**Press Release**

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Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

SME & Special Programmes Departmentof Bangladesh Bank(BB) has issued a circular on August 03, 2021 (SMESPD Circular Letter No. 09/2021) which instructed that the Refinancing interest / profit rate to be fixed at 0.5% (zero point five percent) at bank / financial institution level and maximum 5% (five percent) at customer level, previously which was 3% and 7% respectively as per SMESPD Circular Letter No 02/2020.

As per the instructions of paragraph 3 of SMESPD Circular No. 2/2019, net loan of CMSME sector at the end of 2024 and a minimum distribution target of 15% (fifteen percent) of the advance status is set for women entrepreneurs(WE) for refinancing facility on priority basis under the "Small Enterprise Refinancing Scheme".

BUILD through its SME Development Working Committee recommended that Bangladesh Bank should take initiative to ensure a separate re-financing scheme for WE to enable them to avail more credit facilities and a dedicated desk for WE in Banks and NBFls to get prompt services.

The circular would definitely support WE those who are multiple loan consumer, for them other than interest rates timely loan and simple conditionalities are much more important. It is seen that Banks are required about 24 types of documents in the form of company document, personal document and business guarantor documents which becomes very difficult for submitting for a small business entrepreneurs. Simplification in this respect is also very important.

Situation of rural women entrepreneurs is precarious, suffering from fund and cannot afford collateral, even though BB has announced several other alternatives such as educational certificates, chamber/association certificates but Banks and FI are mostly depends on Collateral-based loan. In the rural areas, now a days a nuber of returnee migrants at local level who have just lost their jobs, suffering severe financial crisis needs collateral free finance even if the amount is very small for their sustenance

As CMSME package has already been announced at 4% from the client, so this announcement for 5% might encourage have women entrepreneurs, but for their benefit loan conditionalities and time-bound loan support would be much more beneficial.

 Sincerely



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