

Investment Guide



Bangladesh

KPMG Bangladesh

November 2022

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Bangladesh – key facts



1.1 Country Overview (1/2)

One of the fastest growing economies in the world

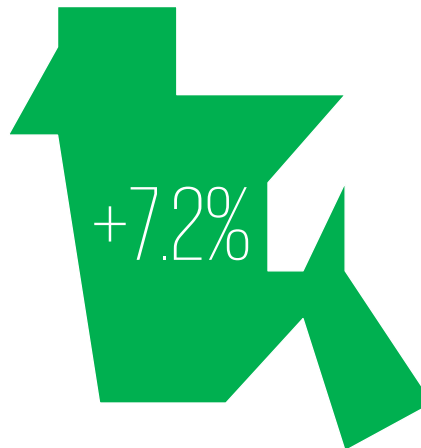
July 2022 INFLATION



8.91%

Source: Bangladesh Bank

GDP GROWTH FOR 2021-22



Source: Asian Development Bank

Dec 2022 BDT 1



= USD 0.009

Source: Bangladesh Bank

2020-21 UNEMPLOYMENT RATE



5.23%

Source: World Bank

2021-22 EXPORT EARNINGS



USD 52.46 bn

Source: Export Promotion Bureau

- Classified as a "**Next Eleven**" emerging market and one of the "**Frontier Five**" emerging economies in the world by Goldman Sachs and JP Morgan respectively.
- Projected to become the **24th largest economy** by 2033.
- Although the country's economic growth has hampered due to Covid19 pandemic, it is expected the country will make a U-shaped recovery due to proactive economic policy reforms
- **Credit ratings:** Ba3 (Moody's) and BB- (Fitch)
- **Foreign Direct Investment (FDI):** USD 2.50 billion in 2020-21
- **Export destinations (2020):** United States (17.3%), Germany (15.1%), United Kingdom (10.2%), Spain (6.5%), France (5%), Italy, Canada, Belgium, China, Japan and India.

1.1

Country Overview (2/2)

Geography and climate

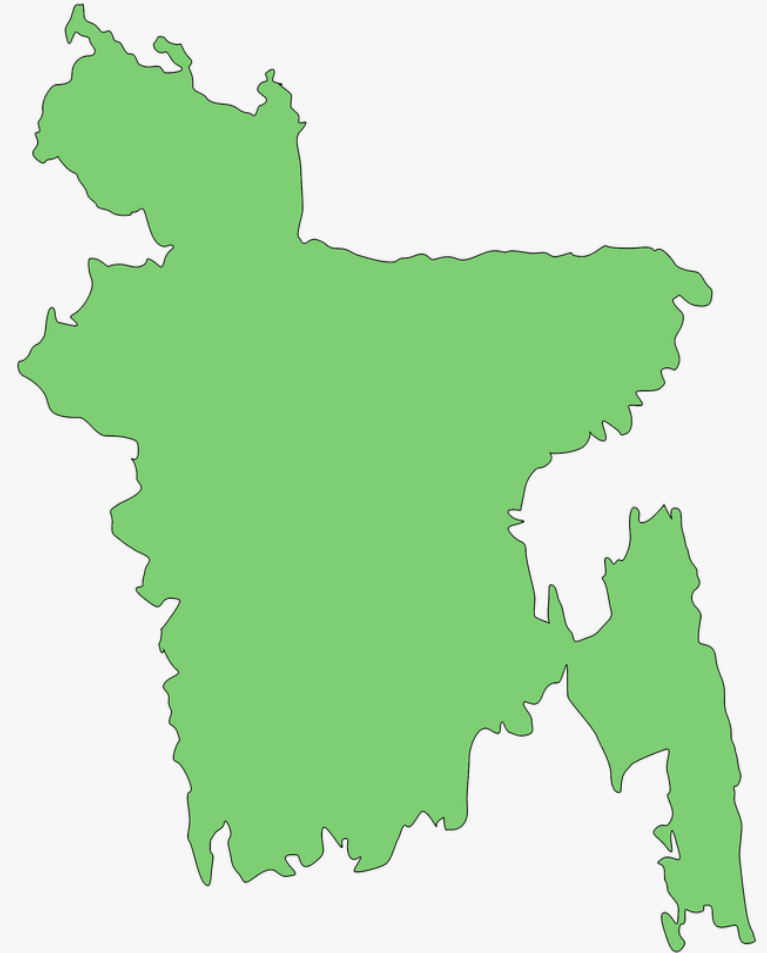
- **Location:** Southern Asia, bordering the Bay of Bengal, between Myanmar and India
- **Climate:** Tropical; mild winter (October to March), hot, humid summer (March to June); humid, warm monsoon (June to October)
- **Regions:** 8 divisions
- **Capital:** Dhaka
- **Major cities:** Dhaka, Chattogram and Sylhet

Political system and demographics

- **Type of government:** Parliamentary democracy
- **Population:** 166.7 million people
- **Official language:** Bengali Prominent
- **Young population:** Approx. 67% below the age of 35

Financial sector

- **Central bank:** Bangladesh Bank
- **Local currency:** Bangladeshi taka (BDT)
- **Stock exchanges:** Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE)
- **Banks:** 61 scheduled banks, 5 non-scheduled banks and 34 non-banking financial institutions



1.2 Economy and Infrastructure

Key industry development



Consumer friendly economy



Sectors growing service and industry



Steady investment in digitisation

Bangladesh Investment Development Authority (BIDA)



Supports foreign investors

Provides one-stop services

Infrastructure



Payra Port

Bangladesh is constructing its third sea port in addition to Mongla and Chattogram ports to expand its foreign trade



Padma Bridge

Padma bridge construction has been completed



25,730

Installed power generation capacity of 25,227 MW

Source: Power Division



Dhaka Metro Rail

Dhaka Metro Rail project, expressway project and expansion of highways will improve transportation facilities

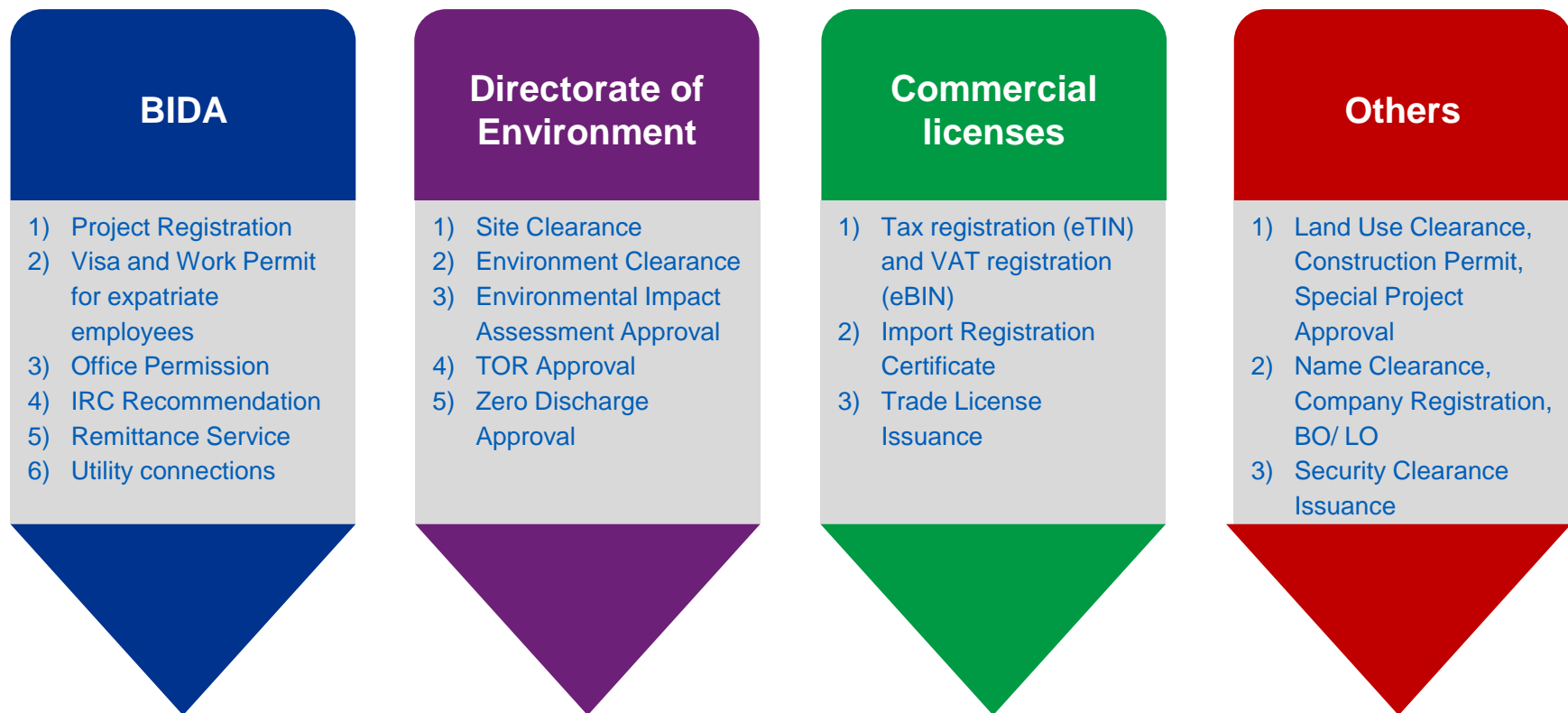
69 + 29

69 Government-owned economic zones and 29 Private economic zones

- 2.4 GWe Ruppur Nuclear Power Plant,
- 1.3 GWe Rampal Power Plant,
- 1.2 GWe Matarbari Power Plant and more are being constructed
- Karnaphuli river tunnel construction project has been undertaken to increase connectivity

1.3 BIDA's one-stop services for investors

Bangladesh Investment Development Authority is the primary regulator for foreign investors and it assists them with various services ranging from obtaining commercial licenses to operational registrations to commence their operations smoothly



1.5

Bangladesh's Ease of Doing Business Global rankings

131

Starting a Business Indicator

Trade license within 2 days for companies, Risk based inspection for VAT registration within 3 days, etc.

135

Construction Permits Indicator

Land use clearance issued from, RAJUK & CDA within 7 days, Occupancy certificate issued in 5 working days, etc.

The Government has set an ambitious target to achieve a double-digit ranking by 2022. Government agencies have reformed many acts, rules, procedures, and regulatory regimes for making a favorable environment for private investment in Bangladesh.

176

Getting Electricity Indicator

New electricity connection to warehouses in industrial zones in Dhaka and Chittagong is now given (up to 80 kW) within 7 working days through 2 procedures maximum.

72

Protecting Minority Investors Indicator

The extent of shareholders rights, the extent of ownership and control, corporate transparency, disclosure has been increased, etc.

184

Registering Property Indicator

Mutation for land transfer done within 7 days, company to company land transfer fee reduced to 1%, etc.

176

Trading Across Border Indicator

The cost and time for border and documentary compliance for both imports and exports have recently been reduced.

151

Paying Tax Indicator

Corporate Tax has been reduced to 30% from 35%

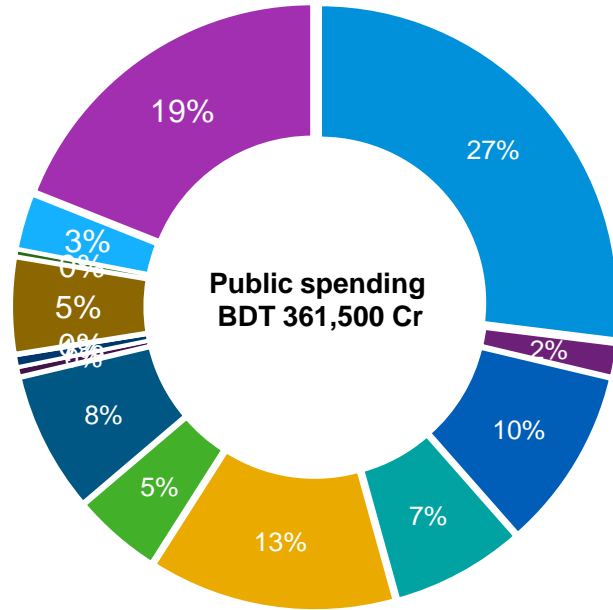
119

Getting Credit Indicator

2 years of historical data on credit information of borrowers is now available from the credit information bureau report.

1.6 Public spending and GDP

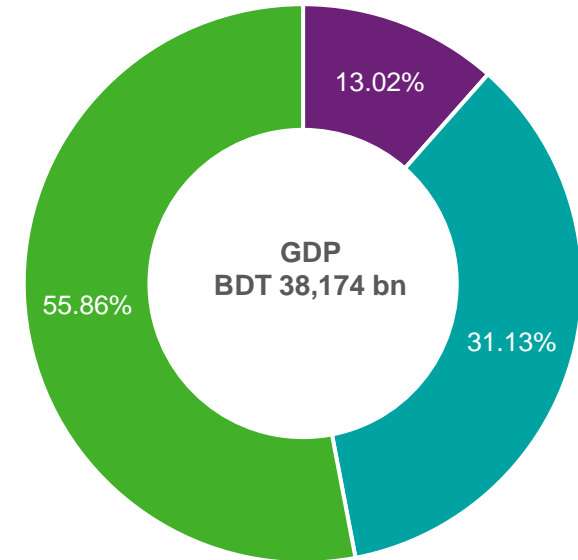
Public spending for FY2022-23 (planned)



- Public Services
- Local government and rural development
- Defence Services
- Public Order and Safety
- Education & Technology
- Health
- Social Security & Welfare
- Housing
- Recreation, culture, and religious affairs
- Energy and Power

Source: Bangladesh Ministry of Finance (2022).

Shares of GDP (current prices) in FY2021-2022



- Agriculture
- Industry
- Service

Source: Bangladesh Bureau of Statistics (2022)

1.7 Digital Economy

Over the months of COVID 19 pandemic and after, Bangladesh has seen a booming growth in digital economy. Online platforms have stepped into the space left vacant by traditional business structures during the persistent lockdowns and restrictions. From educational sectors going completely virtual to consulting health specialists on smartphones, technology utilisation has been at its peak.



Healthcare

Praava Health

Praava Health provides several types of medical services for all ages. It enabled an online platform for people to consult doctors using smartphones

Mobile Financial Services (MFSs)

bKash, Nagad, Upay

These are online platforms/apps through which money can be sent or received

E-commerce

Chaldal, Bikroy, Daraz

These are some of the most successful e-commerce platforms in Bangladesh which provide online facilities for buying and selling products & services

Vehicle for hire

Uber, Pathao, Shohoz

One of the fastest growing tech startups in Bangladesh, Pathao provides ride sharing, food delivery, courier services, etc. through its online platform

2.5%

Incentive on corporation tax if all income & receipts and expenses & investment above a certain limit are made through bank transfer

1.8 Recent investments in digital economy



Automobiles

- Nitol Motors (Suvare Electric cars)
- Fair Technology Ltd (Hyundai Cars)
- PHP Automobiles (Proton Saga)
- Bangladesh Auto Industries Ltd (Battery Electric Vehicles)



FMCG

- Coca Cola
- Procter & Gamble (in collaboration with Pran)



Home and Consumer Electronics

- Walton
- Joint Venture of Whirlpool Corporation and Transcom Group
- Meghna Corporation
- Fair Electronics Ltd (Samsung AC)



Mobile phone companies

- Samsung Electronics
- Nokia
- Walton Digitech Industries
- Benli Electronic Enterprise (Oppo)

Recently there has been a huge injection of investment funds for manufacturing operations, both from local and foreign entities mainly due to widespread tax incentives and dynamic exemptions directed at industrial enterprises setting up in Bangladesh.

1.9 Bangladesh amidst Covid-19



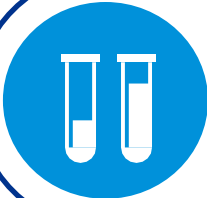
Growth of export during the pandemic

The country's export earnings in the financial year 2020-2021 grew by 15.10% from USD 33.67 billion to USD 38.76 billion. This is due to the increase in earnings of RMG, jute and agricultural industries. Bangladesh has achieved second highest export growth globally over the past decade.



Growth of Investment despite economic slowdown

Bangladesh received remarkable investment from both local and foreign investors during the pandemic. According to BEPZA data, Bangladesh received over USD 81 million from 8 companies in different export processing zones. Registration of new firms also increased by 24.32% which highlights the expansion of business.



High provision of Incentives for Imports and local production of Medical Supplies

The Government of Bangladesh took various effective steps to combat the pandemic. The incentives include reduced import duties, selective exemption of VAT, relaxation of certain restrictions and subsidies for the healthcare sector as well as for the affected people.



Sources: The Bangladesh Rating Agency Limited
The National Board of Revenue

1.10

Why invest in Bangladesh

- 01** Promising and established country
- 02** Continuous rapid economic growth
- 03** Young and skilled workforce
- 04** Openness to foreign investment
- 05** Fiscal incentives
- 06** Bilateral and regional agreements
- 07** Competitive labor costs
- 08** Strategic location
- 09** Growing service and digital sector

1.11 Investment conditions (1/3)



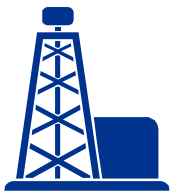
FDI is a potent resource for developing economy of Bangladesh and can play an important role in achieving the country's socio-economic objectives, including poverty reduction goals.

Generally, foreign investors are free to make investments in Bangladesh except in a few restricted sectors.



1.11

Investment conditions (2/3)



Protected industries

Furthermore, investment in certain industries also require prior approval of the relevant ministry/authority.

Fishing in the deep sea

Bank, insurance and other financial institution

Generation, supply and distribution of power

Exploration, extraction and supply of natural resources

Large-scale infrastructure project

Crude oil refinery (recycling/refining of lube oil used as fuel)

Medium and large industry using natural mineral as raw materials

Telecommunication service (mobile/cellular and land phone)

Satellite channel

Cargo/passenger aviation

Sea-bound ship transport

Sea-port/Deep sea-port

VOIP/IP telephone

Industries using heavy minerals accumulated from sea beach

1.11 Investment conditions (3/3)



Foreign investment and 100% foreign ownership is permitted in general, with a limited number of business activities which require ownership from Bangladeshi companies or individuals.



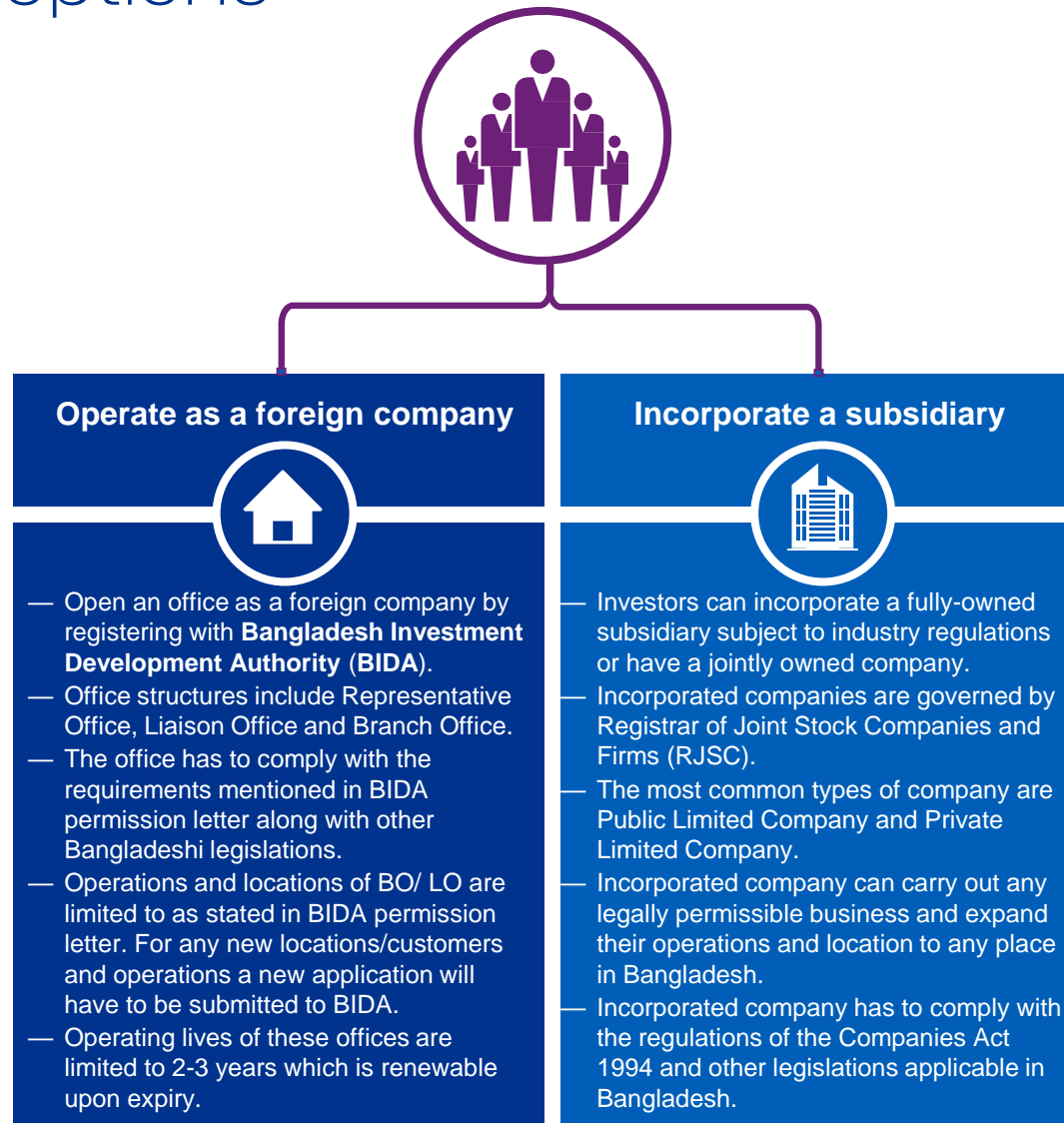


Mode of entry

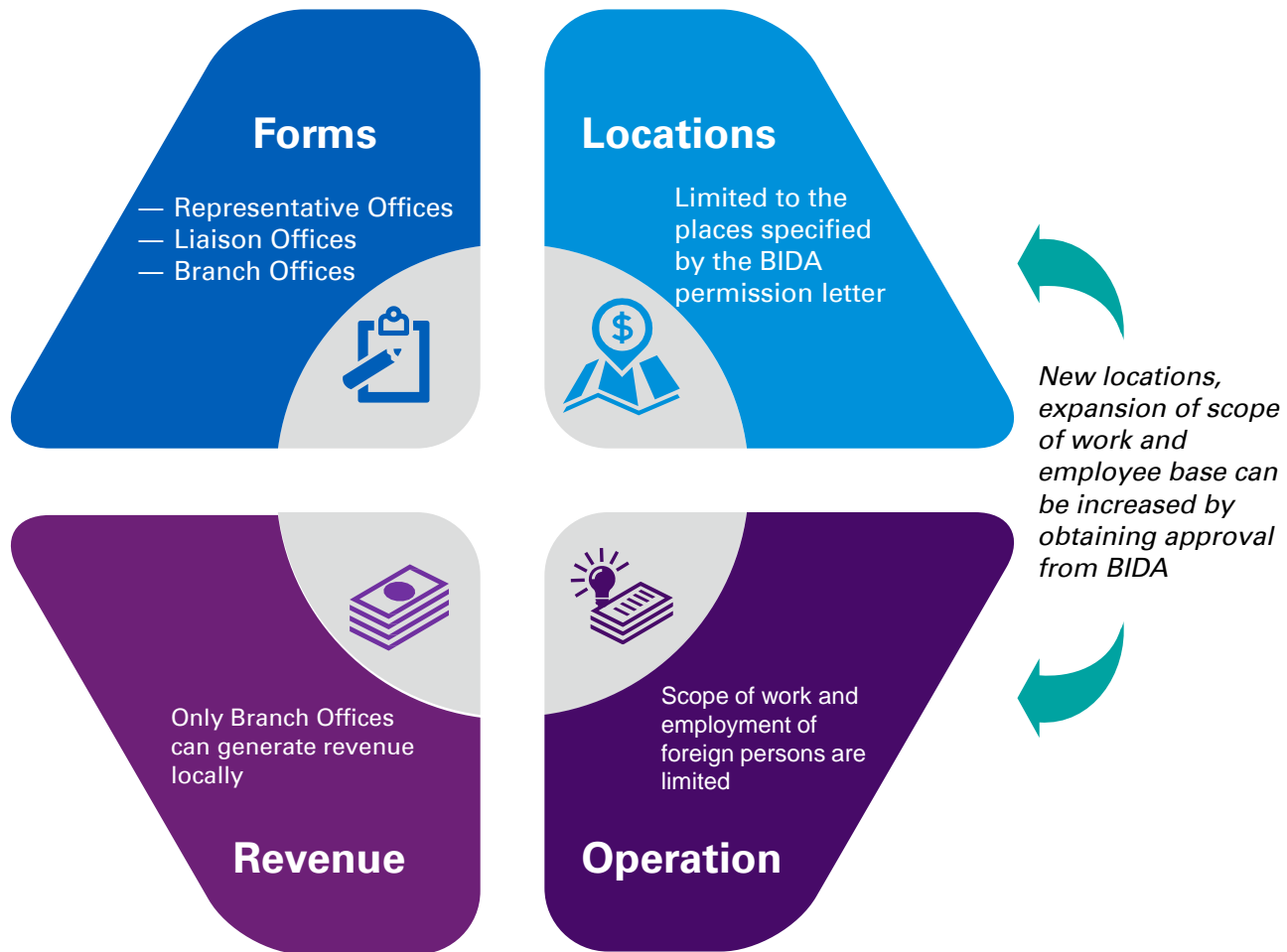


2.1 Investment options

- Social development institutions and not-for-profit organisations working with foreign donations operate under specific regulations of NGO Affairs Bureau of Bangladesh.
- Although not common, a general partnership may be formed with local individual or other registered entities under the Partnership Act, 1932. Its formation is easier than both office or a company. It has no legal entity and registration is not mandatory. There is only an agreemental relationship among the partners detailing the share of capital, profit and liability. The minimum number of partners is 2 and the maximum number is 20 in ordinary cases and 10 in case of banking business. Member's liability is unlimited for such formation.



2.2 Registered offices



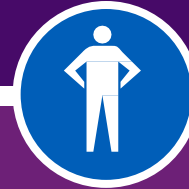
2.3 Incorporated companies

Public limited company



- The number of members of a Public Limited Company is minimum 7 and the maximum number is limited according to share capital as described in Memorandum of Association. The liability of a member is limited by his/her share capital.
- The special significance of a Public Limited Company is that such a company is permitted to offer shares and securities to the public. The shares of this company can be transferred without any restriction.
- Public Limited Companies are regulated by the Bangladesh Securities and Exchange Commission (BSEC).

Private limited company



- The number of members of a Private Limited Company is limited and this limit is minimum 2 and maximum 50. The liability of a member is limited by his/her share capital.
- It cannot invite the general public to subscribe to its shares or debentures.
- Private Limited Companies are not primarily regulated by the BSEC, but certain regulations of BSEC still apply.

*Company legislation also allows **One Person Company** to be formed by having one natural person as a shareholder.*

2.4 Steps to set up a Registered office



Step 1:
Apply to BIDA



Step 2:
Notify Bangladesh Bank after obtaining registration.



Step 3:
Register with Income Tax Authority



Step 4:
Register with RJSC



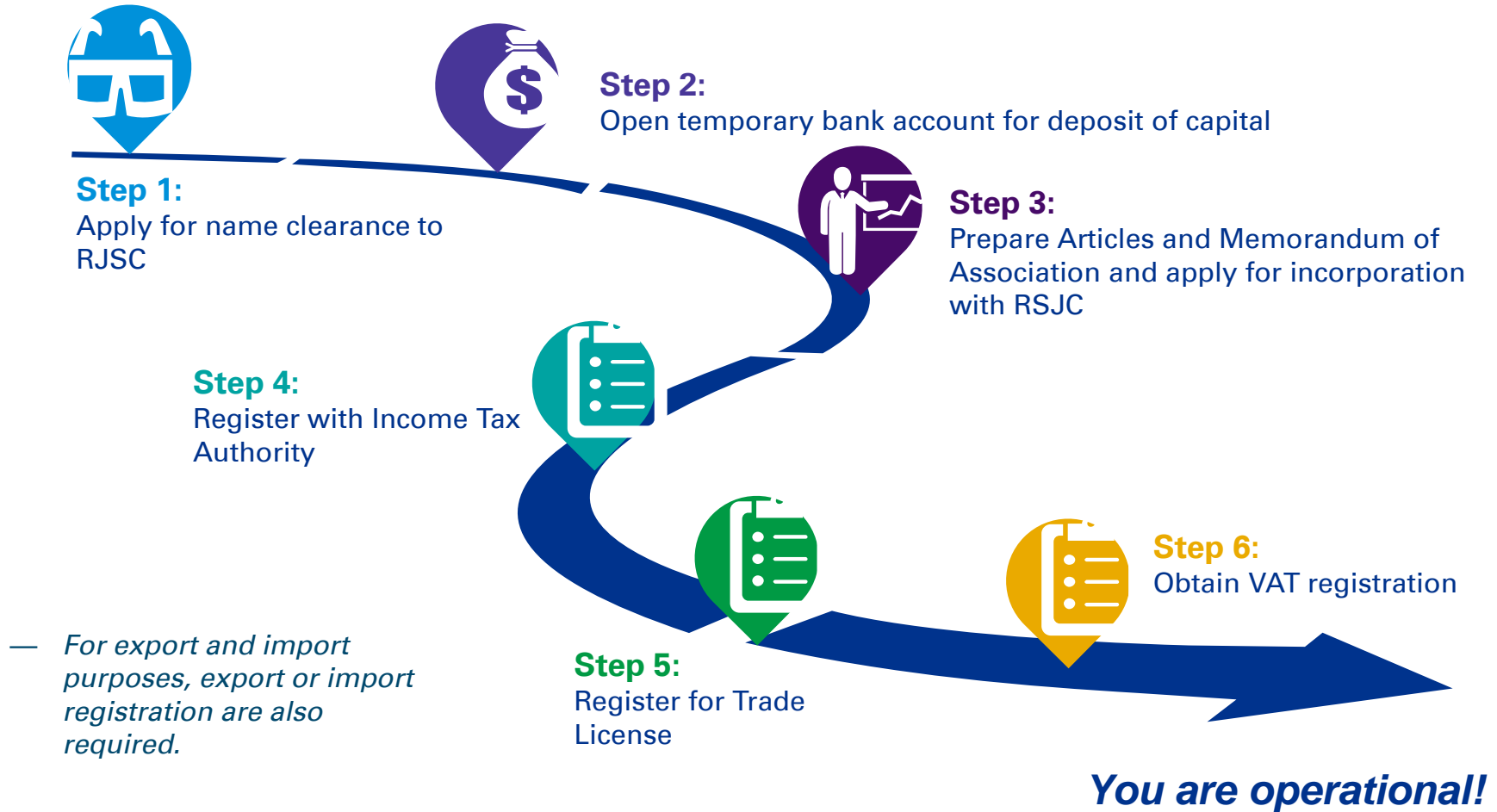
Step 5:
Obtain Trade License

— *If Bangladesh office wishes to generate and receive revenue locally, approval from BIDA is required along with VAT registration, if applicable.*

— *For export and import purposes, export or import registration certificates are also required.*

You are operational!

2.5 Steps for Incorporating a company



2.6

Timeline

SL	Set-up process	Timeline (weeks)								
		1	2	3	4	5	6	7	8	
Office registration procedures										
1	Apply for permission from BIDA	█								
2	Letter to Bangladesh Bank under section 18B of Foreign Exchange Regulation Act 1947									
3	Registration with Income Tax Authority									
4	Registration with Registrar of Joint Stock Companies									
5	Trade license									
6	Clause 7 waiver from the permission letter of BIDA if the branch office raises invoice locally									
7	Registration with VAT authority									
Company incorporation procedures										
1	Obtaining name clearance	█								
2	Opening temporary bank account for deposit of capital									
3	Obtaining registration from RJSC									
4	Registration with Income Tax Authority									
5	Obtaining Trade license									
6	Obtaining online VAT registration									

Import Registration Certificate (IRC) or Obtaining Export Registration Certificate (ERC) (If required) can be obtained within 2-3 weeks, however, chamber membership is required to be obtained beforehand which can take time depending on the relevant chamber.

2.6

Startup Sandbox (1/2)



What is a startup?

Startup means the company who works towards deployment or commercialisation of new products, process or service driven by innovation, development and technology or intellectual property.

Conditions to be classified as a startup



Annual turnover not exceeding BDT 1 billion



Needs to be registered with the RJSC and NBR



Not a resulting company of amalgamation scheme or demerger



Is not a subsidiary of another company holding more than 50% of its shares

Ineligibility conditions

X

Companies incorporated prior to 2017-2018

X

Incorporated after fiscal year 2017-2018 and fails to get registration by the last day of June 2023

X

Fails to get registration within 30 June of every year following the year of its incorporation

2.6 Startup Sandbox (2/2)

Benefits

This section will **override** all other provisions in ITO 1984

Sections **30** and **30B** will not apply for startups registered under this section.

Loss incurred in growth years can be carried forward to **9 successive years.**

No compliance obligations other than submission of return if permanent access to books is provided to the tax authority.

Minimum tax on gross receipts is reduced to **0.1%**





Tax environment and incentives



3.1 Major tax legislations



National Board of Revenue (NBR), the tax authority in Bangladesh.

Direct Tax



Income Tax Ordinance 1984

Indirect Tax



VAT and Supplementary Duty Act 2012



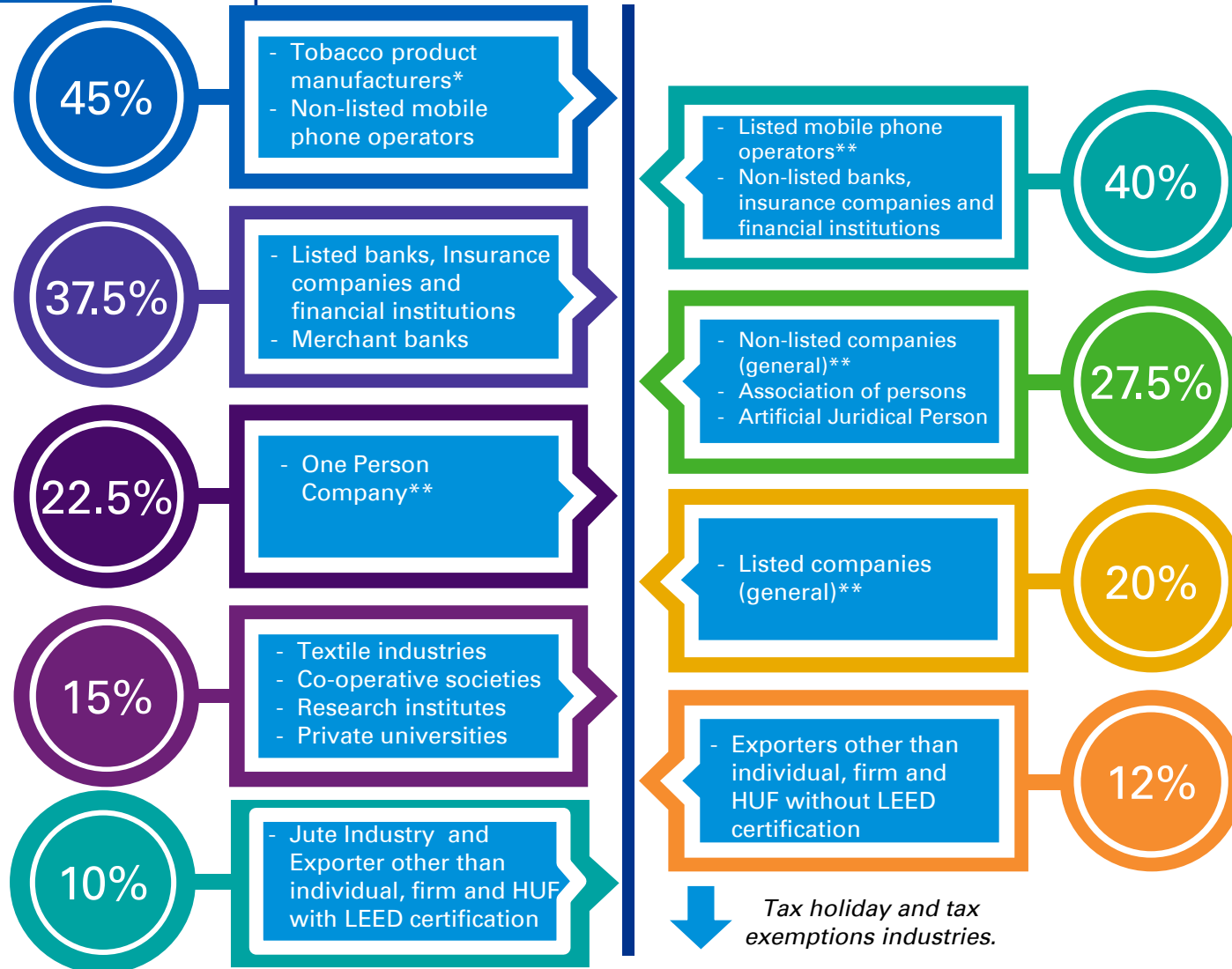
Customs Act 1969



Stamp Act 1899

SROs, Clarifications and Interpretations are issued to support the main legislations.

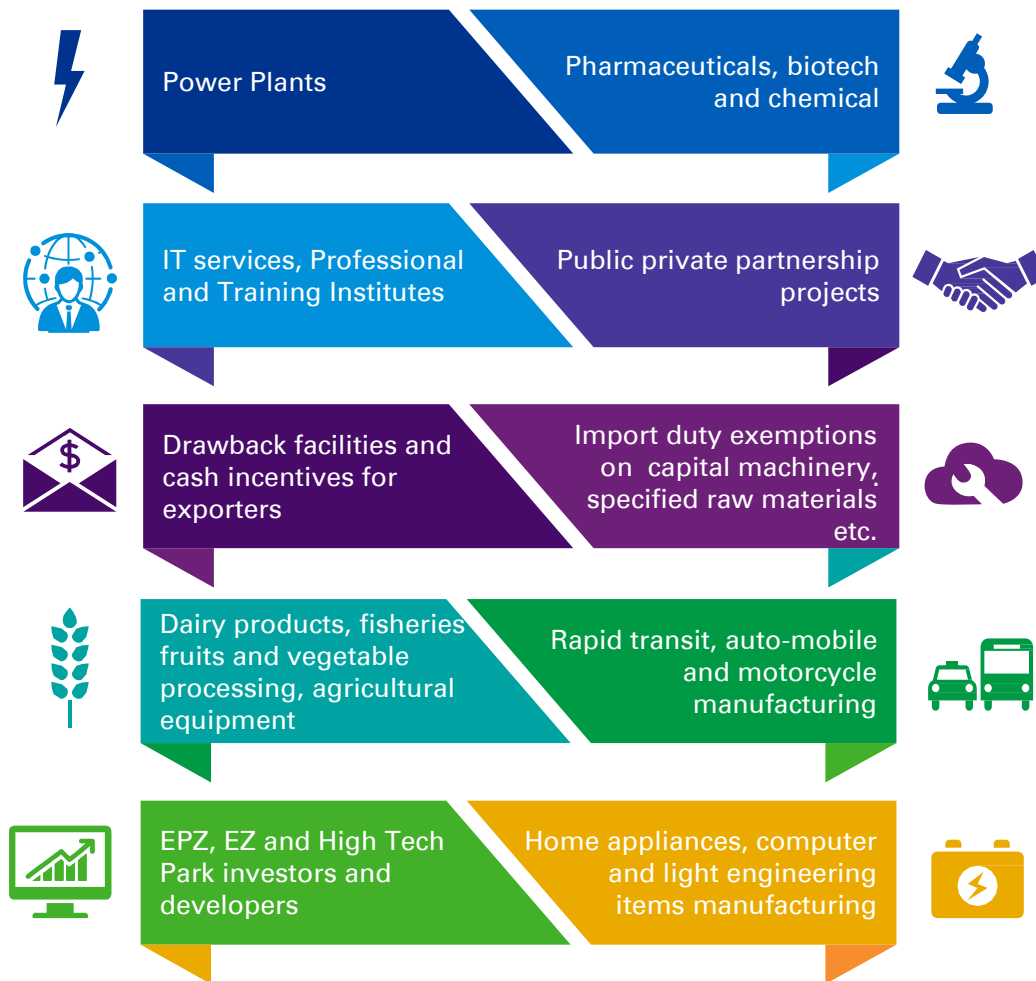
3.2 Corporate income tax structure







* Additionally 2.5% surcharge is applicable
 ** Specific conditions apply

3.3 Tax incentives (1/2)

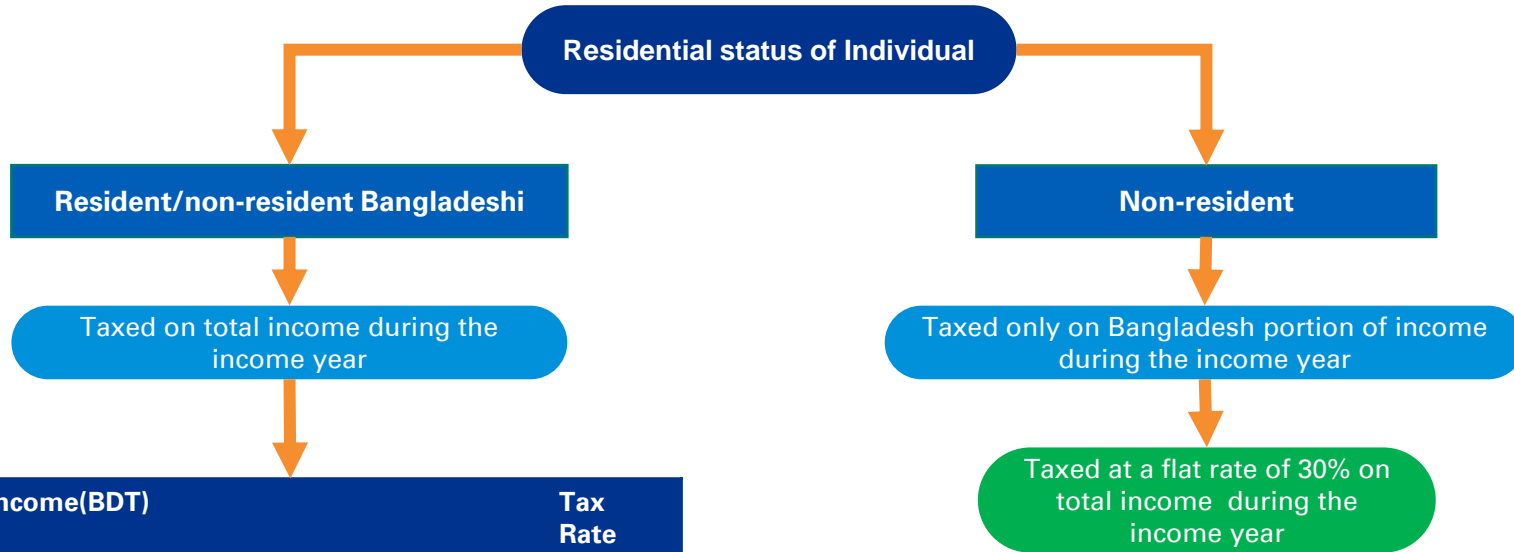
Several tax incentives have been issued for industrial enterprises, physical infrastructures, thrust sector industries and specialised sectors.



3.3 Tax incentives (2/2)

 <p>Oil and gas sector</p>	<ul style="list-style-type: none">— Special tax provisions for exploration and extraction of mineral operations— Simplified deemed income basis tax provisions for subcontractors in petroleum operations
 <p>Power generation entities</p>	<ul style="list-style-type: none">— Subject to commencement of operation up to 15 years income tax exemption if given.— Royalty, technical fees, capital gains on transfer of shares are also exempted.— Expatriates working in power plants also enjoy 3 year tax exemption
 <p>Industrial enterprises Physical infrastructure</p>	<ul style="list-style-type: none">— 10 year regressive tax exemption is given for physical infrastructures— Subject to location of establishment, 5 or 10 year regressive tax exemption is given to industrial enterprises— Includes renewable energy, IT parks, highway, ports, rapid transit, expressway, pharmaceuticals, biotech, auto-mobile and motorcycle etc.
 <p>EZ and EPZ investors</p>	<ul style="list-style-type: none">— Subject to location of establishment, 5 or 7 year regressive tax exemption is given for companies setup in Export Processing Zones.— 10 year regressive tax exemption is given for companies setup in Economic Zones.

3.4 Personal income tax structure



Total Income(BDT)	Tax Rate
First 300,000 (for women, senior citizens 65+ & persons of Third Gender 350,000)	0%
Next 100,000	5%
Next 300,000	10%
Next 400,000	15%
Next 500,000	20%
On balance	25%

Resident: (i) Presence in Bangladesh for 182 days or more in the related fiscal year or
 (ii) Presence for 90 days or more in the related fiscal year + 365 days or more in preceding 4 years.

- Surcharge is applicable based on the amount of wealth of the individual
- Employers are required to deduct withholding tax at the time of payment to their employees.
- Return filing deadline is 30 November.
- For individual assesses submitting return for the first time, the date of submission is 30 June of the year.

3.5

Capital gain tax

General CAPITAL GAINS TAX RATE



Capital gains tax other than sale of shares of listed companies:

- Company - 15%
- Others – 15% or marginal tax rate based on the holding period of the asset

Transfer of capital assets are subject to capital gains tax in Bangladesh

Transfer of shares of a non-resident company might be subject to capital gain tax in Bangladesh under certain circumstances.

CAPITAL GAIN TAX RATES FOR LISTED SECURITY TRANSFERS

15%	10%	5%	5%	0%
Non-resident shareholders	Resident firms, and companies	Sponsor shareholders and shareholder directors of financial institutions	Shareholders with at least 10% shareholding excluding sponsor shareholders and shareholder directors	General individuals

** Tax rates may vary due to specific conditions*

EXEMPTION FOR NON-RESIDENTS



Non-resident shareholders are exempted from capital gain tax on their transfer of listed securities of Bangladesh companies if they enjoy similar tax exemption in their resident countries

Recently, NBR published SRO No-. 156- ACT/Income Tax/2022, dated 1 June 2022, for the tax implications on offshore indirect transfer of shares which provides exemptions on certain transactions, given it fulfils certain outlined conditions.

3.6 Value added tax (VAT) (1/2)

New VAT legislation has been implemented from 1 July 2019 with a view to modernising the VAT system, ease VAT compliance and reduce VAT complexities

Nature of Activities	VAT Rate
Standard VAT rate	15%
– Businesses having turnover between BDT 5m to BDT 30m will be subject to turnover VAT	4%
Supply of goods	
– Supply of any goods from inside to outside Bangladesh;	
– Temporarily imported goods;	
– Deemed export;	
– Supply of goods for repair, maintenance or modification and supply of stores or spare parts for ocean-going ship and aircraft engaged in international transport;	Zero rated
Supply of services	
– Services given physically on goods situated outside Bangladesh at the time of supply of the service,	
– Services given relating to temporarily imported goods under the Customs Act;	
– Services given to a recipient situated outside Bangladesh at the time of supply;	
– Supply of telecommunication services by a telco supplier to a non-resident telco supplier.	
Trade VAT	5%
Specifically for	
– Manufacturers (on imports)	3%
– Medicine	2.4%
– Petroleum products	2%
Certain prescribed goods and services	Lesser Rate
Business entities whose supplies are subject to Truncated VAT can choose to exercise the standard VAT rate of 15% and claim input VAT credit against their purchase.	(2-10%)

3.6 Value added tax (VAT) (2/2)

Goods and services subject to lower VAT rates and trade VAT rates will not be eligible for input VAT credit.

However, they can choose to exercise standard VAT rate of 15% and claim input VAT credit against their purchase.

VAT on specific goods and services procurement can be taken as credit

VAT cannot be taken as credit for the following cases:



- Rent and expenditures for construction and maintenance of building,
- Infrastructure,
- Office equipment and fixtures,
- Immovable properties



- Entertainment expenses,
- Transportation services.

3.7 Import duties

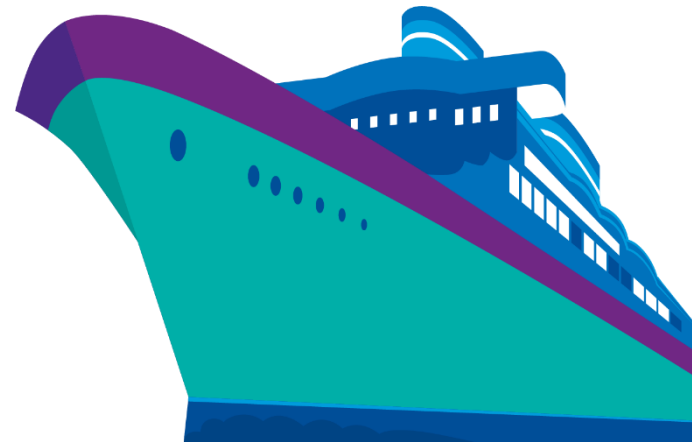
Import duties are paid by the importer as per the rates specified by regulations.

Following import duties are recoverable or adjustable:

- VAT
- Advance income tax (*subject to minimum tax regulations and taxable profit*)
- Advance Tax

Bangladesh has a well developed Cost and Freight (CnF) sector which provides comprehensive support to importers.

Duty Type	Duty rate
Customs Duty (CD)	0% to 25%
Regulatory Duty (RD)	0% to 3%
Supplementary Duty (SD)	0% to 500%
Value Added Tax	0% to 15%
Advance Income Tax	0% to 20%
Advance Tax (VAT)	0% to 5%



3.8 Stamp duties

Stamp duties are paid by the executors of legal documents

Stamp duty is levied on legal documents, but the rates vary depending on the nature of documents. Major stamp duties include:

- For the transfer of shares of unlisted companies, stamp duty is imposed at the rate of 1.5% on the transfer price.
- The duty on transfer of immovable property is lower of 1.5% of the value of consideration or BDT. 20 million .
- Stamp duty for contracts and agreement is BDT 300.
- Stamp duty for incorporation of a company is up to BDT 20,000.
- For all other documents, the stamp duty varies.



3.9 Double taxation avoidance treaty

Sl.	Country	Sl.	Country
1	Bahrain	21	Oman (air traffic only)
2	Belgium	22	Pakistan
3	Bhutan	23	Philippines
4	Canada	24	Poland
5	China	25	Republic of Belarus
6	Czech Republic	26	Republic of Korea
7	Denmark	27	Romania
8	Germany	28	Saudi Arabia
9	France	29	Singapore
10	India	30	Sri Lanka
11	Indonesia	31	Sweden
12	Italy	32	Switzerland
13	Japan	33	Thailand
14	Kuwait	34	Turkey
15	Malaysia	35	United Arab Emirates
16	Mauritius	36	United Kingdom
17	Myanmar	37	United States of America
18	Nepal	38	Vietnam
19	Netherlands	39	Maldives
20	Norway		



3.10 Export processing zones (EPZ)

EPZs have been established by the Bangladesh Export Processing Zones Authority (BEPZA) under the Bangladesh Export Processing Zones Act of 1980 in order to invigorate industrialization and boost employment through promotion of trade and investment.

BEPZA is responsible for attracting foreign investment, facilitating fiscal and operational benefits and thus, providing a special customs bonded areas for investors to set up their infrastructure in Bangladesh in a congenial investment climate.

- BEPZA provides various one stop services to expedite and ease setup and operational requirements,
- Dedicated branches of banks, courier, post office, shipping agent, customs office, police station etc. are setup in EPZ areas to provide access or essential services,

Fiscal benefits

- ✓ Tax exemption up to 7 and 5 years depending upon location of EPZ,
- ✓ Tax exemption on dividend during tax exemption period,
- ✓ Import tariff exemptions and duty draw back-back facilities on import of raw materials, machinery, equipment and construction materials,
- ✓ 100% foreign investment is permissible,
- ✓ Medium/long term foreign borrowing facilities,
- ✓ Operation of foreign currency accounts,
- ✓ Bonded warehousing facilities.

8

EPZs are currently operational across Bangladesh



3.11 Economic zones (EZ)



EZs have been established by the Bangladesh Economic Zones Authority (BEZA) under the Bangladesh Economic Zones Authority Act of 2010 in order to encourage rapid economic development through increase and diversification of industry, employment, production and export.

BEZA provided multiple incentives, to the developers of the Economic Zones as well as to the manufacturing unit investors. Similar to EPZs, BEPZA also provide one-stop services and established dedicated branches of banks, courier, post office, shipping agent, customs office, police station etc. for the investors.

69

Government owned EZs

29

Private EZs



Fiscal benefits

- ✓ Tax exemption up to 10 years,
- ✓ Tax exemption on dividend during tax exemption period,
- ✓ Tax exemption on capital gains from transfer of shares for 10 years,
- ✓ Tax exemption on royalties, technical know-how and technical assistance fees, etc. for 10 years,
- ✓ Tax exemption on salary of expatriate employees for 3 years,
- ✓ Exemption of VAT on all utility services
- ✓ Duty free import of goods to be used for the development of Zones
- ✓ 100% foreign investment is permissible,
- ✓ Medium/long term foreign borrowing facilities,
- ✓ Operation of foreign currency accounts,
- ✓ Bonded warehousing facilities.

3.12 High-tech Park



Bangladesh Hi-Tech Park Authority (BHTPA) is the regulator for establishing Hi-Tech Park, Software Technology Park and IT Training & Incubation Centre throughout Bangladesh to incentivise local as well as foreign investors for the development of Hi-Tech/ Information Technology/Information Technology Enable Service industries.

Similar to EPZs, BEPZA also provide one-stop services and established dedicated branches of banks, courier, post office, shipping agent, customs office, police station etc. for the investors

12 High Tech Parks declared across Bangladesh

Fiscal benefits

- ✓ 12 years exemption of Income Tax for park developers.
- ✓ 10 years exemption of Income Tax for investors.
- ✓ Exemption of Duties on importing Capital Equipment and Construction Materials by the Investors and Goods/Materials to be used for the development of Hi-Tech Parks by the Park Developers;
- ✓ Exemption of Income Tax on Dividend, Share Transfer, Royalty, Technical Fees for investors;
- ✓ Exemptions of Income Tax for Foreign Employees;
- ✓ Exemption of Income Tax on declared Dividend by Park Developers;
- ✓ Exemption of VAT on goods produced by Investors;
- ✓ Exemption of stamp duty on the deed registration/ mortgage deed registration;
- ✓ Bonded Warehousing Station;



Foreign exchange regulations



4.1

Foreign exchange regulations (1/2)

Bangladesh Bank is the central bank and regulator of the financial market

Foreigners can invest in Bangladesh through equity contribution or loans.

Equity funding by the foreign investors is always encouraged in Bangladesh for the following reasons:

- The Government shall accord fair and equitable treatment to foreign private investment which shall enjoy full protection and security in Bangladesh.
- Government ensures foreign private investment shall not be expropriated, nationalised or be subject to any similar effect except for a public purpose against adequate compensation which shall be paid expeditiously and be freely transferable.
- Full repatriation of capital is ensured.

Injection of equity does not require prior approval but certain formalities need to be maintained.

Any foreign loan is subject to prior approval of BIDA and Bangladesh Bank.



Bangladesh Bank

4.1 Foreign exchange regulations (2/2)

Bangladesh is a highly regulated country with respect to foreign exchange controls

Outward remittances are highly restricted. Few outward remittances can be made without prior approval of Bangladesh Bank, e.g.



Dividend



Import payments under L/C mechanism



Training and consultancy fees



Repayment of approved foreign loans

For few outward remittances, specific guidance and conditions have been prescribed or practiced e.g.



Transfer of shares and securities



Royalty and technical fees

- Specific foreign exchange regulations are present for shipping agents, freight forwarding agents, courier companies and airline companies
- For remittances which are not given specific guidance, special permission from Bangladesh Bank is required
- A recent circular from Bangladesh Investment Development Authority (BIDA) simplified the process of Royalty and Technical fees repatriation, wherein registered private entities can remit permissible amounts without additional approval from BIDA, subject to certain conditions.



KPMG Bangladesh



5.1 KPMG at a glance

KPMG is a global network of professional service firms providing Audit, Tax and Advisory services. KPMG is one of the 'Big Four' accounting firms in the world today. KPMG firms collaborate across the globe, addressing the needs of clients, making bold decisions on investing together and serving the needs of KPMG professionals, wherever they work.

Our People



Globally we are over
236,000
Our largest headcount

In Bangladesh
we have around
450 people

7
Partners & Directors
In Bangladesh

Robust Training
Skill-building programs, and
international trainings ensure
professional competency

Our Presence



Present in over
145
Countries and territories

In Bangladesh we have
2
offices: Dhaka & Chattogram

Our Clients



250+
Clients across several
industries both in
Bangladesh and
globally

Industry Presence



Our Achievements



1st
KPMG Bangladesh has been
a "Member Firm" of KPMG
International (KPMG) since
January 2006. It is the first
Member Firm in Bangladesh
of any of the 'Big Four'.

KPMG Bangladesh
celebrates over
60 years
of service



5.2 About KPMG Bangladesh

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 145 countries and territories and have 236,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

KPMG Bangladesh operates through Rahman Rahman Huq, Chartered Accountants and KPMG Advisory Services Limited. Operating from offices in Dhaka and Chattogram, we are a team of around 450 people.

KPMG Bangladesh's Advisory Services include IT Advisory, Deal Advisory and Risk & Management Consulting Services, which are manned by professionals with the qualification and experience necessary to meet the diverse needs of clients.

Our ambition is to continue to recruit the best talent, train them in an environment of technical and ethical excellence to meet the highest expectations of clients in this age of continually evolving multi-dimensional challenges.



5.3

KPMG Bangladesh Leadership



Adeeb H Khan

Senior Partner

Tel: +880 2 2222 86450-2
adeebkhan@kpmg.com



Ali Ashfaq

Partner

Tel: +880 2 2222 86450-2
alishfaq@kpmg.com



M Mehedi Hasan

Partner

Tel: +880 2 2222 86450-2
mehedihasan@kpmg.com



Ashraf Zaman Ali

Partner

Tel: +880 2 2222 86450-2
azali@kpmg.com



Md Tazul Islam

Director

Tel: +880 2 2222 86450-2
tislam@kpmg.com



Sarker Nahidul Islam

Director

Tel: +880 2 988 6450-2
nahidulislam@kpmg.com



Md Fuad Uddin Khan

Director

Tel: +880 2 2222 86450
khanfuad@kpmg.com



kpmg.com/socialmedia



kpmg.com/app



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