



Bangladesh Bank

Head Office

Motijheel, Dhaka-1000
Bangladesh
website: www.bb.org.bd

**Banking Regulation &
Policy Department**

BRPD Circular No. 09

08 April 2024
Date: -----
25 Chaitra 1430

Managing Director/Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

Definition of Past due/Overdue of Fixed Term Loan

Please refer to BRPD Circular No. 03 dated 21 April 2019 on the loan classification & provisioning.

2. According to the section 2.1 of the above mentioned circular, in case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.
3. Now for the purpose of aligning the Past due/Overdue definition of the Fixed Term Loan with the international best practice, necessary instructions are given below which will be implemented in two steps:
 - a) In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry/due date, the amount of unpaid installment(s) will be treated as past due/overdue after 03(three) months of the due date, which will be effected from 30 September 2024; and
 - b) In the second step, from 31 March 2025 and onwards, in case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry/due date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day.
4. Other instructions of BRPD Circular No. 03/2019 will remain unchanged.
5. This directive has been issued by Bangladesh Bank in exercise of its power conferred on it under section 49(1)(cha) of the Bank Company Act, 1991.

Yours faithfully,

(Md. Harun-Ar-Rashid)
Director (BRPD)
Phone: 9530252