour of him.
- b) Under this package, the outstanding amount must not exceed the sanctioned loan/investment limit. However, if the outstanding amount exceeds the sanctioned loan/investment limit for any reason, the borrower shall pay/adjust the exceeding amount within five (5) working days after each quarter.

- c) Banks and financial institutions will be entirely responsible for recovering the disbursed loan/investment. Besides, banks and financial institutions will also need to provision for the any defaulting loan in accordance with the guidelines.

TK 10,000 CRORE REFINANCE SCHEME FOR CMSME SECTOR TO PROVIDE WORKING CAPITAL FACILITY TO THE ENTREPRENEURS

According to [SMESPD Circular No - 01 dated April 13, 2020](#) Bangladesh Bank provided directions regarding BDT 20,000 Crore working capital facilities for CMSME. In order to ensure liquidity for providing the financial stimulus, Bangladesh Bank has formed a Revolving Refinance Scheme of BDT. 10,000 Crore, which will be 50% of the disbursed loan under the [SMESPD Circular No - 01 dated April 13, 2020](#). ([SMESPD Circular No – 02, dated April 26, 2020](#))

The refinancing scheme shall be funded by Bangladesh Bank from its own source. Refinanced loans under this scheme may only be used for the purposes provided in [SMESPD Circular No - 01 dated April 13, 2020](#). Refinanced amount shall be repayable by the participating banks on quarterly basis (March, June, September & December) at the fixed interest rate of 4%.

All state-owned banks and financial institutions shall be eligible to participate into this refinancing scheme. Similarly, private banks and financial institutions shall also be eligible to participate, provided that participation of banks and/or financial institutions, against which there are concerns or which are weak, shall be allowed to participate on a case-to-case basis. Interested banks shall execute a loan agreement with Bangladesh Bank for providing loans to CMSME sector according to [SMESPD Circular No - 01 dated April 13, 2020](#). The conditions set in [CMSME Master Circular No – 02/2019](#) shall also be applicable for refinancing under this scheme.

PROCEDURE FOR APPLICATION FOR REFINANCING

The SMESPD shall be responsible for management of this Scheme.

- a) An application (Form A & B) shall be made to the Chief Executive, SMESPD, Bangladesh Bank within 10th day of the month for 50% refinancing of the loans disbursed under [SMESPD Circular No - 01 dated April 13, 2020](#) in the previous month;
- b) The amount to be refinanced by Bangladesh Bank in favour of a participating bank shall be 50% of the loans disbursed. The participating banks and financial institutions will be able to avail the refinance scheme for a period of three (3) years.

RECOVERY PROCEDURE AND OTHER CONDITIONS

- a) The participating bank will repay the refinanced amount in favour of the Bangladesh Bank as per the loan agreement, which will be adjusted, in accordance with the schedule of repayment, from the current account of the participating bank maintained with

Bangladesh Bank. The grace period under the refinancing scheme shall not be more than 3 (three) months.

- b) If the loan is repaid or adjusted by the customers, or after the expiry of the term of the loan, which is one year, whichever occurs first, the participating bank or the financial institution will need to repay the refinanced amount along with the interest applicable for the last quarter to Bangladesh Bank; otherwise 2% additional interest, on top of the interest accrued for the refinanced amount, will be applied.
- c) Also, in case of unavailability of sufficient fund for repayment of the refinanced amount along with the accrued interest in the current account maintained with Bangladesh bank, additional 2% interest will be applied.
- d) The concerned participant bank will bear all risks relating to the loan granted to its customers and, will solely be responsible for recovering the loans from its customers, and repayment to the Bangladesh Bank will not be subject to recovery of such loan from the customers.
- e) If it appears to the Bangladesh Bank that the loan or any part of it has not been utilized for purpose other than the purpose of [SMESPD Circular No - 01 dated April 13, 2020](#), 2% additional interest will apply on the refinanced amount. Provisions stipulated in [SMESPD Circular No - 01 dated April 13, 2020](#) must be adhered to by the participating banks and financial institutions. The participating banks must submit monthly report in Form C to SMESPD within 10th day of each month.

Chapter 2.3

REFINANCING SCHEME



2.3.1 PRE-SHIPMENT CREDIT REFINANCING SCHEME

This refinancing scheme has also been established in furtherance of the stimulus package declared by the Honorable Prime Minister on April 5, 2020. For the purpose of assisting the export-oriented industries by providing Pre-Shipment Export Credit, Bangladesh Bank issued couple of circulars ([BRPD Circular No – 09 dated April 13, 2020](#) and [SFD Circular No – 1 dated April 22, 2020](#)) for establishing and managing a refinancing scheme of BDT 5,000 Crore from its own fund. The scheme has been titled us “Pre-shipment Credit Refinancing Scheme”. Any loan under this scheme can only be disbursed as pre-shipment credit to the industries which export locally produced goods.

WHO MAY APPLY: BANK AND TENURE

All Schedule banks of Bangladesh shall be eligible for availing the benefits of this refinancing scheme. However, if remittance of export proceeds relating to any exporter is overdue within the timeline as set by Guidelines for Foreign Exchange Transactions (GFET), then the concerned bank of such exporter will not be eligible to participate in the refinancing scheme. Refinancing benefit will not be considered where pre-shipment credit has been issued against the export order of a shell company/establishment or export letter of credit of shell bank.

FUND MANAGEMENT AND TENURE

Interested banks need to execute participation agreements with the Sustainable Finance Department (SFD) of Bangladesh Bank. The SFD shall manage the fund. Tenure of the Scheme shall be three (3) years on revolving basis.

WHO MAY APPLY: CUSTOMER STAGE

- a) This fund is open for all kind of export-oriented establishments;
- b) The distribution of the loan shall be considered by the banks on case to case basis in accordance with the existing rules and regulations as well as on the basis of the “banker-client relationship”;
- c) Loan cannot be sanctioned in favour of a borrower who is a loan defaulter under Bank Company Act 1991;

INTEREST, FEE, CHARGES ETC.

At customer stage, the applicable interest rate under the scheme will be up to 6%. No charges or fee shall be received from the customers in contravention of the existing guidelines in relation to schedule of charges issued by Bangladesh Bank from time to time.

Interest rate at the rate of 3% will be imposed on the amount received by the banks under this scheme from Bangladesh Bank.

LIMIT

- a) The participant banks may, on the on the basis of its own policies and “banker-client relationship”, provide shipment credit on the value of the firm export contract/authenticated export credit after excluding the value of the back to back LC, fund received for the purpose of accessories and all other related amount, provided that a sanction limit shall not exceed 10% of the commercial invoice value of each shipped consignment under this scheme.
- b) In determining the amount of the refinancing benefit, the decision of the SFD shall be deemed to be final.

TENURE OF THE LOAN

Loan under the refinancing scheme can be disbursed to a customer in multiple occasions under different tenures provided that none of the tenure exceeds one (1) year.

Regardless of the tenure of the loan sanctioned at customer stage, Bangladesh Bank will refinance a participating bank for a tenure of 120 days commencing from the relevant date of the shipment of the goods, which could be extended, on the ground of exceptional circumstances or delay in receiving the export proceeds for exceptional circumstances, for another 60 days with prior permission of Bangladesh Bank. The participating bank will be obliged to repay Bangladesh Bank at the end of the tenure in a single payment.

PROCEDURE OF APPLICATION FOR REFINANCING

Subject to confirmation as to the production of the export goods by the participant bank, pre-shipment credit can be provided prior to shipment of such goods. However, the claim for refinancing benefit may only be considered after the shipment of those goods. Application for refinancing shall not be considered prior to shipment of concerned consignment.

The participating bank shall apply, along with information and documents relating to the disbursed loans to the customers, in the prescribed format to the General Manager, SFD for refinancing on weekly basis within the following week of shipment of the exported goods. The application must be supported by the following documents:

- a) Required information in the prescribed format;
- b) Certificate or sanction relating to loan disbursement;
- c) Consolidated description of loan disbursed under this scheme;
- d) Demand promissory note and letter of continuity in the prescribed format;
- e) Copy of the concerned Export Order/Export Letter of Credit;
- f) Copy of the commercial invoice of the concerned consignment;
- g) Bill of Lading (B/L)/ Airway Bill/FCR (Forwarder Cargo Receipt)
- h) Copy of the Bill of Export;
- i) Certification relating to completion of export goods;

- j) All other papers relating to loan as per the existing rules or any other documents as required by Bangladesh Bank.

RECOVERY

The concerned participant bank will bear all risks relating to the loans granted to its customers and, will solely be responsible for recovering the loans from its customers, and repayment to the Bangladesh Bank will not be subject to recovery of such loans from the customers. If a customer fails to repay the loan within the time period, the bank will classify the loan under existing policies relating to classification and shall provision for such defaulting loan.

MISCELLANEOUS

- a) The concerned participant bank will also be responsible for ensuring provisions relating to export and production, as may be promulgated by the government from time to time.
- b) The concerned participant bank will need to ensure proper utilization of the disbursed amount under this scheme. If it appears to the Bangladesh Bank that the loan has not been utilized properly, Bangladesh Bank will deduct the disbursed amount along with interest at the rate of 5% from the current account of the concerned bank maintained with Bangladesh Bank.
- c) Single borrower exposure limit, as stipulated by Bangladesh Bank, shall be applicable for any loan under this scheme.
- d) Subject to the conditions above, selection of borrowers, loan sanctions, execution of deeds/instruments, debt-equity ratio, proper utilization of loan and monitoring requirements shall be determined by the internal policies and regulations of the participating banks and on the basis of the “banker-client relationship.
- e) Bangladesh Bank reserves the rights to make inclusion, exclusion and modification of any conditions relating to this refinancing scheme.

2.3.2 SPECIAL INCENTIVE REFINANCING SCHEME FOR AGRICULTURE SECTOR

In order to ensure adequate liquidity for the current capital based agricultural business ventures, such as horticulture, fisheries, poultry, dairy etc., with an overarching aim of recovering the agriculture sector of the country, Bangladesh Bank has established another refinancing scheme for the current capital based agricultural business ventures. The scheme will be called "Special Incentive Refinancing Scheme for the Agricultural Sector", with a funding amount of BDT 5,000 Crore which will be financed by Bangladesh Bank from its own source. In this regard, Bangladesh Bank has issued a circular ([ACD Circular No – 01 dated April 13, 2020](#)).

ELIGIBILITY

All Schedule banks of Bangladesh shall be eligible for availing the benefits of this refinancing scheme. Interested banks need to execute participation agreements with Bangladesh Bank.

LIMIT AND DISBURSEMENT: BANK STAGE

- a) Interested banks need to apply for refinancing to Bangladesh Bank on monthly basis, subject to disbursing loans to the customers on or before September 30, 2020.
- b) The amount to be refinanced by Bangladesh Bank in favour of a participating bank will be equal to aggregated amount of loans disbursed to its customers under this scheme by such participating banks.
- c) Banks after disbursing loans at the customer level shall make application to the Bangladesh Bank for refinancing addressed to General Manager, Agricultural Credit Department (ACD), Bangladesh Bank. The application has to be accompanied with supporting documents such as actual disbursement certificates, consolidated statement of disbursed loans in the prescribed format, demand promissory note and letter of continuity incorporating the undertaking of repayment of refinanced amount and other related information.

LIMIT AND DISBURSEMENT: CUSTOMER STAGE

- a) Under this scheme, a participating bank will disburse such amount to the customers, which is consistent with the amount it may receive from Bangladesh Bank.
- b) Under this scheme, the affected customers of a participating bank may avail up to an additional 20 % of their existing credit facilities. In this regard, the participating bank will determine the necessity of collateral securities on the basis of the banker-client relationship.
- c) For new customers, a participating bank may, after assessing and determining the limit on the basis of necessary assessment, disburse the amount up to the limit so determined.

- d) Loan shall be provided to the current capital based agricultural business ventures such as horticulture, fisheries, poultry, dairy sectors etc. However, a participating bank must not distribute more than 30% of fund allocated to it in favour of a single sector.
- e) Loans may also be provided to those entrepreneurial enterprises who directly purchase agricultural products from the farmers, provided that the amount of such loan in favour of an entrepreneurial enterprise must not exceed BDT five (5) crore.
- f) For disbursing the loans under this scheme, banks have to comply with the provisions of the recent [the Agricultural and Rural Credit Policy](#). Considering banker-customer relationship, banks will assess the eligibility of the customers on a case to case basis and will maintain separate accounts.

TENURE AND INTEREST: BANK STAGE

Re-financed amount shall be repayable by the participating banks within 18 months (12 months along with 6 month grace period) from the date of refinancing. Fixed interest rate of 1% will apply on the refinanced amount.

TENURE AND INTEREST: CUSTOMER STAGE

The customers shall repay the loan within 18 months (including 6 months grace period). Fixed interest rate of 4% will apply for all customers.

RECOVERY PROCEDURE AND OTHER CONDITIONS

- a) The concerned participant bank will bear all risks relating to the loan granted to its customers and, will solely be responsible for recovering the loans from its customers, and repayment to the Bangladesh Bank will not be subject to recovery of such loans from the customers.
- b) If a participating bank is unable to repay the amount at the end of the term, Bangladesh Bank may recover the outstanding amount by adjusting current account of such participating bank maintained with Bangladesh Bank.
- c) If it appears to the Bangladesh Bank that the loan or any part of it has not been utilized properly, 2% interest will apply on the amount which has not been utilized properly.
- d) In respect of loans disbursed under this scheme, the policies and guidelines issued by Bangladesh Bank from time to time on collateral security, application acceptance and processing time, selection of borrowers, loan approval and disbursement, proper utilization of loan, monitoring requirements and recovery process have to be strictly adhered to by the participating banks.
- e) The participating banks shall supply necessary information/documents as requested by Bangladesh Bank from time to time. Bangladesh Bank reserves the rights to make inclusion, exclusion and modification of any conditions relating to this refinancing scheme.

2.3.3 REFINANCE SCHEME FOR LOW-INCOME PROFESSIONALS, FARMERS AND MARGINALIZED BUSINESSES, 2020

Workforce in the informal sector constitutes more than 85% of the total workforce in Bangladesh. While the previous refinance schemes have been established for the benefits of the formal sectors, this particular refinance scheme benefits the workforces involved in the informal sector including the marginalized businesses.

For the purpose of assisting low income professionals, farmers and marginalized businesses from adverse economic impact of the COVID-19 outbreak Bangladesh Bank has formed a refinancing fund of BDT 3,000 Crore, which will be funded by Bangladesh Bank from its own source, ([FID Circular No – 01 dated April 20, 2020](#)).

ELIGIBILITY

All Schedule banks of Bangladesh shall be eligible to participate into this refinancing scheme. Interested banks need to execute participation agreements with Financial Inclusion Department (FID) of Bangladesh Bank.

BANK-LED FINANCING OF MICRO-FINANCE INSTITUTION

- a) Under the scheme, the micro-finance institutions (MFI) shall provide loans/investment to the customers. The participating banks shall select the MFIs for this scheme.
- b) MFIs which are approved by the Micro-credit Regulatory Authority (MRA) shall be eligible for participation in this scheme.
- c) The participating bank shall obtain a certificate from the MRA, which has to be provided within three (3) days, confirming that a particular MFI has the requisite resources and capacity to participate in the scheme. At the time of issuance of such certificate, MRA shall assess the following matters in addition to its existing rules and regulations:
 - i) Regular monthly/half-yearly report submission;
 - ii) Establishment of a reserve from 10% of the total surplus;
 - iii) 15% of its total savings is maintained in a liquid account;
 - iv) Provisions for default loans/investment
 - v) Financial capability based on debt (saving, accepted loan/investment) and equity (loan/investment stability) ratio and service charge income & salary-benefit ratio;
 - vi) number of MFIs availing finance in a given area;
 - vii) Regularly repayment of debt financing availed taken from banks or otherwise;
 - viii) Good governance.
- d) A participating bank shall enter into a cooperation agreement with the MFIs assessing the loan repayment capacity, financial position etc. A copy of the cooperation agreement has to be submitted to with the FID at the time of submission of application for refinancing.

- e) Under this scheme, an MFI can enter into the cooperation agreement with one participating bank only and, will submit to the participating bank, from which its availing financing under the scheme, an undertaking confirming that it has not received any financing under this scheme from any other participating banks.

ELIGIBLE CUSTOMERS UNDER THE FINANCING SCHEME

- a) Under this scheme, an MFI can grant loan to the members of its registered society only.
- b) A customer will be eligible to have loan under this scheme from an MFI, if such customer is a low income professional, farmer or marginalized business (such as entrepreneur or professional either as an individual or an entity).
- c) Extreme poor, poor or backward group and helpless/abused female members will have priority under this scheme. Similarly, persons affected due to the outbreak of COVID-19 will have priority too.
- d) Loan defaulters are not eligible to receive loans under this scheme and MFIs have to take an undertaking from its customers confirming that the respective customer is not a defaulter.

LOAN/INVESTMENT CONDITIONS FOR LOAN DISTRIBUTIONS BY MFIS

- a) At the time of granting the loan/investment under this scheme, an MFI should, in addition to its internal policies, consider the income generating activities of the customer.
- b) Loan/investment under the scheme cannot be used to repay existing loan/investment facilities.
- c) The tenure of the loan granted in favour of the customer by an MFI under this scheme will not be more than one (1) year. However, the MFI may extend the loan on the basis of the relationship with the customer.

LOAN/INVESTMENT QUANTITY

- a) Micro-credit/investment: A single customer may receive up to BDT 75,000; and a group of persons having not less than five (5) income generating members will be eligible to receive up to BDT 3,00,000.
- b) Micro entrepreneur loan/investment: A single customer may receive up to BDT 10,00,000 and a group of persons having not less than five (5) income generating members will be eligible to receive up to BDT 30,00,000.
- c) Loan amount may vary depending upon the number of members in the group.
- d) Members of the Group must have agreement among themselves.

- e) A person may, as an individual or as a member of group, only be eligible to apply for either of the micro-credit facility or micro entrepreneur loan/investment facility.

BANK FINANCING OF MFI LIMIT

Under this refinancing scheme, an MFI will receive, from a participating bank, up to 30% of the average disbursed loan over the last three years by such MFI or 2% of the refinancing scheme fund (BDT 3,000 Crore), whichever is less. Bangladesh Bank may change the limit on an application by the MFI.

75% of the finance received by an MFI will be utilized for micro-credit/investment sector and the rest 25% of the finance received may be utilized towards micro entrepreneur loan/investment sector.

APPLICATION PROCESS: MFI

MFI, who has executed a cooperation agreement with a participating bank, shall apply to the participating bank for financing within the limit mentioned above. The participating bank will provide financing to the MFI according to its demand, which has to be within the limit mentioned above.

REFINANCING BY BANGLADESH BANK

For re-financing the participating bank will need to submit all relevant documents and information, in the prescribed format, to the FID by the 10th day of every month. Based on the application, re-financing shall be granted under this scheme. The amount of re-financing shall depend on the availability of the fund.

LOAN/INVESTMENT TENURE: CUSTOMER-LEVEL

Tenure of loan/investment shall be determined on the basis of the customer's profession, business type, turnover, crop harvest calendar etc.

- a) For micro-credit (single or group based) micro-loan/investment: up to one (1) year including grace period;
- b) For entrepreneur level (single or group based): up to two (2) years including grace period.

INTEREST RATE: BANK AND MFI LEVEL

- a) For re-financing to the participating banks by the Bangladesh Bank, the interest rate shall be 1% per annum.
- b) For financing by a participating bank in favour of an MFI, the interest rate shall be 3.5% per annum.

INTEREST, FEES AND CHARGES: CUSTOMER LEVEL

At the customer level, interest/profits/fees/charges can be charged up to 9%. Except for fees/charges mentioned in [MRA Circular No - 23 dated 04 May 2014](#), no other charges shall be applied.

RECOVERY PROCEDURE

- a) MFI shall recover the loan/investment amount from the customers on a weekly/monthly installment basis.
- b) The participating bank will provide three (3) month grace period in favour of the MFI.
- c) MFI will repay the loan/investment amount in favour of the participating bank on a quarterly basis. Similarly, the participating bank will repay the refinanced amount in favour of the Bangladesh Bank on quarterly basis, which will be adjusted, in accordance with the schedule of repayment, from the current account of the participating bank.
- d) The concerned participant bank and the MFI will bear all risks relating to the loan/investment granted and, will solely be responsible for recovering of such loan/investment from its respective customers, and repayment to the Bangladesh Bank will not be subject to recovery of such loan from the customers.

2.3.4 MISCELLANEOUS

- a) MFI will need to monitor the income related activities of the customers, and if required, insure the facilities with the consent of the customers.
- b) Each customer will be provided with a passbook for recording disbursement and repayment of the loan/investment.
- c) A two-page form for granting the loan under the scheme will be prepared by the MFIs.
- d) MFIs have to collect and keep copies of NID, certified photographs and other documents of the customers and must furnish such information and/or documents to Bangladesh Bank, MRA or the participating bank from time to time, if so instructed;
- e) If it appears to the Bangladesh Bank that the loan or any part of it has not been utilized properly, 2% interest will apply on the amount which has not been utilized properly. Such amount could be recovered by Bangladesh Bank by adjusting current account of such participating bank maintained with Bangladesh Bank. The participating bank may also impose similar interest/fine on the MFI.
- f) If a customer fails to repay the loan/investment within the time period, the MFI will classify the loan/investment under existing policies relating to classification applicable for MFIs.
- g) Bangladesh Bank reserves the rights to make inclusion, exclusion and modification of any conditions relating to this refinancing scheme.

*“No country can truly develop,
if half of its population is left behind”*

*-Justine Greening,
Development Secretary of UK*

Chapter 3

CRITICAL ANALYSIS OF THE STIMULUS PACKAGES



3.1 HEAVY DEPENDENCE ON BANKS

Undoubtedly, the stimulus package of BDT 95,619 Crore (approximately US\$ 12 billion), which is equal to 3.3% of the GDP of the country, is a timely and desired measure. Firstly, it is clear that the majority portion of the stimulus packages of BDT 95,619 Crore will be provided in form of bank led financing ([please see Chapter Two of this Report for details on the Stimulus Packages](#)).

The aggregate amount of bank led financing for various sectors including export-oriented industries, service sector, agricultural sector, informal sector stands at nearly BDT 81,000 Crore. Out of the BDT 81,000 crore, more than BDT 50,000 Crore will be refinanced by Bangladesh Bank. Yet, it should not be discounted that under those refinance schemes, at the first place the scheduled banks, and in relation to few schemes, financial institutions, need to arrange the fund for disbursement to its customers before applying for refinancing to the Bangladesh Bank. This may create additional pressure on the current liquidity situation of the financial market in Bangladesh.

Recognizing the potential lack of liquidity in the financial market, Bangladesh Bank has adopted several measures to ensure adequate supply of money in the market including reducing the REPO interest rate by 50 basis points from 5.75% to 5.25% and CRR by 100 basis points at 4.0 per cent on bi-weekly average basis with a provision of minimum 3.5 per cent on a daily basis effective from April 15, 2020.

Surely, this is a welcoming measure a move that would inject about BDT 12,800 crore into the economy.³ However, one cannot disregard the fact that unlike India, where long term repo operation (LTRO) has tenures from one (1) year to three (3) years, banks in Bangladesh are required to repay the fund within 28 days. Consequently, the banks may encounter mismatch of fund in the days to come.

³ <https://www.thedailystar.net/bangladesh-bank-cuts-repurchase-rate-and-reserve-ratio-inject-liquid-cash-economy-1891330>




Stimulus Package of BDT **95,619 crore** (nearly US\$ 12 Billion), announced by HPM to tackle economic impact.



The Package is valued at **3.3% of GDP**



Approx. **BDT 810 Billion** Bank Led Financing under the **Stimulus Package**



BDT 500 Billion+ refinanced by Bangladesh Bank, under different refinance schemes

Even in the stimulus package (for example working capital facilities of BDT 30,000 Crore for the affected industries and service sectors) it has been acknowledged that the banks and financial institutions may receive applications beyond their approved limit. In this regard, Bangladesh Bank has tailored out a way around. Banks will approve loan/investment on priority basis for the most affected enterprises. After expiry of the first year of the term, of the package, banks and financial institutions shall again assess the most affected enterprises requiring working capital facility on the priority basis. In this manner, banks and financial institutions grant working capital facilities for a period of three years under this package, though one enterprise may avail subsidized loan for one year only.

Having said that we would also like to stress that such work around has limited availability and will not be applied in all financing schemes under the stimulus package. Therefore, despite the reduction of both repo rate and CRR, the possibility of liquidity crisis in implementing the stimulus package continues to persist

3.2 UNFETTERED DISCRETION OF BANKS AND FINANCIAL INSTITUTIONS

The wordings and terminologies used in the financing schemes under the stimulus packages have bestowed upon unfettered discretion on banks in determining an eligible borrower.

In almost every financing scheme under the stimulus package, the terms “affected industries” and “affected customers” appear on numerous occasions. In some cases, banks and financial institutions will need to approve facilities on priority basis for the most affected industries and customers, due to the limitation of the fund. However, in none of the circulars or circular letters issued by Bangladesh Bank in this regard, define the term “affected”. It has been expressly left to the banks and, in some cases, to the financial institutions, to decide who is affected by the outbreak of the COVID-19. Even no guiding principles in determining who is affected have been offered by Bangladesh Bank. Will a plunge in the turnover be a criterion? If yes, how much drop will be the standard? Will it be a fixed amount; or a percentile of the turnover for the Q1 of the previous year; or an average of the same period during the last three years? What could the other criteria be? Will the criteria be applied uniformly among all scheduled banks and financial institutions? Will the criteria vary depending on the magic term of “banker-client” relation, which has been used numerous times in the circulars in terms of assessing eligibility of a borrower?

There are more than 90 scheduled banks and financial institutions in Bangladesh. It will be surprising if a bank or financial institutions can apply uniform criteria among its own customers, let alone uniform application of the criteria across the financial market. Consequently, the new customers, who are yet to establish “banking-client relationship”, as far as debt financing is concerned, may not be in the priority list, even though they might need the financing most. One particular bank may have more lenient approach in assessing the term “affected” than another bank, leading to one establishment getting more favourable treatment than the other, even though both of them may be in the like circumstances.

Similar issues may also arise in determining who is a worker entitled to receive wages from the fund of BDT 5,000 crore established for the export-oriented industries. Apparently, it has been clarified by Bangladesh Bank. “Worker” for this purpose will have the same meaning as defined in [the Bangladesh Labour Act 2006](#) and will include any category or class of employees expressly included in the schedule of recommended minimum wage rate published by the Wage Board from time to time ([BRPD Circular No -19 dated April 15, 2020 issued by Bangladesh Bank](#)).

Now let’s scrutinize the definition under [the Bangladesh Labour Act 2006](#). [Section 2\(65\) of Labour Act, 2006](#) defines “worker” as *“any person including an apprentice employed in any establishment or industry, either directly or through a contractor, [by whatever name he is called,] to do any skilled, unskilled, manual, technical, trade promotional or clerical work for hire or reward, whether the terms of employment are expressed or implied, but does not include a person employed mainly in a managerial, administrative [or supervisory] capacity.”*

Therefore, the role or functions related to managerial, administrative or supervisory activities are excluded from the provisions of [the Bangladesh Labour Act 2006](#). The definition itself has been subject to judicial interpretations in uncountable cases, where courts have stressed on the importance of the functions played by the individual and the nature of work rather than the mere designation. Ascertaining who is a worker on the basis of the principles established by the courts is a deceptively difficult task. Industrial establishments are having difficulty to ascertain the ambit for incorporating in the salary sheet to be submitted during the application.

Under the financial scheme created by Bangladesh Bank, banks have to assume the difficult responsibility of interpreting and ascertaining who is a worker/employee for the purpose of this stimulus package and who is an “officer”, therefore by default would be outside the ambit of the package. Once again, the magic term “banker-client relationship” comes into play, inevitably leading to favouring one over another. Also, it has been reported that banks are using amount of salary as an indicator to distinguish between workers and non-workers. With each bank using its own definition of what they think would be the acceptable salary to draw the line between a worker and a non-worker, emerges a new concept of worker that neither the legislator ever intended, nor the judiciary ever permitted.

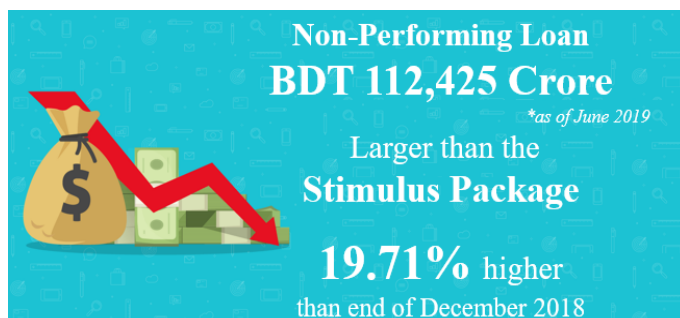
There are other terms which have been loosely used in the circulars related to the schemes under the stimulus package, without even considering the far-reaching effect of such term. For example, while determining eligibility of the new borrowers (relied on their own capital but affected by the COVID-19) and continuing borrowers from small industries under the working capital facility scheme of BDT 20,000 Crore, they shall be assessed based on the information disclosed in the audited financial statement for the latest financial year (if at the time of the application, six months from the end of the latest financial year have not been elapsed, the information disclosed in the previous financial year) or any financial statement which could be *relied upon*. Yet again, another term which may have different meanings and criteria for different persons, let alone different institutions. Therefore, whether a financial statement is reliable or not will depend upon the discretion of a particular bank and the term “banker-client relationship”, which may lead to difference of treatments among the borrowers.

Another aspect of the financing schemes under the stimulus package is that even though these schemes severely depend on the banks for their implementation, surprisingly, banks are not bound to participate in these schemes. Hypothetically speaking, the bank of a particular borrower with whom the borrower has a long standing “banker-client relation” may not be willing to participate in the schemes for reasons peculiar to it. This will not be an issue for any borrower, as long as other banks are willing to participate in the schemes and to provide funding to the borrowers. Considering that there are more than 90 banks and financial institutions in Bangladesh, discovering a bank or financial institution willing to provide funding under the schemes will not be a challenge too. But this trivial matter may become a major source of headache for a borrower, if the regulations require the borrower to stick to its bank, with whom the borrower maintained the “banker-client relation” and which is unwilling to participate in the schemes. In respect of the scheme of BDT 5,000 Crore for the export-oriented industries, similar requirement has been stipulated. Under this scheme, an export-oriented establishment may seek for funding from the bank(s) through which the salaries of workers have been disbursed. So, if the disbursing bank declines to participate in this financing scheme, such export-oriented establishment will be left with no funding option under this scheme!

3.3 POSSIBLE INCREASE IN NON-PERFORMING LOANS

As highlighted above, one of the key features of Bangladesh's stimulus package is that the majority share of the package is repayable loan. Banks will not only be responsible for the selection of the borrowers, but also bear all sorts of risks incidental to the loans, including management risk, sectoral risk and market risk. The banks will also have to ensure regular repayment by the customers, while banks’ repayment obligations to Bangladesh Bank, under the refinancing schemes, cannot depend on the recovery from their respective customers.

Given the sheer importance of their responsibilities, their capacity to discharge their obligations will naturally be under scrutiny. The issue gets amplified when we consider the situation of the financial sector immediately before the outbreak of the COVID-19, which spontaneously lead to the issue of ever increasing non-performing loans (NPL) in the financial sector in Bangladesh.



NPL in our banking sector stood at BDT 112,425 Crore (larger than the size of entire stimulus package) as of June 2019, which is 19.71% higher than the NPL amount at the end of December 2018. Growing NPL has been a constant threat to the stability of the financial health of the country.

When one considers the fact that the figure mentioned does not include loans rescheduled under the existing regulations including the most recent “loan reclassification and one time exit policy” and the loans which have been written-off, the magnitude of the problem increases in many folds.

The threat has, undoubtedly, become more imminent during this period due to adverse impact of the outbreak of COVID-19, both locally and globally, as the local and international trades of goods and services has taken a nosedive ([for further details, please see Part I of the Report](#)). Had Bangladesh Bank not introduced a measure suspending adverse reclassification of loans, regardless of default in payments from January 01, 2020 to June 30, 2020, the figures of NPL would have rocketed through the roof during this pandemic.

Once the suspension is over, businesses will need to start repaying once again. The financial schemes under the stimulus package do not allow an entity to repay the existing debt facility and, thus they have to manage the sources of repayments towards their lenders from their own fund including the incoming cash flow of the business, whatever the amount may be. However, one may doubt about their ability to resume regular repayment, due to the poor cash flow caused by the COVID-19.

Moreover, for the financing under the stimulus package, as discussed above, we have to greatly rely on the judgmental skill of the banks. So far, the reputations of banks and financial institutions in assessing loans on objective criteria without being influenced by external factors are not, to say at the least, satisfactory. Therefore, one cannot be blamed if there is an apprehension that the banks and financial institutions will continue to maintain such reputation by granting loan under the stimulus package on the basis of “the banker-client relationship”, which, as apprehended, built on the basis of criteria that are neither objective nor relevant to the quality of the borrowers.

Besides, in respect of the total working capital schemes of BDT 50,000 Crore for affected industries, service sector and CMSME sector, banks are allowed to grant loan if the rating of the borrower is at least “marginal”, determined on the basis of the [Guidelines on Internal Credit Risk Rating System \(ICRRS\)](#). Marginal rating means the prospective borrower has potential weaknesses that deserve management’s close attention, and if left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower. Once again, given the perceived reputation of poor management history of some banks and financial institutions, there is a possibility that a portion of the loan having marginal rating may, eventually, become NPL.

If the doubts and apprehensions raised above become entirely true or even close to that, it is obvious that the numbers relating to NPL will not remain static; and will take alarmingly a sharp upward trajectory.

3.4 DEFAULTERS IN EXPORT ORIENTED INDUSTRIES

In order to avail benefits under the financing scheme of BDT 5,000 crore, established exclusively for the benefits of the mighty export-oriented industries of Bangladesh, an export-oriented establishment has to satisfy two primary conditions, which are:

- a) export of 80% of its manufactured goods; and
- b) payment of salaries of workers/employees for the months of December 2019, January 2020 and February 2020.

While there might be argument for and against regarding exclusion of the deemed exporters (please see below), we should be appreciative of the second condition, as it encourages such establishments to pay their workers regularly.

However, in setting the eligibility criteria, the financing scheme is surprisingly silent on the defaulter issue, unlike the other financing schemes under the stimulus package (including the package of BDT 3,000 crore for low income professionals, farmers and marginalized businesses, where a defaulter has been expressly barred from obtaining any benefit from those financing schemes).

Does this explicit exclusion mean that a loan defaulter, regardless of the reasons for such default, will be eligible to avail the benefit of the scheme for the export-oriented industries as long as it meets the two criteria mentioned above? Has Bangladesh Bank intended to grant a waiver from the requirement under [subsection \(3\) of Section 27\(KAKA\) of the Bank Companies Act 1991](#)? If yes, the consequence is not only inconsistent with criteria applicable for the other industries, but also contradicts with its own spirit – where in one side it encourages regular payment of worker, but in another side allows a defaulter to get away with default in repayment to its lenders, who are the custodians of public deposits.

3.5 WOES of DEEMED EXPORTERS

Deemed Exporter:

Under the [Value Added Tax and Supplementary Duty Act 2012](#), the following supplies will be considered as “deemed export”:

- a) Supply of any ingredient of a good or service in a prescribed manner against foreign exchange and destined for consumption outside Bangladesh;
- b) Supply of any good or service within the territory of Bangladesh against foreign exchange through an international tender; or

- c) Supply of any good or service within the territory of Bangladesh against foreign exchange under cover of a local letter of credit.

It follows from that those who are involved in “deemed export” are “deemed exporters”. In broad terms, deemed exporters are those industries that do not have any direct export operations, and instead carry out their activities through subcontracting and receive their proceeds in foreign exchange through local back-to-back letters of credit. They are working very closely with the direct exporters and contributing to creating employment. Domestic value addition of this sector is much more significant than what are financially visible.

Recognizing the contribution of this sector, [the Export Policy 2015-18](#) provides that deemed exporters, like a direct exporter, will enjoy all export facilities including duty drawback (paragraph 4.28 of the [Export Policy Order 2015-18](#)). Accordingly, they are entitled to bonded warehouse facilities and, like the direct exporters, enjoy exemption of the VAT paid on gas and electricity used in the manufacture of exported goods and services.

However, when the fund of BDT 5,000 Crore for the export-oriented industries has been established by the Bangladesh Bank, it only included entities which export, at least 80% of the manufactured goods and products. And thus, the deemed exporters were excluded, which appears to be inconsistent with the spirit of the [Export Policy Order](#) of the Government.

One may argue that they may avail financing facilities under other financing schemes, particularly under the working capital facilities for affected industries. But it should not be overlooked that in order to avail facilities under any other financing schemes, they need to meet additional criteria, such as “affected industries”, not a defaulter, not rescheduling more than three occasions etc. Such criteria are not applicable in the financing scheme of BDT 5,000 Crore for the export-oriented industries. In addition, the cost of borrowing for export-oriented industries will be lower, as they will be charged a one-time service charge of 2%, whereas the borrower under the working capital facilities scheme may need to pay up to 4.5% interest on the principal amount. Besides, the export-oriented industries will have more time (24 months) to repay the loan, contrary to the tenure of 12 months applicable for the working capital facilities.

Therefore, excluding the deemed exporters from the benefits granted to the export-oriented industry and, steering them to avail working capital facilities may not be consistent with the promises made by the government to them through the [Export Policy Order](#). They are being deprived of the advantages of enjoying benefits available to a direct exporter, which they had in the past been permitted by the decision makers to enjoy. They could legitimately expect to continue to enjoy such advantages until they had been communicated with a rational ground for the withdrawal of the advantage. They must also be given an opportunity of commenting on such grounds of withdrawal.

As far as our understanding is concerned, the deemed exporters have not been communicated any ground for their exclusion from the financing scheme of BDT 5,000 Crore for the export-oriented industries, let alone the opportunity of commenting on the grounds. Therefore, such

exclusion of the deemed exporters might be regarded as a violation of their legitimate expectation and be susceptible to challenge before the Hon'ble High Court Division by way of writ under [Article 102 of the Constitution of Bangladesh](#).

3.6 WOES OF IT AND ITES SECTOR

Government of Bangladesh has instilled a vision into the citizens of Bangladesh, a vision of “Digital Bangladesh”. Thanks to the relentless pursuit of that vision by the government of Bangladesh, the country has been gradually progressing towards becoming a digitized nation. The population, majority of which consists of young, energetic and enthusiastic work force, has certainly contributed to the development.

In transformation of Bangladesh to a “Digital Bangladesh”, IT and ITES sectors have played a pivotal role. Bangladesh has seen significant interest from IT-ITES players in the recent years. It is reported that the domestic IT-ITES industry in Bangladesh is currently valued at US\$ 0.9-1.1 billion and is expected to grow five-fold to reach US\$ 4.6-4.8 billion by 2025. This is remarkably higher than the overall growth forecast for either an established peer location such as India (10-13% CAGR for 2017-2020) or an emerging peer location such as Vietnam (12-15% CAGR for 2017- 2020).

The industry is witnessing an increase in activity from regional and domestic players alike, with service offerings ranging from transactional IT-Application Development and Maintenance (ADM) and IT-helpdesk, to niche services such as big data analytics, Internet of Things (IoT), 3D imaging, and virtual reality / augmented reality (VR/AR). According to the Global Location Service Index, a market analysis tool offered by AT Kearney, Bangladesh ranks 21st in IT outsourcing, business process outsourcing and software development. The country also has the second-largest number of freelancers worldwide, according to the Oxford Internet Institute, and more than 40,000 people work in the outsourcing industry only.

Seeing the opportunity for this sector, government of Bangladesh has offered various incentives, such as tax exemption until June 30, 2024 or, if the entity is located in a hi-tech park declared by the Authority, tax exemption for 10 years, exemption on dividend and capital gain for 10 years etc. Moreover, for foreign investors, there are no ceiling on foreign equity. They may, for starting a business operation in Bangladesh, avail one stop services through dedicated government authorities, such as Bangladesh Investment Development Authority (BIDA) and Bangladesh Hi-Tech Park Authority (BHTPA).

Like any other entities in the service sector, IT and ITES service providers, including the tech-startups, have been hit hard by the spread of the COVID-19 and, are in dire need of low-cost working capital to sustain their operations. For instance, it has been reported that Pathao, a ride sharing service provider, is implementing a progressive salary restructuring amid the coronavirus pandemic.

Even after the declaration of the stimulus package of BDT 95,619 Crore, the IT and ITES sector in Bangladesh may not be in a position to avail the benefits out of the financing schemes under the stimulus package. As highlighted above, one of the key features of Bangladesh's stimulus package is that the majority share of the package is repayable loan. Banks will not only be responsible for the selection of the borrowers, but also bear all sorts of risks incidental to the loan. The banks will also have to ensure that the loan is paid back to them in due course. Given the risk factors involve, it is inevitable that banks will ask the prospective borrowers to furnish collateral securities on the fixed assets owned by the borrowers, such as mortgage of land and buildings, charge over plants, machineries, equipment etc. Considering the history of conventional banking in Bangladesh, in absence of such collaterals, banks will be extremely reluctant to approve any loan, under this package or otherwise.

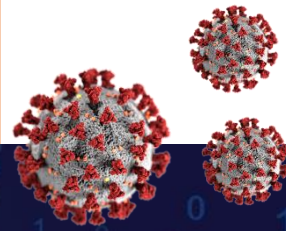
In contrast, entities involved in IT and ITES sector including the tech startups, due to the very nature of their operations, have been maintaining low fixed assets, if not at all, and been banking on their intellectual properties (IP). Hence, we doubt that not many entities involved in IT and ITES sector will be in a position to offer fixed assets as the collaterals, as may be required by the Banks. At the same time, it is unlikely that banks will be satisfied with creating a charge on IPs only. Consequently, despite declaring a massive stimulus package of BDT 95,619 Crore, no benefits out of the stimulus package could be availed by the entities involved in IT and ITES including tech startups, who are the key players in attaining the vision of "Digital Bangladesh".

*“Water, water, everywhere,
Nor any drop to drink”*

*-The Rime of the Ancient Mariner
by Samuel Taylor Coleridge*

Chapter 4

OTHER REGULATORY UPDATES



4.1 BANKING & FINANCE

Bangladesh Bank being the central bank of Bangladesh has to bear the major responsibilities in diminishing the economic and financial impact of the COVID-19. In discharging its responsibilities, Bangladesh Bank has adopted measures which were demand of the day. The measures from Bangladesh Bank came thick and fast. Few of the key measures adopted by Bangladesh Bank have been described below.

BANKING OPERATION & SERVICES

Banking Services (cash withdrawal and deposit) continue to be active for the limited purpose and limited period ([PSD Circular Letter No- 4, March 24, 2020](#)).

Bangladesh Automated Clearing House (BACH) activities remain open during the general holiday, subject to further instruction ([PSD Circular Letter No- 7, April 06, 2020](#)).

Banking Operation in Limited Scale

Transaction Hours: 10 am – 1:00 pm

For Urgent foreign transactions the selected bank branches may be open till 1.30 pm. Also, banks to remain closed in lockdown area as declared by Government or local administration ([Dos Circular Letter No-11, April 09,2020](#))

Banks to maintain social distancing guidelines as per World Health Organization ([BRPD Circular Letter No- 13, April 08, 2020](#))



In addition, Bangladesh Bank issued following guidelines ([PSD Circular No -2, March 19, 2020](#)) for continuation of uninterrupted services during this critical period:

- a) Banks to identify “Key Person” from their critical service management and make business continuity plan (BCP) to provide services during emergency period;
- b) Banks must ensure adequate fund is available in all branches, ATMs, Agent banking, POS, MFS etc.;
- c) Small businesses in the retail products and medicine products may use their personal bank accounts, MFS accounts, agent banking accounts and PSP accounts for daily transactions;
- d) No charges shall be applicable on person to person transaction using MFS account for purchasing retail products and medicines, and the monthly limit in this regard has been increased to BDT. 2,00,000;
- e) No charges shall be applicable on cash out of BDT 1,000 from MFS Account;

- f) No charges shall be applicable on credit and debit card payment for purchasing retain products and medicines, though a maximum ceiling of daily BDT, 15,000/- and monthly BDT. 1,00,000/- has been imposed;
- g) Services relating to ATM, POS, Internet, App and USSD based transaction must be rendered without any interruption at all times.

In order to ensure that the supply chain of cash is not affected against the demand of the customers, Bangladesh Bank also instructed the scheduled banks to ensure adequate supply in their respective branches. Even if any area/locality is under complete lockdown, the local bank has the imperative obligations to ensure adequate supply of cash by seeking assistance from local administration and/or law enforcement agencies ([BRPD Circular Letter No – 08 dated March 22, 2020](#)). Moreover, in light of the government’s instruction to open MFS Accounts in the name of workers of exported-oriented industries, Bangladesh Bank has instructed the MFS providers to maintain interrupted mobile financial services and adequate cash reserves at the agent points ([PSD Circular Letter No – 08/2020 dated April 12, 2020](#)).

But, given the ongoing global situation and socio-economic condition in Bangladesh, in order to prevent spread of the COVID-19, Bangladesh Bank advised the personnel of the banks to follow protective measures while dealing with cash management ([DCM Circular No – 01/2020 dated March 22, 2020](#)). Besides, banks were advised ([SFD Circular Letter No. 1 dated 22.03.2020](#)) on the mode of operation, safe cash management and invest in protective gears for employees/workers from the yearly allocated budget for Social Projects/ Community Investment.

Banks have further been instructed to conduct any meetings of its board of directors, executive committee, audit committee and risk management committee through video conferencing ([BRPD Circular Letter No 08 – dated March 23, 2020](#)), and proceeding of such meetings have to be recorded and preserved. Directors attending such meetings will be entitled to receive usual honourium.

Bangladesh Bank acknowledges that the employees of the Banks who are performing their duties during the general holiday are very vulnerable due to their exposure. Recognizing the risks undertaken and sacrifices made by them, Bangladesh Bank declared incentive packages for them ([BRPD Circular Letter No - 17 dated April 12, 2020](#)). Under the incentive package, they will be entitled to a special incentive which is equal to their monthly basic salary (for the temporary or contract-based employees whose monthly basic salary is not allocated separately, they will be entitled to 65% of their monthly salaries). In any event, the amount of the special incentive will not be less than BDT 30,000 and more than BDT 1,00,000.

Bangladesh Bank has also considered the distresses of those employees who have been infected by the COVID-19 while performing their duties during the general holidays declared by the government ([BRPD Circular Letter No -18\) dated April 15, 2020](#)). In case of such unfortunate event, an employee of a bank will receive insurance facility from BDT 5,00,000 to BDT 10,00,000, depending on his/her designation. The insurance amount will increase five-

fold in case of sad demise of an employee due to COVID-19, and at the time of payment, the insured amount cannot be set off against any other liabilities and/or due of such employee.

RELAXATION OF REGULATORY REPORTING REQUIREMENTS:

BRPD has relaxed the rules relating to submission of statement and reports regarding loan classification and provisioning by allowing the scheduled banks to submit the same within 10 days from resuming of normal banking activities after the expiry of general holidays declared by the government ([BRPD Circular Letter No 16 dated April 11, 2020](#)).

Similarly, Department of offsite Supervision of Bangladesh Bank has permitted the scheduled banks to submit all statement and reports (except liquidity related DB-4, DB-5 and CRR related statements and reports) within 10 days from resuming of normal banking activities after the expiry of general holidays declared by the government ([DOS Circular Letter No 12, April 12, 2020](#)) and extended the submission date for annual audited financial statements for the schedule banks up to June 30, 2020 ([DOS Circular Letter No – 15, April 27, 2020](#)). On the other hand, SFD has allowed 14 days from resuming of normal banking activities after the expiry of general holidays declared by the government ([SFD Circular Letter No – 02 dated April 19, 2020](#)).

ENSURING LIQUIDITY IN THE MARKET MARKET

For ensuring sufficient liquidity for implementing the stimulus packages declared by the Honorable Prime Minister, Bangladesh Bank has adopted several important measures including the following:

- a) Effective from April 15, 2020, Cash Reserve Ratio (CRR) at 4.0 % on bi-weekly average basis with provision of minimum 3.5 % on daily basis ([MPD Circular No – 03 dated April 09, 2020](#)).
- b) Effective from April 12, 2020, existing Repo interest rate of Bangladesh Bank has further been reduced by 50 basis points and re-fixed at 5.25 % from 5.75 % ([MPD Circular No – 04, dated April 09, 2020](#)).
- c) Effective from April 15, 2020, advance-deposit ratio for conventional banking shall be 87.00 %. For Islamic-shariah based banks investment-deposit ratio will at 92.00 % ([DOS Circular No – 02, April 12, 2020](#)).

SUSPENSION OF LOAN RECLASSIFICATION

Loans availed from any scheduled banks or financial institutions having a particular classification on January 01, 2020 will not adversely reclassified until June 30, 2020, regardless of inability of the borrowers to repay within this period ([BRPD Circular No 04, dated March 19, 2020](#) and [DFIM Circular No – 01, dated March 24, 2020](#)).

Similarly, MRA issued a circular stating that loans which have been granted by an micro-credit financial institution and classified in a particular category on January 01, 2020 will also not be reclassified adversely until 30 June 2020, despite the payment status ([MRA Circular No 53 dated March 22, 2020](#)).

PAYMENT OF CREDIT CARD BILLS

Credit card bills payable from March 15, 2020 shall not be subject to any late fee/charge/penal interest/extra profit or any other fee/charge in whatever name it may be called, until May 31, 2020. If any such fee/charge was deducted after March 15, 2020 from any credit card holder, the same shall be reimbursed or adjusted with the next cycle of payment ([BRPD Circular Letter No -11, April 04, 2020](#)). In another circular ([BRPD Circular Letter No 20, dated April 15, 2020,](#)) Bangladesh Bank has also clarified that during the period mentioned in the earlier circular, compounding of interest will not be applied too.

FOREIGN EXCHANGE RELEASE

Realizing the troubles faced by the Bangladeshi nationals traveling abroad, Bangladesh Bank has issued following directions to the Authorized Dealers (AD) for facilitating expenses of those Bangladeshi nationals ([FE Circular Letter No 10, dated March 29, 2020](#) and [FE Circular Letter No 15, April 20, 2020](#)):

- a) AD to release foreign exchange within the permissible limit of travel and/or medical entitlement in their respective international credit cards;
- b) Alternatively, AD to remit to the designated accounts abroad by way of bank transfer or make fund available to them through exchange houses by credit in the concerned Taka Accounts maintained under drawing arrangements.
- c) In case of excess fund required due to unavoidable situation, AD to release reasonable amount for subsistence of the concerned travelers, subject to post-facto approval of Bangladesh Bank and assessing genuineness of the request.

PROVIDING AGRICULTURAL LOAN AT CONCESSIONAL INTEREST RATE IN THE CROP SECTOR

In order to prevent any impact on the production and supply of food sector and to ensure regular supply of agricultural grains and crops, the schedule banks have been instructed to provide loan for crops cultivation and such other purposes mentioned in the Agricultural and Rural Credit Policy, at a 4% concessional interest rate ([ACD Circular No – 02, dated April 27, 2020](#)). Bangladesh Bank, from its own fund, will subsidize the rest of 5% interest on the loan provided for this purpose. The Scheme Term is April 01, 2020 to 30 June 2021. Loans should be provided to continuing and new customers at the prescribed interest rate. The provisions

contained in Agricultural and Rural Credit Policy must be adhered to. Banks are advised to use their own network to reach the farmers for disbursing loans under this scheme.

4.2 CAPITAL MARKET

SETTING LOWER LIMIT OF CIRCUIT BREAKER

In order to bring a halt in falling of share price in the capital market with an objective to preserve interests of the investors, the regulator, Bangladesh Securities and Exchange Commission (BSEC), set a lower limit of circuit breaker which will be the average of closing price of immediately five preceding days of 19 March 2020 ([BSEC/CMRRCD/2001-07/04 dated March 19, 2020](#))

TEMPORARY RELAXATION OF COMPLIANCE REQUIREMENTS

In another circular ([SEC/SRMIC/04-231/932 dated March 24, 2020](#)) for listed companies or issuer of listed securities, BSEC, in exercise of the power conferred upon it under section 20A of the [Securities and Exchange Ordinance, 1969](#) has temporarily relaxed the compliance requirements relating to convening of different kinds of meetings, publication and disclosure of price sensitive information, submission of various returns, statements, reports etc. and other submission requirements under both primary and secondary legislations.

BSEC has also encouraged:

- a) use of digital platform and dispersal of the same to members/shareholders ensuring proper protective measures during the meeting, ensuring voting and other rights of shareholders;
- b) use of digital platform for holding board meeting by directors of listed companies;

However, it has been directed that proceedings of such meetings have to be recorded in both soft and hard copies in such a way so that subsequent verification can be undertaken and such hard copies have to be duly authenticated as per regulatory requirement.

4.3 EXPORT IMPORT

EXPORT DEVELOPMENT FUND

One of the key features of the stimulus package of BDT 95,619 crore (equivalent to nearly US\$ 12 billion), as unveiled by the Honorable Prime Minister, has been the enhancement of the export development fund (EDF) from existing US\$ 3.5 billion to US\$ 5 billion and fixing the interest rate at 2%, which was previous 2.73% in effect. Accordingly, Bangladesh Bank has published a circular ([FE Circular 18, dated April 07, 2020](#)) to this effect. In the circular, it has also been stated that interest rates on EDF loans to AD will be charged at 1% per annum by Bangladesh Bank.

FACILITATIONS OF THE TRADE TRANSACTIONS

In order to facilitate the trade transactions for containing the unavoidable situation, Bangladesh Bank by a circular ([FE Circular No 13 dated March 19, 2020](#)) has instructed that the AD:

- a) may allow exporters to extend the tenure of realization of export proceeds up to 60 days as additional period from date of shipment on top of present four (4) months;
- b) may allow importers to extend the tenure of submission of bill of entry up to 60 days, from the date of payments on top of present four (4) months;
- c) usage period of back to back LCs opened under supplier's/buyer's credit can be extended on banker-customer relationship within the admissible rate of interest up to 180 days, as additional time from permissible period of 180 days;
- d) Bangladesh Bank will consider extending EDF Loans tenure up to 180 days
- e) AD may allow exporters to repatriate export bills at discounted price for *bona fide* grounds up to 10% of FOB Value without prior approval of Bangladesh.

The facilities as stated above shall be applicable up to September 30, 2020.

In case of non-extension of the usance period under the back to back LCs opened under the supplier's/buyer's credit as per [FE Circular No 13 \(above\)](#), AD may, for the extendable tenure, arrange refinancing at the indicative rate of interest from EDF for settlement of import payments ([FE Circular No 19, April 12, 2020](#)). The tenure of refinancing shall not exceed 180 days (maximum), interest rate will be 2% at the customer stage and 1% at the bank stage, as per [FE Circular No 18 of April 07, 2020](#).

Bangladesh Bank has also adopted other measuring in facilitating the trade through various circulars issued by its different departments. For example:

- a) Allowing advance payment of USD 500,000 or equivalent other foreign currencies without repayment guarantee, in respect of import of the COVID-19 related drugs, kits, equipment and other medical essentials ([FE Circular No 15, dated March 23, 2020](#));

- b) In respect of import of raw materials, allowing the AD to extend the usance periods up to a maximum of 360 days instead of current 180 days depending on the actual needs of their concerned clients ([FE Circular No 16, dated March 23, 2020](#));
- c) In respect of imports of agricultural implements and chemical fertilizers, allowing the AD to extend the usage periods up to a maximum of 360 days instead of current 180 days depending on the actual needs of their concerned clients ([FE Circular Letter No 18, dated April 26, 2020](#));
- d) Regarding import of life saving drugs, allowing the AD to extend the usance periods up to a maximum of 180 days instead of current 90 days depending on the actual needs of their concerned clients ([FE Circular No 17, dated March 24, 2020](#));
- e) In connection with generation of power, allowing 360 days usance period for import of heavy furnace oil (HFO)/High Sulphur Fuel Oil (HSFO) as raw materials for own use by power generating enterprises ([FE Circular Letter No 16, April 20, 2020](#));
- f) Fixing the upper ceiling of margin of LC relating to import of child food products up to 5% ([BRPD Circular Letter No 12 dated April 4, 2020](#));
- g) In addition to the imports amounting to USD 0.50 million for usance period beyond six (6) months but within one (1) year in terms, permitting bullet repayment will be permissible for all usance imports under supplier's/buyer's credit admissible, in accordance with paragraph 33(a), [Section II, Chapter 7 of the Guidelines for Foreign Exchange Transactions](#) ([FE Circular Letter No 11 dated April 12, 2020](#));
- h) to avoid delay in release of goods, advising the AD to execute import payments against documents received from the importers directly provided that the goods have been cleared by the customs authority as supported by the authenticated copy of the customs bill of entry ([FE Circular Letter No 12 dated April 12, 2020](#)); especially for essential products (rice, pulses, lentils, onion, oil, salt, sugar, garlic, ginger) water, baby food and other food products, masks, hand sanitizers, all medical treatment related article and electronic articles for health that are manufactured, produced, imported etc. ([FE Circular Letter No 17 dated April 26, 2020](#));
- i) Regarding settlement of payment against inland LCs, allowing the AD to settle the payments through their nostro accounts. Considering the small volume of transactions, AD should have suitable arrangements with their correspondents abroad for the transactions with minimum charges ([FE Circular Letter No 14, April 20, 2020](#));

EXEMPTION FROM DUTIES

Government, in consultation, with National Board of Revenue (NBR), has exempted applicable custom duties (CD), regulatory duties (RD), supplementary duties (SD), value added tax (VAT), advance tax (AT) and advance income tax (AIT) on the COVID-19 related safety kits and raw materials to speed up their import. Items include: Isopropyl Alcohol, COVID-19 Test Kits, Disinfectants in bulk, Surgical Mask, Protective garments, plastic face shields, Full body woven suits, medical protective gears and protective spectacles and goggles ([S.R.O. No 92-Law/2020/69/Customs dated March 22, 2020](#)).

OPERATION of CUSTOM HOUSES AND STATIONS

NBR through [an office order dated April 22, 2020](#) has instructed all Customs House and Customs Stations to ensure uninterrupted import-export activities while complying with all health department precaution direction for prevention of spread of coronavirus.

WAIVER of STORAGE RENT ON CONTAINERS

By a notice ([Notice 06/2020 dated April 18, 2020](#)), the Chittagong Port Authority declared that in respect of the containers which have been unloaded in the Chittagong Port during on or after March 27, 2020, any storage rent needs not to be paid provided that those delivery of those containers have been accepted on or before April 20, 2020. In case of delivery, after the period mentioned, the waiver of rent will not be applicable.

4.4 TRAVEL RESTRICTIONS

In light of the impact of the COVID-19 in Bangladesh, Security Services Division of the Ministry of Home Affairs has issued the following directives by issuing the following [memo bearing no 58.00.0000.040.32.002.1915. dated April 14, 2020](#):

- a) Visa on Arrival Suspended for Foreigners until April 30, 2020.
- b) Foreigners who have already obtained visa or are going to apply for new visa will have to submit doctor's certificate confirming that he/she is not infected from the COVID-19 within 72 hours of travel. However, the foreigners holding diplomatic, official and laissez-passers passports along with their family, having required visa, would be exempted from this requirement. If they arrive from a country affected by the outbreak of the COVID-19, they have to be in self-quarantine, which has to be confirmed by the relevant mission.
- c) Until further instructions, all foreign nationals coming to Bangladesh from any affected country must be quarantine of a period of 14 days. The health officers in the relevant port will determine the mode of quarantine, a self-quarantine or an institutional quarantine.
- d) Any individual of Bangladeshi origin with “no visa required” stamp will have to stay in mandatory institutional quarantine for 14 days if they arrive in Bangladesh without doctor's certificate confirming that he/she is not infected from the COVID-19. For individuals having such certificates, home quarantine for 14 days will be sufficient.

- e) Export-import procedures would run regularly. However, travelling through land ports is banned unless the person holds diplomatic passport or is an official according to RTA.
- f) Sailors of ships can enter with visa on arrival for 72 hours. However, they must not visit any places other than their workplace and airport.
- g) Visa for foreign personnel can be extended for three (3) months without fine against application.

4.5 DISASTER MANAGEMENT AND RELIEF EFFORTS

The Government of Bangladesh has led significant relief effort to reach the ultra-poor, disable, vulnerable, old and widow section of the population. The Minister of Disaster Management and Relief coordinated the relief package declared by the Honorable Prime Minister in 64 Districts. As of April 30, 2020, the government has allocated 1,14,067 metric tons of rice, BDT 53.83 crore as cash relief, BDT 16.00 crore for baby food relief which are being distributed in all districts through the District Commissioner ([Ministry of Disaster Management & Relief circulated dated April 30, 2020](#)). The relief effort is undertaken in accordance with the [National Plan for Disaster Management \(2016-2020\)](#) and [Disaster related Permanent Directives 2019](#).

The Government has taken steps to establish priority list of the poor and unemployed, mostly affected (such as beggars, strollers, day wage earners, rikshaw pullers, van pullers, transportation workers, restaurant workers, tea shop owners and farmers) by the COVID-19, for disbursing financial aid directly to them ([dated March 29, 2020](#)). Wrapped, packet and other relief and child food are being distributed through DC's/ UNOs ([dated April 11, 2020](#)) and relief for disable/physically challenged has been allocated ([dated April 12, 2020](#)). The aim is to reach over five (5) crore people and 1.25 crore households through smartcard for which the Ministry of Disaster Management & Relief, Ministry of Social Affairs, Ministry of ICT and Ministry of Post and Telecommunication are working together to create a digital database ([Ministry of Disaster Management & Relief circulated dated April 30, 2020](#); [April 27, 2020](#), [April 28, 2020](#)) for ensuring prompt distribution of reliefs without any irregularities.

The Government of Bangladesh has also engaged in relief effort to support its neighbors. It has pledged fund for the SAARC Development Fund (SDF) ([MoFA circular dated April 05, 2020](#)). Relief for Bangladeshi Workers in Maldives (85 metric ton of food) and for Bhutan to prevent outbreak of coronavirus was sent by the Government ([dated April 12, 2020](#) and [April 16, 2020](#), respectively).

4.6 MISCELLANEOUS

ESSENTIAL GOODS/PRODUCTS

The Ministry of Commerce has instructed, by [a memo no 26.00.0000.131.59.13.18/51 dated March 31, 2020](#) to ensure continuous production, import, release, and transport of essential food products, such as rice, lentil, oil, onion, salt, sugar, ginger, garlic etc., water, baby food products, and other food products, health and hygiene related products (mask, sanitizer, and all types of medical products).

E-COMMERCE BUSINESS

The Ministry of Commerce by [a memo no 26.00.0000.131.59.013.18/171 dated April 02, 2020](#) requested all concerned government entities and law enforcement agencies to allow commuting of deliveryman and other persons engaged in transportation relating to e-commerce, courier services, food and medicine related goods warehousing operation, transportation, storage and delivery. In this memo, the Ministry of Commerce also instructed companies carrying out e-commerce business and/or courier business must provide ID cards and briefing relating to health and safety regulations to their respective drive, deliveryman and warehouse staffs.

LATE PAYMENT OF ELECTRICITY BILLS

According to [a circular of Bangladesh Energy Regulatory Commission dated March 24, 2020](#), late payment surcharge will not be imposed in case of delayed electricity bill payments by residential customers for the months of February, March and April 2020.

LATE PAYMENT of GAS BILLS

Similarly, [a memo issued Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources, dated March 22, 2020](#), allows household customers to pay gas bills for the months of February, March and April 2020 at their convenience without any surcharge and/or late fee.

INSURANCE

[Circular 76/2020 dated April 19, 2020 issued by the Insurance Development & Regulation Authority \(IDRA\)](#) has provided the following benefits to the insurance policy holders of different kinds of policies:

- a) Grace periods of life insurance policies which have expired between 25th March and 25th April are deemed to be extended for another 45 days. During the extended period the risks will remain insured and the policies will be regarded as continuing;
- b) Claims of matured policies have to be settled within 30 days, instead of 90 days, through online transfer to the beneficiaries' bank accounts without requiring the beneficiaries to submit any applications for this purpose;
- c) Motor cars' policies which have expired on 25th April will be deemed to have been extended for another 45 days without requiring the premium therefor to be paid;
- d) Deadlines for submission of regulatory reports and returns have been extended for another two months and mandatory; and
- e) Conducting all meetings, which are mandatory or emergency in nature, through video conference is encouraged.

LAND DEVELOPMENT TAX/GROUND RENT

By [an office order dated April 09, 2020](#), the Ministry of Land has extended the deadline for payment of land development tax/ground rent up to May 13, 2020. Typically, the deadline is April 13, 2020 (the last date of a Bangla Year).

*“A developed country is one that allows
all its citizens to enjoy a free and healthy life
in a safe environment”*

-Kofi Anan

Secretary-General of the U.N. (Jan 1997- Dec 2006)

Chapter 5

CRITICAL ANALYSIS OF OTHER REGULATORY MEASURES



5.1 HOLIDAY: TIME FOR A VACATION?

As a precautionary measure for preventing nationwide outspread of the COVID-19, on March 24, 2020, the Ministry of Public Administration announced “general holidays” from March 26, 2020 to April 4, 2020, which included public holiday for the National Independence Day on March 26, 2020, and weekly holidays on March 27 and 28 and April 3 and 4. Subsequently, the “general holidays” were extended up to April 25, 2020, including all public holidays and weekly holidays falling during the period. Eventually, on April 23, 2020, the “general holidays” have been further extended up to May 5, 2020. Since there are other public holiday and weekly holidays immediately after May 5, 2020, the “general holidays” will effectively extend up to May 9, 2020. The “general holidays” have not been applied on emergency services (electricity, gas, water, fire services, cleaning activities, telephone, internet etc.), transportation related to agricultural product, fertilizer, pesticide, fuel, industrial product, materials for the national projects, medical accessories, essential daily goods/products, food, pharmacy, hospital, media etc.

The underlying objective for these “general holidays” is certainly a noble one. However, the terminology of “general holidays” used in these circulars has been source of few confusions. For example, when the “general holidays” were first declared, few people took this as an opportunity to go on for a pleasure vacation with their family members and/or friends to the various tourist spots in Bangladesh, including the sea beach of Cox’s Bazar, the longest natural beach in the world. The law enforcement agencies had to intervene and evacuate these tourist spots, explaining the tourists about the mandatory requirements of “physical distancing” or “social distancing” during the period of “general holidays” and, how the “general holidays” declared in this occasion differ from the typical general holidays.

Besides, the terminology of “general holidays” have also created legal issues under the employment contracts. There are entities who usually incentivize their employees for working beyond the usual working hours and during the holidays. If the entities who are lawfully continuing operation in a limited scale (e.g operation of particular business units out of the entire business) during the “general holidays”, such entities have contractual obligations towards their employees to provide such incentives. This could be a nightmare for them as the “general holidays” have been continuing for more than 40 days. It is needless to stress that like all other businesses these entities are going through a period when their overall sales, revenue and incoming cashflow have taken a plunge, and hence, these additional expenses, as contractual obligations to incentivize their employees, are having, or may have, a serious impact on their financial health.

5.2 UNDERSTANDING THE ESSENTIALITY

Since March 24, 2020, the Ministry of Public Administration has issued several circulars⁴ regarding the period of “general holidays”. The circulars have also specified the sectors for

⁴ [Circular from Ministry of Public Administration regarding extension of General Holidays till 11th April 2020.](#)
[Ministry of Public Administration issued a notification regarding extension of general holidays till 14.04.2020](#)
[Ministry of Public Administration issued a notification regarding extension of general holidays till 25.04.2020.](#)

which the declaration of “general holidays” would not be applicable. Perhaps, considering the idiom - “devil is in the detail”, the authorities had decided to avoid the devil by not providing any details as to the meaning of “essential daily goods”. Are these limited to only food and health care related products only? Are grooming and maintenance accessories essential goods or luxury items? Will baby care products fall under either essential daily goods or health related products? Since no clear guidelines as to what constitute essential daily goods are in place, the interpretation and application of the term “essential” have been left to the judgment of the law enforcement agencies, which has, as reported, lead to subjective applications of the term, favouring one establishment over another.

During the “general holidays”, going outside without any justifiable reasons have been strictly prohibited. Likewise, going one place to another and going outside from 6 pm to 6 am have been banned too. Violations of these measures may be prosecuted for commitment of an offence under [Communicable Diseases \(Prevention, Management and Elimination\) Act 2018](#). In such circumstances, it is obvious that people will heavily rely on e-commerce-based delivery of foods, groceries, medicine etc. In India, delivery of all essential goods including food, pharmaceuticals, medical equipment through e-commerce has also been expressly exempted from the purview of the lockdown. However, we have observed with disappointment that none of the circulars issued by the Ministry of Public Administration refers to the e-commerce business as an emergency service or a sector which would be exempted from the purview of the “general holidays”

Eventually, the Ministry of Commerce had to step in and issued [a memo no 26.00.0000.131.59.013.18/171 dated April 02, 2020](#) requesting all concerned government entities and law enforcement agencies to allow commuting of deliveryman and other persons engaged in transportation relating to e-commerce, courier services, food and medicine related goods warehousing operation, transportation, storage and delivery. Even though, after the issuance of the memo by the Ministry of Commerce, three more circulars have been issued by the Ministry of Public Administration, none of the circulars bears any reference to e-commerce-based delivery services.

Surprisingly, capital market has also not been included in the list of emergency services and, hence, the trading in both of the stock exchanges in Bangladesh, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), remained closed during the period of “general holidays”. It shall be pertinent to mention here that among the three closed stock exchanges around globe, two are from Bangladesh, and the other being Colombo Stock Exchange, from our south Asian neighboring country, Sri Lanka. This has attracted severe criticisms from the foreign investors. Mark Gordon-James, Investment Director, Aberdeen Standard Investments said in a statement that International investors have continuous liquidity needs and depend on the reliability and functionality of underlying markets in order to meet those needs and questions are being asked by specialists in operational risk control as to whether the DSE should be rendered permanently non-investible for foreign funds.⁵

[Ministry of Public Administration issued a notification regarding extension of general holidays till 05.05.2020 except for essential services.](#)

⁵ <https://thefinancialexpress.com.bd/stock/existing-infrastructure-not-supportive-to-resume-stock-trading-1587093411>

5.3 REMOTE HEARING (or Limited Hearing) OF CASES: A LOST OPPORTUNITY?

The rapid spread of the COVID-19 has forced quick judicial reforms around the world to ensure access to justice in new circumstances. The shift to remote hearing of cases that would have been considered in court sessions has been a key change. In many countries, courts have launched tele- or video-conference hearings, where parties and their attorneys can stay far away from court, such as at their homes or offices. Generally, for having such hearings, no special software are being used; instead, only publicly accessible software and tools (e.g., BT conference call, Skype for Business, court video link, BT MeetMe, Zoom, Facetime, regular telephone device in Great Britain, Skype for Business in New York, USA, Vidyo in India etc.) are being used for this purpose.

Starting from March 12, 2020 the vast majority of states in the United States introduced remote hearings (some of courts as mandatory procedure, while most of them – as a recommended one). On March 25, 2020 the Coronavirus Act 2020 came into force in the United Kingdom that, as a statutory law, regulated, among other issues, the use of remote proceedings, including in criminal cases, through live audio or video links. In China, the internet courts continued to operate during the pandemic. The Supreme Court of India has heard 593 matters via video conferencing and delivered judgment in 215 of them in a month during the nationwide lockdown.⁶

In several countries, courts have suspended hearings in most of the routine cases, focusing on matters of pressing need only. Such measures have been taken by many countries around the world, including Germany, Italy, Spain, Canada, Argentina, Brazil, Mexico, Hong Kong, South Africa, and others.

In contrast, neither of the measures have been adopted in Bangladesh. Due to the concerns related to rapid outbreak of the COVID-19, which may endanger the health, safety, and/or lives of the judges, lawyers, other officers and personnel of the courts, litigants etc., the Supreme Court of Bangladesh preferred entire shutdown. Even though on April 23, 2020, it has been decided that during the “general holidays” hearing will resume in an extremely limited scale (only before the chamber judge of the Appellate Division and one bench of the High Court Division), the decision had been withdrawn almost instantaneously on April 25, 2020. Hence, courts in Bangladesh will remain close until May 5, 2020, during the period of general holidays declared by the government. While there is no doubt that the purpose of such measure is a virtuous one, it is most humbly submitted that we could have turned the table and convert the current situation into an opportunity of entering into an era of e-filing and e-hearing.

Apparently, there are ongoing debates among the members of the bar as to the necessity of reforms for implementing remote hearings in Bangladesh, use of publicly available software and ensuring data and privacy protection etc. We should note that while we are having the prolonged debate on this issue, citizens of Bangladesh are being deprived of their fundamental rights guarantee by the Constitution of Bangladesh, including Protection of Law (Article 31), Protection of Right to Personal Liberty (Article 32), Protection in respect of Trial and Punishment (Article 35), which inherently includes right to speedy trial, and Right to Enforce

⁶ <https://timesofindia.indiatimes.com/india/supreme-court-heard-593-matters-delivered-verdicts-in-215-cases-during-covid-19-lockdown/articleshow/75388840.cms>

Fundamental Rights ([Article 44](#)), which is the right to seek remedy before the Hon'ble High Court Division for enforcement of the other fundamental rights.

One argument that has been put forward against the implementation of the remote hearing is that this will require amendment of the existing rules. While this could be a point to be noted, it is respectfully suggested that bringing about a reform in the existing legal framework including [the Supreme Court of Bangladesh \(Appellate Division\) Rules 1988](#) and [the Supreme Court of Bangladesh \(High Court Division\) Rules 1973](#) cannot be a bar for implementing remote hearing. In this era, we should not be susceptible about the use of technology, rather we should take an open approach in embracing the technology with cautionary measures for eliminating and/or mitigating any cyber risks.

One should not have any doubt about the benefits of e-filing and e-hearing. E-filing and e-hearing will ease the lives of all the stakeholders related to the legal justice system including the litigants and, would enhance the accessibility to the legal justice system, while ensuring increased transparency in the entire process. The good news is that the Honorable Prime Minister, Sheikh Hasina, while speaking at the National Judicial Conference 2019 in December 2019, has said the government is thinking about introducing a virtual court in Bangladesh. Besides, recognizing the importance of virtual hearing, the Supreme Court Special Committee ("Special Committee") for Judicial Reforms, in its 68th meeting held on April 20, 2020, has requested the Honorable Chief Justice of Bangladesh to continue the functions of the High Court Division and courts subordinate to the High Court Division through audio/video conferencing. The initiative taken by the Special Committee is admirable. We hope that the Honorable Chief Justice of Bangladesh will kindly accept the request of the Special Committee and will permit functioning of the courts through audio/video conferencing, securing the fundamental rights of the citizens of Bangladesh.

5.4 HAVE GIG WORKERS BEEN LEFT OUT?

On the eve of Bengali New year, the Honorable Prime Minister, Sheikh Hasina, has announced, among others, a package of BDT 760 Crore for the benefits of "*rickshaw/Van-puller, Motor labourers, construction workers, hawkers, hotel workers and people engaged in other profession who have lost jobs as a result of lockdown*".

The grant package contains the word "*people engaged in other professions*" preceded by "*rickshaw/Van-puller, Motor labourers, construction workers, hawkers, hotel workers*". In interpreting this generic classification, one may adopt the principle of "*ejusdem generis*". The principle denotes that when a law contains a non-exhaustive list of specific classes of persons or things, followed by a general categorization, the general statements will only apply to the same kind or persons or things specifically listed.

One would find that the list - "*rickshaw-van pullers, construction workers, hawkers, hotel workers*", effectively include those in the informal economy who are standing very close to the poverty line. Accordingly, relying on the principle of *ejusdem generis*, one may then argue that "*people engaged in other profession*" is intended to include informal economy actors like vegetable vendors, maids etc. but may not include an Uber driver or a small-scale entrepreneur operating through social media platforms like Facebook.

In Bangladesh, economic activities in the informal sector vary considerably, both in their nature and volumes. Informal economy consists not only of the day-laborers, maids or vegetable vendors; a large chunk of growing e-commerce markets, start-ups and freelance service providers, enabled by technologies like Facebook and platforms like Pathao, Sheba.XYZ, Uber, are also part of informal economy. More than 300,000 Bangladeshi stores are being operated in Facebook, where respective owners of these pages were earning on average between BDT 10,000 to BDT 100,000 per month.⁷ Yet, many of these F-commerce entrepreneurs are unstructured, thereby working within the informal sector, while gig workers are deemed to be “self-employed” from a legal perspective, again a part of the informal economy. A significant number of these informal sector self-employed or freelance individuals are working full-time as sole income earning member providing for their families. According to an unofficial source, Pathao alone has about 300,000 riders. Anecdotally, the start-up ecosystem provides direct-indirect employment opportunities to approximately one million workers.

If the benefits of this stimulus package of BDT 760 Crore are interpreted as directed towards the like of rickshaw/Van-puller, motor labourers, construction workers, hawkers, hotel workers, more likely than not, it will be deemed to apply only to the marginal sections of population, existing near the poverty line. If so, then it would appear that a large section of working population in Bangladesh being approximately six millions, ranging from small start-up entrepreneurs to freelance service providers to gig workers, are left without any lifeline in the dire situation created by Covid-19, even under this noble package, which is likely to be inconsistent with the very objectives expressed by the Hon’ble Prime Minister.

Therefore, it is submitted that the rule of *ejusdem generis* in this particular case should be applied with caution. It may be argued that despite that the general wordings of “people engaged in other professions” are preceded by the specific terms of “rickshaw/Van-puller, motor labourers, construction workers, hawkers, hotel workers”, in this context, they should be interpreted to apply to a wider class. If this approach is adopted, the ambit of the packaged would be widened to include various self-employed individuals and freelance service providers engaged in the informal sectors, including the gig-workers, regardless of the fact that they belong to an income group separate from that of rickshaw/van puller, transportation workers etc.

Another aspect which has been greatly overlooked that the gig-workers, particularly those who are engaged in delivering essential goods, foods, medicines etc. are also at the riskss of being infected by the COVID-19, as like the other frontline service providers including doctors, nurse, law enforcement agencies etc. The country has acknowledged the sacrifice of the frontline service provider by declaring compensation for them, if they get infected by the COVID-19 while discharging their duties. Doctors, nurses, health workers, field level civil servants, law enforcement agencies, Armed Forces and BGB members to receive compensation of BDT. 500,000 to BDT 1,000,000, which will increase five-fold in case of death of the person. BDT. 750 Crore has been set aside for this purpose. Similarly, Bangladesh Bank has also considered the distresses of those employees who have been infected by coronavirus COVID-19 while performing their duties during the general holiday declared by the government ([BRPD Circular Letter No -18 dated April 15, 2020](#)). In case of such unfortunate event, an employee of a bank will receive insurance facility from BDT 5,00,000 to BDT

⁷ [Emergence of F-Commerce Start-Ups: Serving Customers at Their Doorstep](#), IDLC Finance Limited, Monthly Business Review, February, 2019.

10,00,000, depending on his/her designation. The insurance amount will increase five-fold in case of sad demise of an employee due to COVID-19, and at the time of payment, the insured amount cannot be set off against any other liabilities and/or due of such employee.

It is a matter of regret that while acknowledging the service providers who are battling against the COVID-19 in the frontline, the efforts and sacrifices of the gig workers have not been recognized at all and they have not been offered such compensations, even though the risks to which they are exposed to are not significantly lesser than the risks faced by the other service providers.

5.5 GRANT TO INFORMAL ECONOMY: A DROP IN THE OCEAN?

The size of the grant of BDT 760 Crore for the workforce of the informal economy which constitutes of more than 85% of the total workforce in Bangladesh, is significantly low in comparison to the size of the total stimulus package, BDT 95,619 Crore. The size of the grants is valued at mere 0.8% of the total stimulus package, which would mean that not all persons working in the informal economy may receive the grant, considering the disproportionate size of the total grant. Even if we include the amount of the Social Safety Net Programme, which is more than 6,000 Crore (approximately 7% of the total stimulus package), the amount still remains vastly inadequate.

One may argue that in addition to the grant of BDT 760 Crore and the Social Safety Net Programme, there is a refinancing scheme of BDT 3,000 Crore for the lower income professionals, farmers and marginalized businesses, where they will be able to avail loan facilities from micro-finance institutions. But, such argument overlooks two significant issues: firstly, whether the workforce of the informal economy who are currently jobless are in a position to undertake the commitment of loan repayment and, secondly, the cost of borrowing under this scheme is significantly higher, in comparison to the other schemes, as the interest rate may go up to 9%, which would create additional financial strain on them, and as such, may not be suitable option for them.

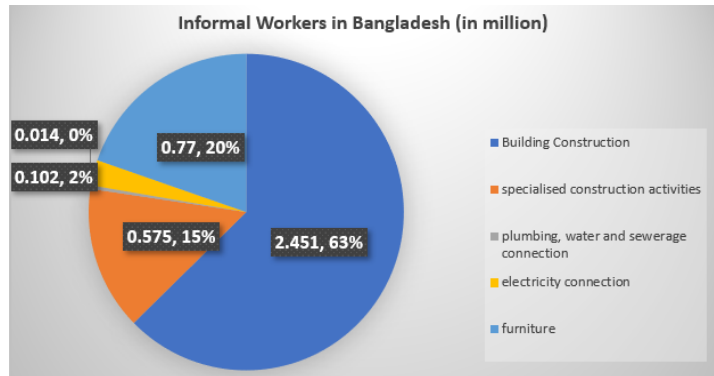
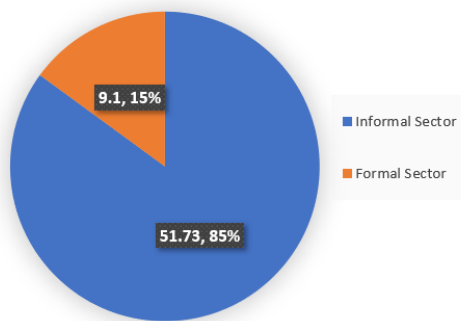
5.6 GRANT TO INFORMAL ECONOMY: DISTRIBUTION CHALLENGE

In addition to the inadequate size issue, the distribution of the grant amount may become a challenge for the government authorities. Habibur Rahman Shiraz, Chairman of the Bangladesh Institute of Labour Studies (BILS), said that the Honorable Prime Minister has issued strict directions on providing support to day labourers during the shutdown enforced to slow down coronavirus transmission, but there might have been some problems in executing this direction at the field level.⁸ These daily wage earners, rickshaw and van pullers typically don't have any fixed place of abode, and they move from one place to another for their livings. The Directorate of Labour, a regulatory agency under the Ministry of Labour and Employment, has no database of construction workers. In contrast, the fisheries and livestock departments, for example, have their own lists of informal workers in their respective sectors. The lack of a central database preserving and recording detailed information regarding this workforce have made the execution more difficult.

⁸ <https://www.thedailystar.net/frontpage/news/construction-workers-informal-ignored-1897171>

On April 12, 2020, the Ministry of Labour and Employment formed a crisis management committee to address food security for day labourers and is compiling a database of construction workers and rickshaw and van pullers, so they receive the government's food and financial support. As of April 19, the committee prepared a list of 40,000 workers including 15,00 from the construction sector, out of the 51.73 million workers involved in the informal economy.

Employed Labor in Bangladesh (in million)



*Labor Force Survey (LFS) 2016-17

On the other hand, the Ministry of Disaster Management and Relief has taken steps to establish priority list of the poor and unemployed, mostly affected (such as beggars, strollers, day wage earners, rickshaw pullers, van pullers, transportation workers, restaurant workers, tea shop owners and farmers) by the COVID-19, for disbursing financial aid directly to them ([dated March 29, 2020](#)). With the aim to reach over five (5) crore people and 1.25 crore households through smartcard, the Ministry of Disaster Management and Relief, Ministry of Social Affairs, Ministry of ICT and Ministry of Post and Telecommunication are working together to create a digital database ([Ministry of Disaster Management & Relief circulated dated April 30, 2020; April 27, 2020 April 28, 2020](#)) for ensuring prompt distribution of reliefs without any irregularities.

This also reveals lack of coordination among the government agencies, as Ministry of Labour and Employment has not been included in this endeavor and, as stated above, they are struggling in the preparation of the list of the daily wage earners.

Also, the lack of inclusiveness in the approach of the government agencies and regulators, which contradicts with the 31-point directives given by the Honourable Prime Minister, is nothing less than shocking. Bangladesh has a vast network of NGOs and MFIs, whose databases could have been used in identifying all the daily wage earners. Similarly, network of MFS providers and telecom operators could also be utilized in locating them. It shall not be out of place to mention that section [25 of the Disaster Management Act 2012](#) (DMA 2012) empowers the government to involve and engage any organization from private sector in the disaster management activities. Moreover, pursuant to [section 26 of the DMA 2012](#), the government may use the power of requisition of private buildings, vehicles, or services for facilitating the distribution of the grant. It is notable that even though Directorate General of Health Services has declared, under [section 11 of the Communicable Diseases \(Prevention, Management and Elimination\) Act 2018](#), entire Bangladesh to be at risk of outbreak of the

COVID-19, no such declaration as to disaster affected area has been made by the Honorable President of Bangladesh, as required under [section 22 of DMA 2012](#).

For overcoming the challenges as to identifying and locating the workforce involved in the informal economy, the government may employ the mechanisms provided in [DMA 2012](#).

5.7 CAPITAL MARKET: INADEQUATE AUTOMATION

Like all other sectors in Bangladesh, trading in stock exchange remained close during the “general holidays” declared by the government of Bangladesh. Even though due to the outspread of the COVID-19, more than 185 countries were affected, particularly the United States, the United Kingdom and few other countries from the European Union including Italy, Spain, Germany and France, only three stock exchanges in the world have shut down the trading. Among those three stock exchanges, two are from Bangladesh, DSE and CSE, and the other being Colombo Stock Exchange.

It has been reported that Mark Gordon-James, Investment Director, Aberdeen Standard Investments, an international institutional investor criticized the primary bourse of the country, DSE, for the prolonged closure of trading on the bourse. According to Mr. Gordon-James this would have wrought significant damage to the reputation of the market.⁹

Even though World Economic Forum has strongly praised the mobile financial service network in Bangladesh, the regulator of the capital market, BSEC, admits that existing infrastructures and limited banking service do not support the continuation of trading in the capital market amid ongoing lockdown enforced by the government to contain the spread of COVID-19, as the number of investors who use mobile app to conduct transactions is very insignificant and, hence, it is not possible to continue transactions in the capital market amid the ongoing situation.¹⁰ The statement made by the spokesperson of the regulator clearly reveals that the automation effort in the capital market in Bangladesh is not up to mark and lags behind the necessary standard for continuation of trading during this period.

The investors, both local and foreign, will be relieved to know that the primary bourse of the country, DSE, is set to resume trading from May 10, 2020 after a long break due to the Covid-19 pandemic. In contrast, CSE is yet to decide when to resume trading.

5.8 DEFERRAL/WAIVER: COMPLIANCE REQUIREMENTS

Various departments of Bangladesh Bank have permitted the scheduled banks to submit report or statement, as may be required under relevant circulars, notifications etc., within 10 to 14 days from resuming of normal banking activities after the expiry of “general holidays” declared by the government. Similar allowances have also been granted to insurance policy holders by the IDRA. BSEC in exercise of the power conferred upon it under section 20A of the [Securities and Exchange Ordinance, 1969](#) has temporarily relaxed the compliance requirements relating

⁹ <https://thefinancialexpress.com.bd/stock/existing-infrastructure-not-supportive-to-resume-stock-trading-1587093411>

¹⁰ <https://thefinancialexpress.com.bd/stock/existing-infrastructure-not-supportive-to-resume-stock-trading-1587093411>

to convening of different kinds of meetings, publication and disclosure of price sensitive information, submission of various returns, statements, reports etc. and other submission requirements under both primary and secondary legislations.

However, NBR is yet to provide any such allowance to the taxpayers of the country. The taxpayers are required to furnish information and submit returns, from time to time, to the concerned circle under both the [Income Tax Ordinance 1984](#) and [the Value Added Tax and Supplementary Duty Act 2012](#). For example, the timeline for submission of the information regarding filing of returns by employees under section [108A of the Income Tax Ordinance 1984](#) has expired on April 30, 2020. Will the taxpayer in default be penalized for the non-submission? Similarly, will a taxpayer who has failed to submit monthly VAT return in April 2020 be penalized for its failure?

We would like to suggest, borrowing from the words of the Prime Minister of United Kingdom, Mr. Boris Johnson, that nobody should be penalized for doing the right thing. During this crisis period the right thing to do is to stay at home, as instructed by our Honorable Prime Minister, and a taxpayer should not be penalized for that.

Following the footsteps of Bangladesh Bank, BSEC and IDRA, other government authorities should also provide such allowances, extensions or deferral for a limited period, relating to submission of information, documents, statements or returns, or renewal of certificates, permits, licenses, approvals etc., or payment of fees, charges etc., without imposing any penalty, charges, late payment fee, penal interest etc. or without taking any penal measures.

*“The measure of a country's greatness
should be based on how well
it cares for its most vulnerable populations”*

- Mahatma Gandhi
Father of the Nation of India

RECOMMENDATIONS

Chapter 6



We have reached to the last part of the Report, where we would like to humbly propose few *recommendations* for the relevant government authorities, which in our opinion, will further assist the government in stabilizing the economy and in continuing the growth of the same.

6.1 BANGLADESH BANK

- a) For formulating objective criteria of the borrowers interested in availing financing under the stimulus package, Bangladesh Bank may provide unambiguous definition, or at least guiding principles, for determining affected industries.
- b) For ensuring that junior level executive and mid-level executives and managers are not left out from the payment of salaries/wages to be disbursed by the bank under the stimulus package of BDT 50,000 Crore for the export-oriented industries, the criterion for determining who is a worker could be based on salary slabs instead of the designation and/or nature of responsibilities.
- c) For preserving the legitimate expectation of the deemed exporters, Bangladesh Bank may include deemed exporters as eligible borrowers under the stimulus package of BDT 5,000 Crore benefiting the export-oriented industries.
- d) For ensuring that the IT and ITES sectors including the tech-startups in Bangladesh are being offered with credit lines, Bangladesh Bank may formulate a policy in this regard encouraging the banks and financial institutions to sanction a specific portion of their respective limits under the stimulus package in favour of IT and ITES sectors including the tech-startups without requiring them to create charges over fixed assets.
- e) For ensuring that there is no crunch on the liquidity of the financial sector at the time of implementing the stimulus package, Bangladesh Bank may consider:
 - i. Introducing mechanism similar to Long Term Repo Operation introduced by Reserve Bank of India, by which Bangladesh Bank may provide longer term (one-to three-year) loans to banks at the prevailing repo rate. As banks will get long-term funds at lower rates, their cost of funds will fall, which in turn will encourage them to reduce interest rates for borrowers.
 - ii. Allowing, at least, the foreign owned or controlled companies (FCC) operating in Bangladesh to borrow working capital from financial institutions outside Bangladesh, provided that repayment of such working capital is guarantee by the parent company of FCC. In this regard, it should be noted that under the existing mechanism, [Chapter 15 of GFET](#) and [FE Circular No 32, dated August 22, 2019](#), the FCCs are allowed to borrow working capital from their parent company without interest for a term of one year or with interest for a term of three years.

- f) Given the lack of cashflow due to the reduced trading, production and operation caused by the COVID-19, Bangladesh Bank may consider:
- i. Extending the timeline regarding suspension of reclassification of loans from June 30, 2020 to December 31, 2020; and
 - ii. Prohibiting the banks and financial institutions to initiate any recovery proceeding including enforcement of any security or initiating legal proceedings under the [Money Loan Courts Act 2003](#), [Bankruptcy Act 1997](#), [the Negotiable Instrument Act 1881](#), [the Contract Act 1872](#), [the Specific Relief Act 1877](#), [the Transfer of Property Act 1882](#) and/or, if applicable, [the Penal Code 1860](#).
- g) Similarly, Micro-credit Regulatory Authority may consider:
- i. Extending the timeline of suspension regarding reclassification of loans from June 30, 2020 to December 31, 2020;
 - ii. Prohibiting the micro-finance institutions to initiate any recovery proceedings including enforcement of any securities, attachment, seizure and/or taking possession of any property, or initiating legal proceedings under [Bankruptcy Act 1997](#), [the Negotiable Instrument Act 1881](#), [the Contract Act 1872](#), [the Specific Relief Act 1877](#), [the Transfer Property Act 1882](#) and/or, if applicable, [the Penal Code 1860](#),
- h) For easing the burden of the credit card holders, Bangladesh Bank may extend the timeline relating to inapplicability of any charges, late payment fee, penal interest and compounding interest for default in credit card bill payment from May 31, 2020 to September 30, 2020.

6.2 MINISTRY OF PUBLIC ADMINISTRATION

For avoiding any confusion, which may lead to lack of coordination among the concerned government agencies, and for continuation of stability of supply chain in market for all types of commodities and for allowing businesses to operate without obstruction from law enforcement agencies, the Ministry of Public Administration may issue comprehensive guidelines using an alternative terminology, such as “temporary movement restrictions for the citizens and the persons for the time being residing in Bangladesh” instead of “general holidays”:

- i. Widening the categories of emergency services which should include operation of capital market and e-commerce services;
- ii. Clearly specifying the categories of essential daily goods considering the daily needs (including the basic needs of maintenance and grooming) of a family from all sectors and classes; and

- iii. Unequivocally instructing the law enforcement agencies and other concerned authorities that the restrictions apply to movement of persons, not to goods, commodities, market supply and persons associated with such activities.

6.3 MINISTRY OF LABOUR AND EMPLOYMENT

- a) For enabling the businesses to have access to fund without interest from its own source, in agreement with its employees and for reducing their financial burden in the coming days to mitigate the loss and to save jobs, Ministry of Labour and Employment may introduce temporary variation of provisions for provident fund and workers participation in profit fund (WPPF):
 - i. Entitling the companies to borrow from such fund without any interest for meeting their respective operational needs;
 - ii. Suspending the obligations of the companies to contribute to the provident fund for a temporary period;
 - iii. Deferring the timeline to distribute to the employees from the WPPF.
- b) For recovering average working hours in aggregate and for reducing the financial burden for employers with immediate effect (through festival bonus) and overall CTC (through reduction of encashable annual leave) Ministry of Labour and Employment may also consider following variations in the provisions of the [Labour Act 2006](#) and [the Labour Rules 2015](#):
 - i. Adjusting “general holidays” declared by the government amid pandemic COVID-19 with the holiday provisions (such as casual leave, annual leave etc.) stipulated in the [Labour Act 2006](#);
 - ii. Reducing festival bonus for the year 2020.
- c) For protecting the employees from permanent job losses and for assisting the employers to continue without processing final pay with gratuity etc., Ministry of Labour and Employment may introduce temporary alteration of Sections [16](#) and [20](#) of [Labor Act 2006](#) for allowing provisions for extended period of lay-off beyond 45/60 days with 25% payment (or lower for extended period beyond 90 days) before initiating retrenchment for protecting jobs.
- d) For preserving the fundamental rights of the citizens and for providing protection of laws to the citizens and the persons for the time being residing in Bangladesh, as guaranteed by the [Constitution of Bangladesh](#), Supreme Court of Bangladesh may consider immediate implementation of online filing and remote hearing of cases across the country for the urgent cases involving fundamental rights of a person and formulation of such rules as may be required in this regard.

6.4 MINISTRY OF FINANCE AND/OR NATIONAL BOARD OF REVENUE

For softening the impacts of the COVID-19 on the taxpayers and for ensuring that the taxpayers, both individual and corporate bodies, are able to continue their usual living standard and, operation of the business, as the case may be, Ministry of Finance and/or National Board of Revenue may consider the following measures including the measures which could be adopted in the upcoming Finance Act 2020:

- i. Granting general waiver for:
 - I. Default in payment of advance tax on March 15, June 15, September 15 and December 15 in 2020.
 - II. Granting General waiver for default in complying with furnishing of statement within April 30, 2020 by the employers, as required section [108A of the Income Tax Ordinance 1984](#).
- ii. Granting exemption from deduction of tax from salaries for the month of April - December in 2020.
- iii. Increasing the tax-free threshold for individuals (for male from BDT 250,000 to BDT 400,000 and for female BDT 300,000 to BDT 500,000).
- iv. Providing incentive for new taxpayers' registration.
- v. Providing provisions for voluntary disclosure of assets, which have not been disclosed previously, without having the need to explain the source, subject to payment of tax at a prescribed rate.
- vi. Expanding the scope of special provisions relating to investment into particular sectors without explaining the source, subject to payment of tax at a prescribed rate.
- vii. Allowing 'carry back losses' for companies against the taxable profits for the previous years.
- viii. Exempting grants or donations for COVID-19 prevention to authorized entities from taxable income/asset.
- ix. Waiver from mandatory minimum tax of 0.6% on the gross receipts for companies in loss.
- x. General waiver from tax residency for those who had to stay more than 182 days in Bangladesh involuntarily due to the outbreak of the COVID-19.
- xi. Increasing tax-exempted yearly turnover limit for SMEs.
- xii. Granting general waiver for default of filing monthly VAT returns for the month of April, May and June, which could be extended up to September.
- xiii. Providing Waive or reducing customs duty, value added tax (VAT) and supplementary duty (SD) at the import stage and trading of essential goods and raw materials required to produce goods, including medicines, ventilators, sanitizers, surgical masks and personal protective equipment, and staple food items (e.g. rice, onion, lentils, ginger, garlic and oil) for next one fiscal year.
- xiv. Allowing custom bond facility for backend supplier/manufacturer/importer of essential goods to reduce domestic product price.

- xv. Reducing rate of VAT with provision for incremental adjust from year to year as appropriate for travel and tourism sectors for the next three to five fiscal years.
- xvi. Promoting electronic filing, assessment, payment and refund of taxes, including income tax, VAT etc.
- xvii. Adopting business friendly tax/VAT recovery and enforcement policy to avoid indiscriminate bank account freezing/closing and other measures.
- xviii. Enhancing the amount allocated in the budget for the social safety net programme, public health sector and agricultural sector.

6.5 OTHERS

- a) Ministry of Commerce may grant general waiver to the companies, by bringing about amendments to the [Companies Act 1994](#), for default in compliance with the requirements of [the Companies Act 1994](#) including, but not limited to, default, caused by the outbreak of the COVID-19, in holding meetings including annual general meeting, appointment of the auditor, adoption of the audit report, filing statutory returns etc.
- b) Bangladesh Investment Development Authority, Bangladesh Export Processing Zone Authority, Bangladesh Economic Zone Authority etc. may introduce automatic extension of the period of work permits of the foreign expats, whose work permits have expired or are going to expire during this period, without imposition of any fine or penalty on the foreign expats and the employer of such foreign expats.
- c) Enhancing the amount of grant of BDT 760 Crore to at least BDT 3,000 crore for the work force involved in the informal economy which should include gig workers, such as those involved in ride sharing, f-commerce, freelancer etc., and engaging the broad networks of local and international NGOs, charitable organization, non-profit organization, mobile financial service providers, telecom operators in the distribution process for ensuring that the grant amount reaches the targeted class.
- d) Allowing general extension of or deferral of timeline for renewal of all necessary certificate, license, approval, permits etc. and for submission of report, statement, information, returns etc., and for any payment in form charge, fee, duties etc. to be made in favour of any government authorities, as may be required under any act, ordinance, presidential order, rules, regulations, policies, guidelines, orders, notifications, circulars, directives etc., without imposition of any penalty, fine, charges, fees, interest, for a period of 30 days from resuming the normal operation.

Lastly, we would like to stress that the recommendations made above are not, in any way whatsoever, intended to undermine the effort of, and measures adopted by, the government authorities. Instead, we are highly appreciative of the efforts of the government in tackling the adverse impact of the COVID-19.

We truly believe that the efforts of the government are nothing less than remarkable. We feel that the recommendations will supplement the measures adopted by the various government agencies and refine the overall endeavor of the government for ensuring that Bangladesh is properly and adequately braced for the impact of the COVID-19. We are more than confident that once normalcy returns, Bangladesh under the visionary leadership of the Honorable Prime Minister, Sheikh Hasina, will continue its progress towards its overarching aims of reaching the first Sustainable Development Goal (SDG) of eradicating extreme poverty by 2030 and becoming an upper-middle-income country by 2024 and a developed country by 2040.

***“To Build a Happy & Prosperous Bangladesh,
the people need to work hard to increase production”***

- *Bangabandhu Sheikh Mujibur Rahman
Father of the Nation of Bangladesh*

ANNEXURE

**LIST OF
REGULATORY DEVELOPMENTS
WITH LINK**



Aviation	Date
<u>Civil Aviation Authority of Bangladesh issued a circular regarding suspension of schedule international flights to/from Bangladesh.</u>	02.04.2020
<u>Civil Aviation Authority of Bangladesh circular regarding operation of flight of helicopter and general aviation</u>	28.03.2020
<u>Suspension of Schedule International Flights To/From Bangladesh from 15th April to 30th April 2020</u>	11.04.2020
<u>Exemptions in regard to PEL and OPS due to COVID-19 Outbreak (Extension of different Validity Periods)</u>	12.04.2020
<u>Civil Aviation Authority of Bangladesh circular regarding operation of flight of helicopter and general aviation</u>	25.03.2020
<u>Civil Aviation Authority of Bangladesh circular regarding suspension of schedule international flights to/from Bangladesh</u>	28.03.2020
<u>To fight the crisis created due to corona virus, providing boishak allowance from the PM's stimulus package to the members of Foreign Service Association</u>	05.04.2020
<u>Directives for Carriage of Cargo in Passenger Compartments by Bangladeshi Helicopter Operations during COvid-19 situation</u>	26.04.2020
<u>Suspension of Commercial Scheduled Domestic Passenger Flight Operation</u>	27.04.2020
<u>Suspension of Scheduled International Flights To/From Bangladesh</u>	27.04.2020
<u>Directives for Carriage of Cargo in Passenger Compartments during Covid-19 Outbreak by Bangladeshi AOC Holders (Except Helicopter Operators)</u>	13.04.2020
<u>Directives for Carriage of Cargo in Passenger Cabin by Foreign Operators Operating Schedule Passenger Flights in Bangladesh during Covid-19 outbreak</u>	24.04.2020

Banking and Finance	Date
<u>Loan Classification Moratorium</u>	19.03.2020
<u>Loan Classification Moratorium for non-banking financial institutions</u>	19.03.2020
<u>Bangladesh Bank circular regarding changing Cash Reserve Ration (CRR).</u>	09.04.2020
<u>Bangladesh Bank circular regarding Repo Interest Rate of Bangladesh</u>	09.04.2020
<u>Guidelines on ensuring adequate case reserves for banks</u>	22.03.2020
<u>Banks Regulatory Reporting requirements exempted until completion of general holidays</u>	19.04.2020
<u>Release of foreign exchange on account of private travel and treatment abroad until 30 June, 2020</u>	20.04.2020
<u>Late payment against Credit Card Bill due to Novel Coronavirus</u>	04.04.2020
<u>Guidance from Bangladesh Bank re: COVID-19</u>	08.04.2020
<u>Banks mode of operation, safe cash management and invest in protective gears</u>	11.04.2020
<u>Exemption from Section 26kha (1) of the Bank Company Act, 1991</u>	11.04.2020
<u>Banks to maintain social distancing guidelines as per WHO.</u>	12.04.2020
<u>Regarding Advance-Deposit Ratio-Investment-Deposit Ratio:</u>	12.04.2020
<u>bank companies to conduct Board Meeting through video conference</u>	12.04.2020

Banking Operation in Limited Scale	20.04.2020
BRPD Circular Letter No. 17: Special Incentives for the Bankers' working at Bank premises during the General Holidays for COVID-19 Pandemic declared by the Government	18.04.2020
BRPD Circular Letter No. 18: Special Health Insurance for the Bankers' working at Bank premises during the General Holidays for COVID-19 Pandemic declared by the Government.	18.04.2020
BB instruction the banks to continue operation activities of NRB Bond	22.04.2020
Resuming all transactions of National savings scheme (Sanchaypatra) during general holidays.	30.04.2020
Insurance Development & Regulation Authority (IDRA) notification for providing grade period	19.04.2020
Bangladesh Bank Circular regarding change of Cash Reserve Ratio	09.04.2020
Bangladesh Bank Circular regarding conducting banking operation in limited scale	07.04.2020
Microcredit Regulatory Authority Circular regarding loan classification	25.03.2020
Bangladesh Bank circular regarding keeping activities banking and payment services open during covid-19	19.03.2020
Bangladesh Bank circular regarding buying and selling of government securities	22.03.2020
Bangladesh Bank circular regarding maintenance of Cash Reserve Requirement (CRR)	23.03.2020
Bangladesh Bank circular regarding re-fixation of repo interest rate of Bangladesh Bank	23.03.2020
Bangladesh Bank Circular regarding conducting banking operation in limited scale	24.03.2020
Bangladesh Bank Circular regarding conducting banking operation in limited scale	25.04.2020
Bangladesh Bank Circular keeping BACH open from 30.03.2020 to 02.04.2020	25.03.2020
Extension of time limit for the submission of annual audit report under Section 40 of Bank Company Law, 1991 (as amended in 2018)	27.04.2020
Ministry of Commerce's office order	27.04.2020
Ministry of Commerce circular regarding sale of oil and sugar at special price at different points Dhaka	27.04.2020
Bangladesh Bank circular regarding use power under s. 40 of Bank Company Law, 1991	27.04.2020
Ministry of Commerce regarding providing help to deliver orders electronic and electrical products through e-commerce	28.04.2020

Bangladesh Securities and Exchange Commission

Date

For conducting AGM/ EGM/BOD through digital platforms and temporary relaxations of Listing Regulations or other securities laws.	24.03.2020
Bangladesh Securities and Exchange Commission set a lower limit of circuit breaker	19.03.2020

BGMEA Circulars	Date
<u>Survey relating workers salary for taking part in the stimulus package of the Prime Minister for export oriented industries. The survey must be completed by 4th April, 2020 and have to email it to corona@bgme.com.bd. The collected information will only be used for official works of BGMEA.</u>	02.04.2020
<u>Quick Delivery from Chittagong port of the imported readymade garments in the FCL/LCL containers during the corona virus (covid-19) outbreak and in the event of Ramadan.</u>	02.04.2020
<u>Bio-metric Database of 40 lac RMG workers and updating the same</u>	29.03.2020
<u>Survey for members of BGMEA for application for cash incentive for COVID-19</u> Members are requested to fill in the online application form available at <u>http://www.bgmea.com.bd/survey</u> along with required data to be uploaded or physically shared. The last date to fill up the survey is on 7 th April, 2020. The Form is available <u>here</u> .	03.04.2020
<u>Survey (revised) for members of BGMEA for application for COVID-19 assistance for the export oriented RMG factories. Members are requested to fill in the online application form available at <u>http://www.bgmea.com.bd/survey</u> along with required data to be uploaded or physically shared. The last date to fill up the survey is on 7th April, 2020. The Form is available <u>here</u>.</u>	04.04.2020
<u>Detailed Steps for application of loan and Declaration Form and Issuing Form D Verification for the application of loan</u>	09.04.2020
<u>Office activities management during general holidays due to COVID-19 outbreak.</u>	25.03.2020

Business Operation	Date
<u>Bangladesh Bank Circular regarding limited banking hours and available services from 5th to 9th April.</u>	02.04.2020
<u>Bangladesh Bank Circular regarding operation and clearing schedule of Bangladesh Automated Clearing House (BACH)</u>	02.04.2020
<u>Bangladesh Bank issued a circular stating that banks will remain open in limited capacity during the nationwide shutdown enforced till 9th April to contain the spread of coronavirus.</u>	02.04.2020
<u>Bangladesh Automated Clearing House (BACH) continues to operate from 5 April, 2020 to 9 April, 2020.</u>	02.04.2020
<u>Request to continue manufacturing, leaf purchase, finished goods supply and distribution during nationwide COVID-19 crisis.</u>	03.04.2020
<u>Bangladesh Bank issued a circular regarding running of limited capacity banking services.</u>	05.04.2020
<u>Ministry of Public Administration circular regarding office timings during Ramadan.</u>	07.04.2020
<u>Bangladesh Bank circular regarding allowance of limited capacity banking.</u>	08.04.2020

National Revenue Board circular in the matter of keeping all VAT circle offices open during the general holidays.	10.04.2020
Bangladesh Government's Ministries and Departments	23.04.2020
Energy and Resources Department: No fine or surcharge shall be payable for delay in paying gas bill between February 2020-June 2020	22.03.2020
Extension of the land development tax payment period of 1426 Bangla year till 13 May 2020	09.04.2020
All clearance on NGO Affairs Bureau	22.03.2020
NBR Office on continuing operation in Customs House and Stations	22.04.2020
Microcredit Regulatory Authority Circular on loan reclassification	22.03.2020
Power Division Circular on no surcharge or late fees on delay in paying electricity bill.	22.03.2020
Corona virus (Covid-1) outbreak related information about the ongoing activities of the Rural Development and Co-operative Department - organization under this division, the existing problems and the transmission of corona post-work plans.	19.04.2020
BGMEA circular regarding providing wage/allowance to workers and officers of export oriented readymade garments	10.04.2020
BGMEA circular regarding conducting activities of Dhaka Customs House in limited scale during the general holiday	25.03.2020
BGMEA circular regarding conducting official work in limited scale during the general holiday	02.04.2020
BGMEA circular regarding providing advice under Labour law	23.03.2020
BGMEA survey regarding wages/allowance of workers and officers of RMG	Mach/April 2020
BGMEA circular for their members	26.04.2020

Export - Import

	Date
Loans/Investments from stimulus Fund with minimum service charge (one time at 2%) for active export-oriented industries	02.04.2020
Interest rate on borrowing from the recently enhanced Export Development Fund (EDF).	07.04.2020
Advance Payment Against Imports	23.03.2020
Relaxation of foreign exchange regulations	19.03.2020
Refinancing for imports against usance back to back LCs	07.04.2020
Remittance against documents receiving directly by importers	12.04.2020
Quarterly repayment for imports under supplier's/buyer's credit – relaxation	12.04.2020
Exemption on import of safety kits and raw materials	24.03.2020
LC the usance periods up to a maximum of 360 days	24.03.2020
Fixation of LC Margin on Child food Import	04.04.2020
Settlement of payment against inland LCs in foreign exchange	20.04.2020

Necessary arrangement for continuation of production, transport and supply chain of essential commodities during COVID-19 epidemic	19.04.2020
Chittagong Port Authority Circular on work schedule and operation	25.03.2020
Chittagong Port Authority Circular on 100% waiver of the store rate against the release of container.	05.04.2020
The Chittagong Port Authority through circular for supply of personal safety equipment	20.04.2020
Circular on 100% waiver of container rent	18.04.2020
Ministry of Finance circular regarding providing wage/allowance to workers and officers of export-oriented industries under the stimulus package as loan service	19.04.2020
Chittagong Port Authority circular regarding BGMEA and BKMEA imported containers' delivery	27.04.2020
Bangladesh Bank circular regarding import of agricultural and chemical fertilizers – extension of usance period	26.04.2020
Loans/investments from stimulus Fund with minimum service charge (one time at 2%) for active export-oriented industries due to breakout of Corona Virus	27.04.2020

General Holiday	Date
Circular from Ministry of Public Administration regarding extension of General Holidays till 11th April 2020.	01.04.2020
Ministry of Public Administration issued a notification regarding extension of general holidays till 14.04.2020	05.04.2020
Ministry of Public Administration issued a notification regarding extension of general holidays till 25.04.2020.	10.04.2020
Ministry of Public Administration issued a notification regarding extension of general holidays till 05.05.2020 except for essential services.	23.04.2020
Ministry of Primary and Mass Education issued a circular regarding all governmental / non-governmental primary schools and kindergartens will be closed till 9.04.2020.	24.03.2020
Circular from. Bangladesh Export Processing Zones Authority (BEPZA), declaring General Holidays for all Industries in EPZs from 6th - 14th April 2020.	05.04.2020
Ministry of Foreign Affairs direction to Diplomatic Missions and Offices of UN Agencies and International Organization regarding General Holidays	22.03.2020

General	Date
The key aspects of the newly declared stimulus package are provided here for reference	05.04.2020
Coronavirus added to the list of infectious disease pursuant to Infectious Diseases (Prevention, Control and Elimination) Act 2018	23.03.2020
The whole of Bangladesh declared being at risk of coronavirus infection as per section 11(1) of IDA 2018	16.04.2020

<u>BRTA exemption on fines/charges for motor vehicle</u>	25.03.2020
<u>Honorable Prime Minister's 31-point Directive</u>	03.04.2020
<u>Deployment of armed forces to fight the spread of corona virus to be published as scroll headlines of television channels.</u>	01.04.2020
<u>Bangladesh Veterinary Association (BVA) issued a public notice requesting that no cruelty against domestic animals to be shown and not to spread any fake rumors according to it.</u>	02.04.2020
<u>Ministry of Religious Affairs circular regarding performing prayer at home to prevent the spread of corona virus.</u>	06.04.2020
<u>Cabinet Division of Bangladesh issued a circular regarding suspension of all functions and activities on 14th April, 2020.</u>	01.04.2020
<u>Ministry of Social Welfare circular regarding distribution of support at the field level.</u>	06.04.2020
<u>Press notice of Mr. Imran Ahmad, M.P., Ministry of Expatriates' Welfare and Overseas Employment regarding brining back some expatriate Bangladeshi from some countries.</u>	05.04.2020
<u>Ministry of Fisheries and Livestock regarding production, transportation and marketing of medicines for animal.</u>	08.04.2020
<u>Ministry of Health and Family Welfare circular regarding keeping all branches and sub-branches open.</u>	08.04.2020
<u>Ministry of Health and Family Welfare circular regarding suspension of activities of control room of specialized corona virus health service.</u>	08.04.2020
<u>Ministry of Health and Family Welfare circular regarding inclusion of Vice-Chancellor of Bangabandhu Sheikh Mujib Medical University in the committee for prevention and dealing corona virus.</u>	09.04.2020
<u>Ministry of Education circular regarding instructing absentee government officer and employee to return to their work place and to help the district and sub district administration works.</u>	10.04.2020
<u>Ministry of Finance Circular on compensation for frontline personals fighting the COVID-19 pandemic</u>	23.04.2020
<u>National Board of Revenue Office Order on Prevention of Coronavirus (COVID-19)</u>	22.04.2020
<u>Ministry of Land circular regarding suspension of land service and development fair- 2020</u>	09.04.2020
<u>Office order of Bangladesh Parjatan Corporation regarding providing bonus to all Muslim officers and workers under s. 19(1) of National Wage Scale 2015</u>	28.04.2020
<u>Ministry of Social Welfare regarding providing financial, food and other support to disable persons to fight against the infection of corona virus</u>	12.04.2020
<u>Decision of Cox's Bazar District to prevent corona virus infection</u>	23.03.2020

IT/ITES & E-commerce Businesses	Date
Ministry of Posts, Telecommunications and Information Technology circular regarding continuing operation of IT/ITES/ISP and Digital Commerce Service Providers	24.03.2020
Ministry of Commerce circular on e-commerce, courier service, food and medicine relating warehousing operation, transportation and delivery	02.04.2020
Dhaka Metropolitan Police authorized e-CAB member organization to continue operation of essential and urgent products and delivery	04.04.2020

Labor and Employment Matter	Date
Non-retrenchment of labors from factories/industries due to Covid-19	03.04.2020
Crisis management committee at district level to ensure stability and safety-security of the workers in this unfortunate and difficult times.	12.04.2020
Department of Labour Circular on preventing coronavirus	26.03.2020
DIFE Letter to clear dues of employees	14.04.2020
Regarding payment of wages and allowances to the workers in the export-oriented garment industry from the central fund.	16.04.2020
Circular from Ministry of Public Administration regarding General Holidays from 29th March to 02nd April 2020	24.03.2020
Suspension of any celebration on May day	26.04.2020

Prevention of COVID-19 and Health Directives	Date
Ministry of Social Welfare circular regarding providing financial aid to prevent Covid-19.	03.04.2020
Bangladesh Bank circular regarding needful of banks to prevent corona virus outbreak.	08.04.2020
Taking necessary action for to test the health of all the inward and outward water transport between India and Bangladesh	02.04.2020
National Preparedness and Response Plan for Covid-19Version 5	March 2020
National Guidelines on Clinical Management of Coronavirus Disease 2019 (Covid-19)	09.04.2020
National Guideline for Health Care Provider On Infection Prevention and Control of COVID-19 pandemic in Healthcare Setting	19.03.2020
Case Definition of COVID-19	March 2020
Home care for patients with COVID-19 presenting with mild symptoms	15.03.2020
Guideline regarding safe burial process of people dying from coronavirus / Standard Operating Procedure	23.03.2020
Ministry of Health and Family Welfare circular regarding burial of people dying from coronavirus	28.03.2020
Ministry of Health and Family Welfare circular regarding prevention of covid-19 instruction	25.03.2020

Sample Collection, Storage and Transportation Procedure	28.03.2020
DG Health declaration pursuant to section 11 (1) of IDA 2018	16.04.2020
Ministry of Health and Family Welfare circular regarding training of burial of deceased due infection of corona virus.	06.04.2020
Circular on Guidance on Home Quarantine and necessary action to be taken when someone feels ill	16.03.2020
Rationale Use of Personal Protective Equipment for COVID-19 (Guidelines for using PPE in different situations).	15.03.2020
Waste Management in Airport due to COVID-19	22.03.2020
Suspected case report Form	04.04.2020
Public notice of Director General of Ministry of Health and Family Welfare regarding application of law to deal with Covid-19 for the public interest	12.03.2020
Ministry of Health and Family Welfare circular regarding suspension of biometric attendance of doctors	22.03.2020
Ministry of Health and Family Welfare circular regarding taking actions against the persons or establishment who refused to provide medical services to general patients	25.03.2020
Ministry of Health and Family Welfare circular regarding taking legal actions against the persons or establishment who refused to provide medical services to general patients	25.03.2020
Standard Operating Procedure for disinfection of infectious disease	15.03.2020
Standard Operating Procedure for safe handling and burial of dead person found positive of Corona Virus (COVID-19).	15.03.2020
Guidelines and Regulations for tackling Corona (COVID-19), such as, hospital management and standard operating procedure, hospital waste management, airport waste management, SOP for cleanliness, etc.	23.03.2020
Parenting during COVID-19	March/April 2020
Instruction to keep children with autism safe from COVID-19	March/April 2020
Instruction on coping with stress during the 2019-nCoV outbreak	March/April 2020
Instruction on handling children during the pandemic	March/April 2020
Instruction for pregnant woman during the pandemic	March/April 2020
IFRC, UNICEF & WHO guideline on social distancing	March/April 2020
COVID-19 related action for physically challenged person	31.03.2020
Prohibition on spraying disinfectant directly on the human body	16.04.2020
Urgent direction on COVID-19 Management	18.04.2020
Accommodation arrangement for Doctors, Nurses, and health care workers providing service to coronavirus infected patients	19.04.2020
Bangladesh Bank circular regarding the needful of banks to prevent infection of coronavirus	22.03.2020
Agreement regarding outsourcing of medical technologist service	28.04.2020
Approval of nutritional messages for the purpose of promoting baby food in the prevention of Covid 19	28.04.2020

Taking care of psychosocial and mental health during the crisis of covid-19	31.03.2020
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Relief Work	Date
Ministry of Agriculture issued a circular regarding inclusion of agricultural products in the relief activity program.	06.04.2020
Prime Minister's Directive for relief effort	03.04.2020
National Plan for Disaster Management (2016-2020) and Disaster related Permanent Directives 2019	March 2020
The irregularities in relief distribution activities and instructed that the people's representatives, and supervisor/employee	11.04.2020
Ministry of Social Welfare Circular on permission to expend BDT 10 lac for infection prevention by the National Disability Development Foundation	23.04.2020
Ministry of Social Welfare permission to spent monies for preventing coronavirus	05.04.2020
Ministry of Social Welfare circular providing financial, food and other assistance to prevent coronavirus (COVID-19) infections & allocation of BDT. 15 Crore	16.04.2020
Ministry of Disaster Management & Relief on relief packages to 64 districts	24.03.2020
COVID-19 Emergency Response Fund for SAARC	05.04.2020
Relief for Bangladeshi Workers in Maldives: 85 metric ton of food	12.04.2020
Relief for Bhutan to prevent outbreak of coronavirus	16.04.2020.
Relief activity (Rice): 85,067 metric tons and (Cash): BDT 6.6 Crore	16.04.2020
COVID-19 Emergency Response Project(s) Development Fund (SDF) social window	16.04.2020
Ministry of Disaster Management and Relief direction on relief activity priority list	24.03.2020
Wrapped, packet and other relief and child food allocated must be distributed for disable/physically challenged has been allocated.	12.04.2020
Transmission of Digital Software to Schedule Coverage of Corona Virus Disaster Humanitarian Assistance Program	28.04.2020
Smart Cards for 1.25cr poor families for providing food aid	01.05.2020
Ministry of disaster management and relief circular regarding allocation of fund for relief work	30.04.2020
Application form for Family Based Humanitarian Assistance Card	April 2020
Transfer of the list of coronavirus humanitarian relief activities to digital software in the prescribed schedule	30.04.2020
Over 2.76cr people get govt. relief amid Covid-19 Pandemic	01.05.2020

Stimulus Packages	Date
Compensation for frontline personals directly engaged in the activities relating to tackling coronavirus	23.04.2020
Loans/Investments from stimulus Fund with minimum service charge (one time at 2%) for active export-oriented industries due to breakout of Corona Virus (COVID-19)	02.04.2020
Loans/Investments from stimulus Fund with a minimum service charge (one time at 2%) for active export oriented industries due to breakout of Corona Virus (COVID-19)	08.04.20202

Loans/Investments from stimulus Fund with minimum service charge (one time at 2%) for active export oriented industries due to breakout of Corona Virus (COVID-19).	15.04.2020
Encourage and facilitate the opening of bank account/ MFS account of the workers/employees	06.04.2020
Financial stimulus package to mitigate probable economic impact due to breakout of Novel Corona Virus (COVID-19)	12.04.2020
Special Working Capital facility for CMSME sector under Financial Incentive package-TK 20,000 Crore	13.04.2020
Refinance Scheme for Low-Income professionals, FARMERS and MARGINALIZED businesses, 2020	20.04.2020
Refinance scheme of 5000 crore taka for providing working capital in agriculture sector due to break-out of Novel Corona Virus	13.04.2020
Refinance Scheme for Pre-Shipment Credit to Mitigate the Crisis due to Novel Corona Virus	13.04.2020
Refinance Scheme for Pre-Shipment Credit to Mitigate the Crisis due to Novel Corona Virus	22.04.2020
Interest rate on borrowing from Export Development Fund (EDF)	07.04.2020
Refinancing for imports against usance back to back LCs	07.04.2020
Circular extending the application date for application to receive loan under Financial Stimulus Fund for Export-oriented industries	18.04.2020
Refinance scheme of 5000 crore taka for providing working capital in agriculture sector due to break-out of Novel Corona Virus	13.04.2020
Refinance Scheme (Revolving) for Large Industries and Service Sector due to breakout of Novel Corona virus.	23.04.2020
Bangladesh Bank considering the position of the worker provided direction for “Cash out” of the salaries of workers of export-oriented industries	23.04.2020
Refinancing scheme of capital loan/investment benefits for the damaged CMSME sector	26.04.2020
Providing agricultural loan at a concession rate of 4% for the agriculture sector	27.04.2020
Providing loan/investment benefits in easy terms to the running export oriented industrial establishments	27.04.2020

Supreme Court	Date
Bangladesh Supreme Court issued a circular regarding extension of bail/temporary prohibition and how to appeal under Special Laws.	04.04.2020
Bangladesh Supreme Court issued a circular regarding general holiday on 12th and 13th April 2020 when all courts will remain closed.	06.04.2020
Courts will remain close in order to prevent transmission of Covid-19 till 25th April 2020 and not to conduct any court work during the holiday.	11.04.2020

The office hour of the courts during Ramadan will be from 09.30 to 3.00 on working days.	11.04.2020
Supreme Court Special Committee for Judicial Reforms regarding video/audio-conference	23.04.2020
Supreme Court Direction on partial opening of court during the General Holidays	23.04.2020
Supreme Court Direction on partial activity in Sessions Court, CCM courts	23.04.2020
General Holidays from 25th April to 5th May 2020	23.04.2020
Bangladesh Supreme Court regarding conducting court session by video conference	25.04.2020
Bangladesh Supreme Court regarding suspension of all activities of Appellate and High Court Division till 27.04.2020	25.04.2020
Bangladesh Supreme Court regarding suspension of all activities of Appellate and High Court Division till 05.05.2020	26.04.2020
Suspension of lower courts	25.04.2020

Travel restriction [Local/International]

	Date
Circular from Prime Minister's Office regarding Logistics and Transportation services to be allowed in case of emergency utility services and other distribution of goods and services.	09.04.2020
DG Health Direction for district level quarantine for foreign returnees	20.04.2020
Ministry of Fisheries and Livestock issued a circular regarding continuation of fisheries production, transportation and exportation.	04.04.2020
Prime Minister's Office circular regarding listing all emergency services are out of the purview of the general holidays.	09.04.2020
Public Transportation Lockdown	25.03.2020
Prohibition on mass transportation under 25th April 2020	11.04.2020
Guidelines on immigration and visa related issues for the prevention of COVID - 19	14.04.2020
Continuation of production, transportation and supply chain of necessary commodities and electronic products	26.04.2020
Travel restriction on public transport till 5th May	24.04.2020

Agricultural

	Date
Fish, milk, egg and poultry balanced produced at the marginal stage transportation/ Marketing	22.04.2020
Ministry of Agricultural regarding Boishak allowance for 1st grade to 10th grade officials	24.04.2020
Collection of atub rice	15.04.2020
Collection of govt wheat and borrough 2020	05.04.2020
Conducting activities of OMS in the circumstances created due to covid-19	03.04.2020
Selling of rice at BDT 10 per kg	11.04.2020
Incentive for agricultural equipment development assistance	19.04.2020

Conducting activities of OMS	01.04.2020
Continuance of reaping of paddy in hoar areas	09.04.2020
Instruction of Prime Minister regarding the current state of corona virus	06.04.2020
Ministry of Administration regarding keeping office open in limited scale	23.04.2020
Conducting activities of OMS	15.04.2020
Prime Ministry's instruction distribution of OSM rice among people who does not have food card	15.04.2020
Business Continuity Plan (BCP) for Heath Sector using Technology to address Covid-19 situation	April 2020
Conducting activities of all district and divisional post offices for three hours for regularly deliver Department of Food's registered posts	21.04.2020
Ministry of Fisheries and Livestock's press notification	01.04.2020
Ministry of Fisheries and Livestock launches control room to address poultry and dairy crisis	02.04.2020
Fisheries and Livestock Minister hands over Rs 1 crore 11 lakh grant check to PM's relief and welfare fund	06.04.2020
Government allocates 24,103.04 metric tons of VGF rice in second phase for fishermen	16.04.2020
The Livestock Research Institute has started sample testing to detect corona virus	25.04.2020
Rescheduling of allocation of special OMS for sale in metros of the country	18.04.2020
Division of Upazila wise targets for internal boro boiled rice collection	21.04.2020
Ministry of Fisheries and Livestock has taken initiative to market marginal fish, milk, eggs and poultry.	22.04.2020
Internal wheat procurement target for 2020 is upazila wise division	09.04.2020
Allocation of Special OMS Allocation for District Headquarters and Non-District Municipalities	25.04.2020
Rescheduling the allocation of special OMS for sale in metros of the country.	24.04.2020
Conducting activities of OMS	05.04.2020
Collection of domestic rice target 2020	13.04.2020
Ministry of Food circular regarding conducting activities of OMS in the circumstances created due to covid-19 in the Hoar region	10.04.2020
Ministry of Agricultural circular regarding inclusion of agricultural products in the relief activities	05.04.2020



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