

## Bangladesh Bank eases foreign airlines' fund repatriation policy

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Dhaka: Country's banks no longer require regulatory approval to issue payment commitments against the surplus earnings of foreign airlines and shipping companies.

Earlier, Bangladesh Bank's approval was required to issue payment commitments, which used to lead to late disbursements of payable funds.

Now, on the other hand, banks can make such commitments for the repatriation of surplus earnings in the accounts of local agents of foreign airlines and shipping companies.

However, banks still need to meet certain conditions imposed by Bangladesh Bank to issue their payment commitments.

On October 4, in a notice, the central bank said, banks will have to

ensure that all applicable credit norms and prudential parameters, including the single borrower exposure limit, are followed as prescribed.

Also, documentary evidence must support the applications for payment commitments to show that necessary arrangements were made to cover the due amount using collateral acceptable by the bank, as per the notice.

Furthermore, payment commitments need to be approved by the Board of Directors of the banks. The same is required from the management of foreign banks in the country as well.

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