



Bangladesh Tax

Your guide to Bangladesh tax framework

KPMG in Bangladesh

2024-2025

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Preface

Dear Readers,

We are pleased to present to you our annual publication on Bangladesh tax regulations as amended up to the Finance Act 2024.

The primary objective of this publication is to provide readers with an overview of Bangladesh's tax structure. It aims to demystify the complexities of tax laws and present the information in a clear, concise, and easily understandable manner.

This publication incorporates the important provisions of Income Tax Act 2023 and Value Added Tax and Supplementary Duty Act 2012 and Rules 2016, as amended by Finance Act 2024.

The information contained in this publication is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate information at the time of preparation, there can of course be no assurance that such information would continue to be accurate in the future. This publication contains selected aspects of Bangladesh tax provisions and is not intended to be comprehensive. Competent professional advice should be sought for specific circumstances.

We hope you will find this publication useful.



Adeeb H Khan

Senior Partner
KPMG in Bangladesh

01

Income Tax Act 2023

Introduction of Bangladesh income tax framework

Income Tax Act 2023 (ITA 2023) enacted by the Government establishes the framework of income tax legislation in Bangladesh. The Ministry of Finance (MoF) and National Board of Revenue (NBR), the primary tax regulator, issue statutory orders, general orders, special orders, clarifications, and notifications from time to time to support the tax legislation.

Bangladesh applies a source based tax mechanism to tax resident and non-resident taxpayers. While residents are taxed on their global income, non-residents are taxed on their income generated in Bangladesh. For this purpose, Bangladesh tax framework includes permanent establishment concepts and indirect transfer of share rules to tax non-residents' income generated in Bangladesh.

Tax imposition mechanism applies tax at source practice which is termed interchangeably as advance income tax and withholding income tax. Bangladesh is a minimum tax regime which extensively covers most of the withholding tax sources.

Taxpayers are required to obtain a distinctive tax registration i.e. e-TIN from NBR to register for tax and maintain due compliances.

Taxpayers are required to self-assess their tax liability and file tax returns within their respective Tax Day. The return must be accompanied with audited financial statements (for companies and other business exceeding prescribed limit), computation of total income along with supporting schedules. Proof of submission of tax return (PSR) is now a key requisite document for obtaining numerous services.

Bangladesh tax administration is becoming automated having online tax payment already functional and tax returns filing platforms are to be implemented soon.

Income from Employment



Income from Financial Property



Income from Rent



Income from Agriculture



Income from Business



Income from Capital Gain

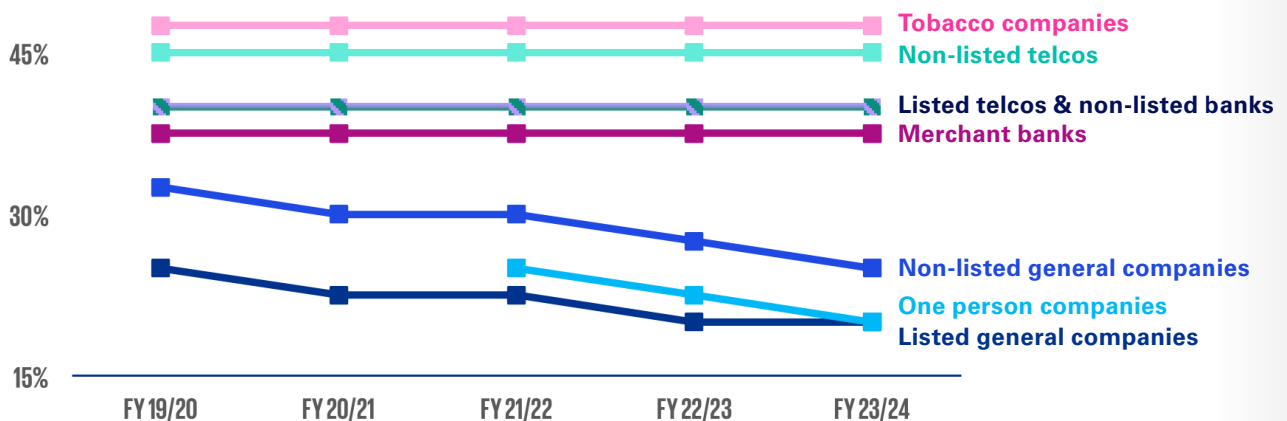


Income from Other Sources





Corporate tax trend



Bangladesh corporate tax structure contains tax rates that apply generally to all corporate taxpayers including specific tax rates for certain industries or types of business. These specific tax rates are applicable for banks, mobile operators, and tobacco companies. There are also reduced tax rates applicable on certain specialised industries as well.

The corporate tax rate structure has undergone significant reduction over the years. Non-listed entities in general have experienced most change whose corporate tax rate fell from 32.5% in FY19-20 to 25% in FY24-25.

However, the tax rates for banks, mobile phone operators and tobacco companies have remained mostly same.

Even though the tax rates have declined over the years, taxpayers continue to face high effective tax rates. This is down to several factors.

Factors influencing effective tax rate

1

Withholding tax regime

Bangladesh tax legislation has comprehensive withholding tax provisions which impose tax deduction on the basis of the nature of the goods and services obtained.

2

Minimum tax regulations

Bangladesh tax legislation also contains minimum tax regulations. Almost all sources of income are within the scope of minimum tax provisions. As a result, withholding tax suffered by taxpayers are almost always minimum tax and such tax may become the effective tax liability, if the business does not generate sufficient profit or any profit.

Furthermore, minimum tax regulation also requires payment of tax on the basis of gross receipt even if business does not make a profit. This too can result in effective tax liability to increase.

3

Tax disallowances

Allowability of expenses are subject to conditions, some of which involve subjectivity. From limits on expense allowances to ensuring withholding tax deduction on payments, businesses need to be vigilant in order to avoid unnecessary tax disallowances.

Until 30 June 2024, disallowed expenses were subject to tax separately under special business income provisions. This created substantial tax burden on the taxpayers. With the removal of such tax exposure on certain items from 1 July 2024, effective tax liability is expected to reduce.

4

Assertive tax assessment

Tax assessments have been predominately assertive and at times arbitrary. Taxpayers need to provide comprehensive documentation and justifications through the appeal process to obtain a fair outcome. This process is expected to undergo significant change in the new audit process provisioned under ITA 2023.



Finance Act 2024 at a glance

Key changes of Finance Act



Forward looking corporate tax regime

Breaking from the previous trend of providing the applicable tax rates for an income year after the year has concluded, NBR has taken a novel step to provide tax rates applicable for upcoming income years in a prospective manner. This anticipated change aligns Bangladesh tax legislation with global norms and will facilitate taxpayers to plan ahead.



Changes of tax rates

Corporate tax rates have been reduced for general non-listed entities, one person companies, recognised funds.

However, tax rate has been increased for cooperative societies.

For individuals, there will be reduced tax liability as certain slabs of income have been widened. However, from assessment years (AY) 2025-26 highest slab rate of 30% will be reintroduced which is expected to impact top earners.



Expansion of scope of income

Income now includes any inheritance, will, bequest or trust, donations and alike. Any acquisition of assets that is not by natural means, not by own creation, at value other than transfer or sales or other than foreclosure against lease or liabilities will be considered as income as well.



Voluntary normal tax return filing is no longer possible

Provision for normal tax return filing voluntarily by the taxpayer is now removed. Tax authority under certain circumstances can consider a tax return filed as normal tax return.

All taxpayers must file tax returns under self-assessment process.



Removal of tax holidays and reduction in tax exemptions

Tax holiday for physical infrastructure has been removed.

New investors in Hi-Tech Parks are given more beneficial rates of tax exemptions.

Previous investors and developers of Hi-Tech Parks and Economic Zones who have commenced operations or contracted with respective zone /park authority will continue to enjoy their tax exemptions as per previously applicable statutory regulatory order (SRO).



Capital gain tax on listed securities

Long standing tax exemption and reduced tax benefit for investors of listed entities have been removed.

Now, company taxpayers will pay tax at 15% flat on the gains. Others will pay tax at 15% or slab rate (subject to holding period) on gains exceeding Taka 5 million.



New statute of limitation

All assessments must be completed within two years in case of returns processed by Deputy Commissioner of Tax (DCT) or selected for audit.

In case of normal returns, assessments must be completed within one year after a tax return is treated as normal tax return by the tax authority.



Reduction in scope of special business income

Treatment of disallowed expenses as special business income and imposition of tax thereon has been a very burdensome tax exposure for all taxpayers, especially for tax exempted or loss-making entities. By excluding several disallowed expenses from the scope of special business income, taxpayers will be greatly benefited.

02

Corporate tax

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Imposition of tax

Chargeability of tax

Income tax is charged on a taxpayer's taxable income that is derived in accordance with the provisions of Income Tax Act 2023 during an income year by applying the tax rates prescribed by Finance Acts enacted by the Parliament of Bangladesh.

Scope of taxable income

Income taxable in Bangladesh is defined on the basis of tax residency of the taxpayer. Scope of income from business includes any business income unless exempted from tax.

Refer to page 16 for details of computing taxable income.

Residency

In general, a company which is incorporated in Bangladesh will be treated as a resident for tax purposes.

Furthermore, any company, trust, fund, an entity or any artificial juridical person created under any laws in Bangladesh whose control and management are situated wholly in Bangladesh will also be treated as a resident for tax purposes.

Any person not being a resident is a non-resident for tax purposes.

Residency based taxable income



Resident

Resident taxpayers pay tax on their global income during an income year, this includes

- > Income received or deemed to be received in Bangladesh by or on behalf of such person; or
- > Income received or deemed to be received outside Bangladesh by or on behalf of such person; or
- > Income accrues or arises, or is deemed to accrue or arise in Bangladesh; or
- > Income accrues or arises or is deemed to accrue or arise outside Bangladesh.



Non-resident

Non-resident taxpayers pay tax on their Bangladesh sourced income during an income year, this includes

- > Income received or deemed to be received in Bangladesh by or on behalf of such person; or
- > Income accrues or arises or is deemed to accrue or arise in Bangladesh.

Assessment year (AY)

Assessment year is a twelve-month period commencing from 1 July of a calendar year unless specific rules apply.

Income year (IY)

Income year is a period not more than twelve-months preceding the assessment year.

For banks and other finance companies, income year is the period between 1 January to 31 December.

For other companies, income year is 1 July to 30 June with the exception of subsidiaries of foreign companies which can maintain their parent's accounting year subject to approval by NBR.

Tax day

For companies, Tax Day is the later of

- 15th day of the seventh month following the end of the income year; and
- 15th September following the end of the income year.

Illustrations of possible assessment year, income year and Tax Day are given below.

	Income Year	Assessment Year	Tax Day
Banks, insurance companies or financial institution (and subsidiaries thereof)	January to December	Following 1 July to 30 June	Following 15 September
Subsidiary, holding company, branch or liaison office of a company incorporated outside Bangladesh	As per parent's accounting year	Following 1 July to 30 June	On or after 15 September
Other companies	1 July to 30 June	Following 1 July to 30 June	Following 15 January
Examples	1 January 2023 to 31 December 2023	1 July 2024 to 30 June 2025 (AY 2024-25)	15 September 2024
	1 April 2023 to 31 March 2024	AY 2024-25	15 October 2024
	1 July 2023 to 30 June 2024	AY 2024-25	15 January 2025
	1 October 2023 to 30 September 2024	1 July 2025 to 30 June 2026 (AY 2025-26)	15 September 2025

Computation of taxable income

Income Tax Act 2023 provides a general guidance on computing taxable income to determine tax liability for an income year.

Taxable income =

Accounting profit	<ul style="list-style-type: none">• Bangladesh is an IFRS based country and the accounting profit before tax is the starting point of tax computation.• Taxpayer may use different method of accounting upon the approval of the Deputy Commissioner of Tax.
+ Deductions not admissible	<ul style="list-style-type: none">• ITA 2023 also specifies a list of expenses which are deductible up to certain limits or methods.
+ Special business income	<ul style="list-style-type: none">• Certain disallowed expenses are deemed as special business income, subject to tax at regular rate with no opportunity for deduction, loss set-off or carry forward and tax depreciation.
+ Special areas of business income	<ul style="list-style-type: none">• Certain types of income are deemed as special areas of business income subject to tax at regular rate with no opportunity for deduction, loss set-off or carry forward and tax depreciation.
- Income treated separately	<ul style="list-style-type: none">• Non-business income is separated and is treated separately under appropriate head of income. These types of income are subject to specified tax rates and have restrictions on business loss set-off.

Computation of taxable income

Accounting profit

Generally, business income includes all income generated through operation of business activities e.g. sales revenue, fees, commissions, realised exchange gains, rents, dividends and interest received.

Net profit before tax as per audited financial statements in line with International Financial Reporting Standards (IFRS) is the starting point of tax computation.

Submission of tax computation is required to illustrate how the taxable income has been arrived in the tax return, especially if there is any difference with the income as per audited financial statements.

Allowable deductions

As a general rule, revenue expenditures are deductible only if they are incurred for the purpose of carrying out business activity and are compliant with accepted accounting methods.

Tax depreciation

One key allowable deduction is depreciation and amortisation allowances. For tax purposes, depreciation allowance is computed on reducing balance basis whereas, amortisation allowance is calculated on straight line basis.

Tax depreciation is categorised mainly into three parts:

- Normal/general depreciation allowance
- Initial depreciation and
- Accelerated depreciation

Any unabsorbed depreciation allowance in accordance with the provisions of tax legislation can be carried forward indefinitely.

Pre-commencement expenditures include any expenditure incurred for business purpose prior to commencement of operations. It is permissible to capitalise such expenditures for tax purposes and then amortise them after commencement of operations.

Amortisation allowance is also applicable for mobile spectrum licenses, computer software and R&D expenditures. However, amortisation of other intangible assets has not been prescribed.

Disallowed expenses

Certain payments are not allowable for tax purposes, for instance:

- **Non-compliance of withholding tax:** Expenses or payments where withholding tax guidelines have not been followed.
- **Excess perquisites:** Perquisites exceeding Taka 1 million per employee.
- **Royalty and technical fees:** Aggregate payments exceeding 10% of disclosed business net profit.
- **Head office or intra-group expenses:** Aggregate payments exceeding 10% of disclosed business net profit for companies not incorporated in Bangladesh.
- **Overseas travel expenses:** Exceeding 0.50% of disclosed business turnover, with some exceptions.
- **Promotional expenses:** Exceeding 0.50% of disclosed turnover, excluding advertisements.
- **Free samples and entertainment expenses:** Exceeding prescribed range or threshold.
- **Cash transfers:** Payments for raw materials (over Taka 500,000), salary, or rent not made by bank transfer. Other cash payments exceeding Taka 50,000 per transaction.
- **Proof of submission of return:** Payments made without proof of submission of return for certain services and goods.
- **Unspecified liabilities:** Liabilities not precisely determined or computed.
- **Accounting of lease under IFRS 16:** Depreciation and interest related to Right of Use (RoU) assets as per IFRS-16, excluding rental, development, and maintenance expenses. Rather rental payments are allowed as an expense deduction.
- **Impairment loss provisions:** Any provision for impairment loss of assets.
- **Unapproved fund contributions:** Contributions to unapproved funds.
- **Interest expenses:** Exceeding Taka 1.5 million by a resident company (excluding banks and financial institutions) for loans from associated enterprises.

Computation of taxable income

Special business income

Specified expenses considered as disallowed will be treated as 'special business income', these includes:

- **Non-compliance of withholding tax:** Expenses or payments where withholding tax guidelines have not been followed.
- **Payments to partners or members:** Interest, salary, commission, or bonus paid by a firm or association of persons (AoP) to its partners or members.
- **Discounts or commissions:** Paid to shareholder directors by any company.
- **Cash transfers:** Payments for raw materials (over Taka 500,000), salary, or rent not made by bank transfer. Other cash payments exceeding Taka 50,000 per transaction.
- **Capital or personal expenditure:** Any capital nature or personal expenditure.
- **Non-business expenditure:** Expenses not related to business activities.
- **Unapproved fund contributions:** Contributions to unapproved funds.
- **Unsubstantiated expenditure:** Expenses not compliant with prescribed accounting methods.

Special computation rules for computing taxable income are prescribed for certain industries and business, such as:

- > **Insurance business**
- > **Petroleum operations**
- > **Foreign contractors and sub-contractors** of an oil company in Bangladesh

Special areas of business income

Certain items of income or benefits will be deemed as special areas of business income, for instance:

- Income from the disposal of assets and receipts of insurance, salvage, or compensation in respect of any assets that have been discarded, demolished, or destroyed as per prescribed calculation.
- Any benefit derived in respect of any trading liability, loss, or bad debts.
- Unpaid trading liability for expenses more than three years after the income year in which they were incurred. However, the liability amount would be allowed as a deduction in the year when the payments are made.

Set-off and carry forward rules

Set-off

- Any loss from a head of income during an income year can be set off against income from other heads of income, unless it is restricted.
- Any losses that cannot be fully set-off can be carried forward for maximum of six successive years.

Loss set-off is highly restrictive.

Carried forward loss to be adjusted before adjusting for any depreciation allowance for a specified income year and unabsorbed depreciation from prior income years.

Carry-forward

Heads of income	Adjustment of loss
Capital loss	Only with capital gain
Business loss	Only with the income from business
Loss of speculation business	Only with income from speculation business
Loss on tobacco business	Only with income from tobacco business
Loss on sources of income which is subject to tax exemption, reduced tax rate or minimum tax	No set-off and carried forward of loss
Amalgamation and demerger	Accumulated business loss and unabsorbed depreciation of amalgamating and demerged company can be used by amalgamated company and resulting company, respectively.



Types of tax

Income Tax Act 2023 imposes tax on taxpayers through various mechanisms. Businesses need to be aware of the complex intertwining of tax regimes to ensure both tax compliance and effective tax planning.

Regular tax

Tax as computed on the basis of taxable income using the applicable corporate tax rate.

Advance income tax

Taxpayers are required to pay advance income tax on quarterly basis as per their last assessed income.

Tax at source

ITA 2023 extensively requires tax to be deducted on payment for supplies and services. Such tax deductions are considered as advance payments of tax.



Minimum tax

Minimum tax provisions apply on the basis of gross receipts from a business and for specified sources of income.

Other taxes

ITA 2023 imposes various additional taxes under certain circumstances.

Surcharge & rebates

Currently, cigarette manufacturers are required to pay surcharge of 2.5% on their taxable income.

Corporate tax rates



20%

Listed companies (excluding companies having specified rates) having listed more than 10% of their paid-up capital through IPO

Tax rate is increased by 2.5% for publicly traded companies having listed 10% or less of their paid-up capital through IPO

Tax rate is increased by 2.5% if cashless operation conditions are not met



20%

One person companies

Tax rate is increased by 2.5% if cashless operation conditions are not met



40%

Non-listed banks, insurance and other financial institutions



40%

Listed mobile phone operator companies that transferred at least 10% of their shares through stock exchanges, of which maximum 5% may be through Pre-Initial Public Offering Placement

If mobile phone operator companies list at least 20% of their paid-up capital through IPO, they are eligible to a rebate of 10% in the year of listing

Conditions for cashless operations

Business should conduct following transaction through banking channel:

- All income and receipts,
- All expenses and investments over Taka 0.5 million for a single transaction and total Taka 3.6 million in a year

Corporate tax rates



Non-listed companies (excluding companies having specified rates)

Trust, fund, association of persons and other taxable entities

Tax rate is increased by 2.5% if cashless operation conditions are not met except for trust, fund, association of persons and other taxable entities



Listed banks, insurance companies and other financial institutions

Merchant banks (listed and non-listed)



Other mobile phone operator companies



Cigarette, zarda, bidi, gul or any other tobacco product manufacturing companies, firms and individuals irrespective of listing status

Additional 2.5% surcharge is applicable on the above business income

Advance income tax

Advance income tax in Bangladesh is the pre-payment of income tax that taxpayers are required to make throughout the year. This system ensures that the Government receives a steady flow of revenue and helps taxpayers spread their tax payments over the year, rather than paying a lump sum at the end. Advance income tax includes any income tax paid in advance (e.g. at the time of imports), on periodic basis (e.g. quarterly advance income tax) and withholding tax/tax deducted at sources.

Quarterly advance income tax

New taxpayers

If estimated income is likely to exceed Taka 600,000

Existing taxpayers

If last assessed income exceeds Taka 600,000

Exclusion

Taxpayer only has income from agriculture income up to Taka 800,000

Timeline for quarterly advance income tax payment

15 September

15 December

15 March

15 June

- If taxpayer fails to pay any instalment, the outstanding amount can be paid with the next instalment.
- Cigarette manufacturers are required to pay 3% advance in income tax on gross sales excluding VAT and SD on monthly basis.

Taxpayers can adjust all advance income tax paid and withholding tax/tax at source deducted by customers against their quarterly advance income tax payable amount.

Tax at source

Withholding tax in Bangladesh is the deduction or collection of tax at source from various types of payments, including salaries, interests, dividends, and payments to contractors, service providers and suppliers.

In Bangladesh, withholding tax rates vary depending on the type of services or supplies and the recipient's residency status. The tax is deducted by the payer at the time of making the payment and is subsequently deposited to the Government exchequer.

Certain payments, such as dividends, interests, royalties and technical service fees, may be subject to specific withholding tax rates as outlined in double tax treaties between Bangladesh and other countries. To benefit from reduced tax rates or tax exemptions under these treaties, taxpayers must obtain a certificate from NBR.

Withholding tax/collection of tax is a form of advance payment of tax of the person against whom tax is being withheld or collected. Such person can take a credit of such tax against their tax liability. Withholding tax should be taken as credit for only the income year in which deduction or collection is made.

Refer to Appendix for currently effective withholding tax rates.

General guidance

Recipients of supplies and services need to ensure the following:

- Proof of submission of return:** Suppliers and service providers (except for payments to non-residents) must provide proof of submission of return. Otherwise, the withholding tax rate will be increased by 50%.
- Bank transfer:** Withholding tax rate will be 50% higher if payment is not made by bank transfer.
- Gross up:** If the payment is made without deduction of tax based on any contract or arrangement, tax is required to be deducted by applying gross-up method.
- Tax certificate:** Withholding or deducting persons must issue prescribed tax certificate to the payee for the tax withheld.

Applying exemption from or reduced withholding tax

Any payee entitled to exemption from tax or reduced withholding tax benefit must provide a certificate issued by NBR. NBR is expected to respond to applications within 30 days.

Person making payment should not proactively apply the benefit without such certificates being furnished by the payee.

Withholding tax deposition

Any deduction/collection made under withholding tax legislation is to be deposited to Government exchequer within due time stated as follows:

Time of deduction/collection	Due date
July to May	Within 2 weeks from the end of the month
1 June to 20 June	Within 7 days from the date
21 June to 29 June	Following day from the date
30 June	Same date

Withholding tax returns

Persons stated below must file withholding tax return in prescribed forms within 25th day of the following month of deduction/collection without time extension opportunity:

- A company excluding local authority, autonomous body, any government authority, Bengali medium primary or pre-primary schools, secondary or higher secondary government school, any MPO based educational institution
- Firm
- Association of Person
- Private hospital
- Clinic
- Diagnostic center

Withholding tax returns may be selected for audit within four years from the month of submission of the return.

Minimum tax, surcharge and rebates

Minimum tax

A key aspect of Bangladesh tax regulation is the minimum tax regime. Minimum tax is the higher of:

- **Tax computed on regular basis** on the taxable income as per provisions of ITA 2023 by applying the taxpayer's regular income tax rate;
- **Withholding income tax** applicable on specified sources of income; and
- **Minimum tax calculated on overall gross receipts** regardless of sources of income.

Essentially, withholding income tax on sources of income under minimum tax bracket can never be refunded or adjusted. Any established refund of earlier years can be adjusted only when regular tax of a particular year is higher than withholding income tax.

Final discharge of tax liability

Withholding tax deducted from the following sources of income will be considered as final tax liability, meaning regular tax liability is not assessed for these incomes:

- Interest on savings deposits and fixed deposits for persons not mandatorily required to file tax returns;
- Interest on savings instruments (only individual taxpayers);
- Capital gain arising from compensation given for acquisition of assets (only individual taxpayers);
- Export cash subsidy; and
- Capital gain from transfer of immovable property (only individual taxpayers).

Minimum tax calculated on overall gross receipts

Every company, trust, firm (having gross receipts of more than Taka 5 million) and individuals (having gross receipts of more than Taka 30 million) will be liable to pay minimum tax calculated on overall gross receipts:

All businesses must pay minimum tax on the basis of overall gross receipts even if the business incurs loss. For businesses enjoying tax exemption or reduced rate of tax, the minimum tax calculated on the overall gross receipts is adjusted in proportion to the tax exemption or reduced rate of tax.

Manufacturer of cigarette, bidi, chewing tobacco, smokeless tobacco or any other tobacco products	3% of the gross receipts
Carbonated beverage, manufacturer of sweetened beverage	3% of the gross receipts
Mobile phone operator	2% of the gross receipts
Individual taxpayers other than above	0.25% of the gross receipts
All other taxpayers*	0.60% of the gross receipts

** In case of industrial undertakings engaged in manufacturing of goods, minimum tax on gross receipts will be 0.1% for the first three income years from commencement of commercial production.*

Surcharge and rebates

Cigarette, bidi, zarda, and all other tobacco product manufacturers are required to pay surcharge of 2.5% on their taxable income.

A surcharge of 2.5% is payable on the income earned from any educational institution including schools, colleges, universities, if appropriate arrangements are not made for the accessibility of people with disabilities.

Rebate of 5% tax or waiver of 75% of salary to physically

challenged or third gender employees, whichever is lower, will be allowed for employing 10% of total employees or more than 25 persons from physically challenged or third gender persons.

A company is eligible to a tax rebate at 10% of allowable limit incurred in connection with corporate social responsibility (CSR) in prescribed sectors. For this purpose, CSR is capped at the higher of 20% of income of the company or Taka 120 million.

Other taxes

Taxpayers are subject to additional taxes under certain circumstances. Certain major items are reflected below.

Unauthorised employment

Employer who employs or allows a foreign individual to work at their business without prior approval of Bangladesh Investment Development Authority (BIDA) or any other competent Government authority will be subject to an additional tax which is higher of 50% of the tax payable on income or Taka 500,000.

Charge of tax on the difference of investment, import and export

- Additional tax of 50% on the difference between the declared amount of import or export and the actual amount paid for import or received from export, respectively.
- Additional tax of 50% on the difference between the declared amount of investment and the actual amount of investment made.

Tax on retained earnings

If a listed company transfers more than 70% of its net profit after tax to retained earnings or any fund, reserve or surplus in an income year, it will have to pay tax at the rate of 10% on the total amount transferred. Such tax cannot be adjusted with any other tax liability of the company.

Late filing of tax

Filing tax return beyond the Tax Day incurs an additional tax of 2% per month (up to 24 months) on the amount of admitted tax liability less advance tax paid.

Tax on stock dividend

If a listed company declares or distributes stock exceeding the amount of cash dividend in an income year, it will have to pay tax at the rate of 10% on the total amount of stock dividend. Such tax cannot be adjusted with any other tax liability of the company.

Certain tax exemptions



Technology goods

Business income generated from the production of motherboard, casing, UPS, speaker, sound system, power supply, USB cable, CCTV and pen-drive, starting commercial production by 30 June 2030, is exempted from tax for 10 years.



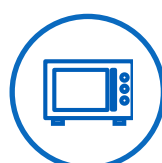
Hospitals

Business income generated by specified hospitals from providing health care services, starting commercial operation from 1 July 2021 to 30 June 2030, is exempted from tax for 10 years.



Agricultural goods

Business income generated from the processing of fruits, vegetables, production of dairy and dairy products, child foods and agricultural machineries, starting commercial production from 1 July 2021 to 30 June 2030, is exempted from tax for 10 years.



Home appliances

Business income generated from the production of home appliances including washing machines, blenders, microwave ovens, electric sewing machines, induction cookers, kitchen-hood and kitchen knives, starting commercial production from 1 July 2021 to 30 June 2030, is exempted from tax for 10 years.

All tax exemptions mentioned above are subject to fulfilment of relevant prescribed conditions.

Certain tax exemptions



Human resource development

Business income generated from providing career orientated education and training on certain specialised sectors is exempted from tax for 10 years.



Software development or ITES

Business income generated from certain software development or Information Technology Enabled Services (ITES) by a resident person or non-resident Bangladeshi individual taxpayer is exempted from tax within 1 July 2024 to 30 June 2027.



Automobiles

Business income generated from the production of automobile (3-wheeler and 4-wheeler), starting commercial production by 30 June 2030 in Bangladesh, is exempted from tax for initial 10 years and thereafter will enjoy a reduced rate of 10% for the next 10 years.



Light engineering goods

Any income generated from the production of light engineering items, starting commercial production from 1 July 2021 to 30 June 2030, is exempted from tax for 10 years.

All tax exemptions mentioned above are subject to fulfilment of relevant prescribed conditions.

Certain tax exemptions

Industrial Undertakings

Selected industrial undertakings set up in Bangladesh and starting commercial operation between 1 July 2020 and 30 June 2025, are entitled to tax exemption in following manner subject to fulfilment of prescribed conditions:

Area of commercial operation	% of income exemption
Dhaka and Chattogram Divisions	
1 st year	90%
2 nd year	80%
3 rd year	60%
4 th year	40%
5 th year	20%
Other areas	
First two years	90%
Next two years	75%
Next three years	50%
Next three years	25%

Industrial undertakings established in any city corporation, pourasava or in Rangamati, Bandarban or Khagrachari districts will not be eligible for exemption stated above.

Exporters of goods

50% income

is exempted from tax for individual, firm and Hindu undivided family

12% tax rate

on export income for other exporters

10% tax rate

on export income for other exporters having LEED certificate and jute products

15% tax rate

textile industries engaged in yarn/fabric production, dyeing, finishing, conning, and printing up to 20 June 2025

Full exemption

on income derived from the export of handicrafts up to 30 June 2024

** Exporters benefit will not be considered for the purpose of availing lesser withholding tax certificate.*

If applicable rate for any taxpayer is less than 12%, taxpayer will continue to enjoy the same on account of export of goods.

A prescribed mechanism needs to be complied to compute the withholding tax rate for the purpose of issuance of lesser withholding tax certificate.

Other tax benefits

Certain income exemptions

Income derived from any SME

Income derived by any Small and Medium Enterprise (SME) engaged in production of any goods is exempted from tax if:

- Generally, annual turnover is not more than Taka 5 million; or
- In case of SME owned by women, annual turnover is not more than Taka 7 million.

Income of an educational institution

Income received other than bank interest or dividend by any educational institution is exempted from tax subject to meeting conditions.

Income of public university

Income other than bank interest or dividend received by any public university is exempted from tax.

Income of an ocean-going ship

Income received in foreign currency by an ocean-going ship being Bangladeshi flag carrier is exempted from tax up to 30 June 2030.

Certain bond income

Income received from wage earners development fund, US Dollar premium bond, US Dollar investment bond, Euro premium bond, Euro investment bond, Pound Sterling investment bond and Pound Sterling premium bond is exempted from tax.

Interest income/profit earned from Offshore Banking Units (OBU)

Interest income or profit earned from OBU operated under the Offshore Banking Act 2024 is exempted from tax in the hands of the depositor or non-resident lender.

Reduced tax benefits

Reduced tax rate on income earned as mutual fund management fee by asset management companies

- Tax rate is 15% on such income.
- Applicable till AY 2026-2027.

Reduced rate for certain approved funds

Tax rate for recognised provident fund, approved gratuity fund, approved superannuation fund and approved pension fund is 15%.

This benefit is applicable till AY 2026-2027.

Reduced rate of tax for certain industries

Manufacturers of freezer including spare parts, refrigerator, motorcycle, air conditioner and compressor are eligible to enjoy 10% tax rate till 30 June 2032 from the date of commercial production upon fulfilment of certain conditions.

Withholding tax benefits

Lesser withholding tax rate for export of leather or leather made products

- Withholding tax rate is 0.5% of export income.
- Applicable till 30 June 2025.

Exemption from tax on interest payment on foreign loan

Interest payment to non-resident will not be subject to withholding tax while remitting to outside Bangladesh till 31 December 2024 upon complying with certain conditions.

Other tax benefits

Start-up Sandbox

Eligibility conditions:

- A Bangladeshi company;
- Annual turnover not exceeding Taka 1 billion;
- Works towards deployment or commercialisation of new products, process or service driven by innovation, development and technology or intellectual property;
- No company resulting from a scheme of amalgamation or demerger;
- Incorporated after 1 July 2017;
- Registered with NBR by 30 June 2024.

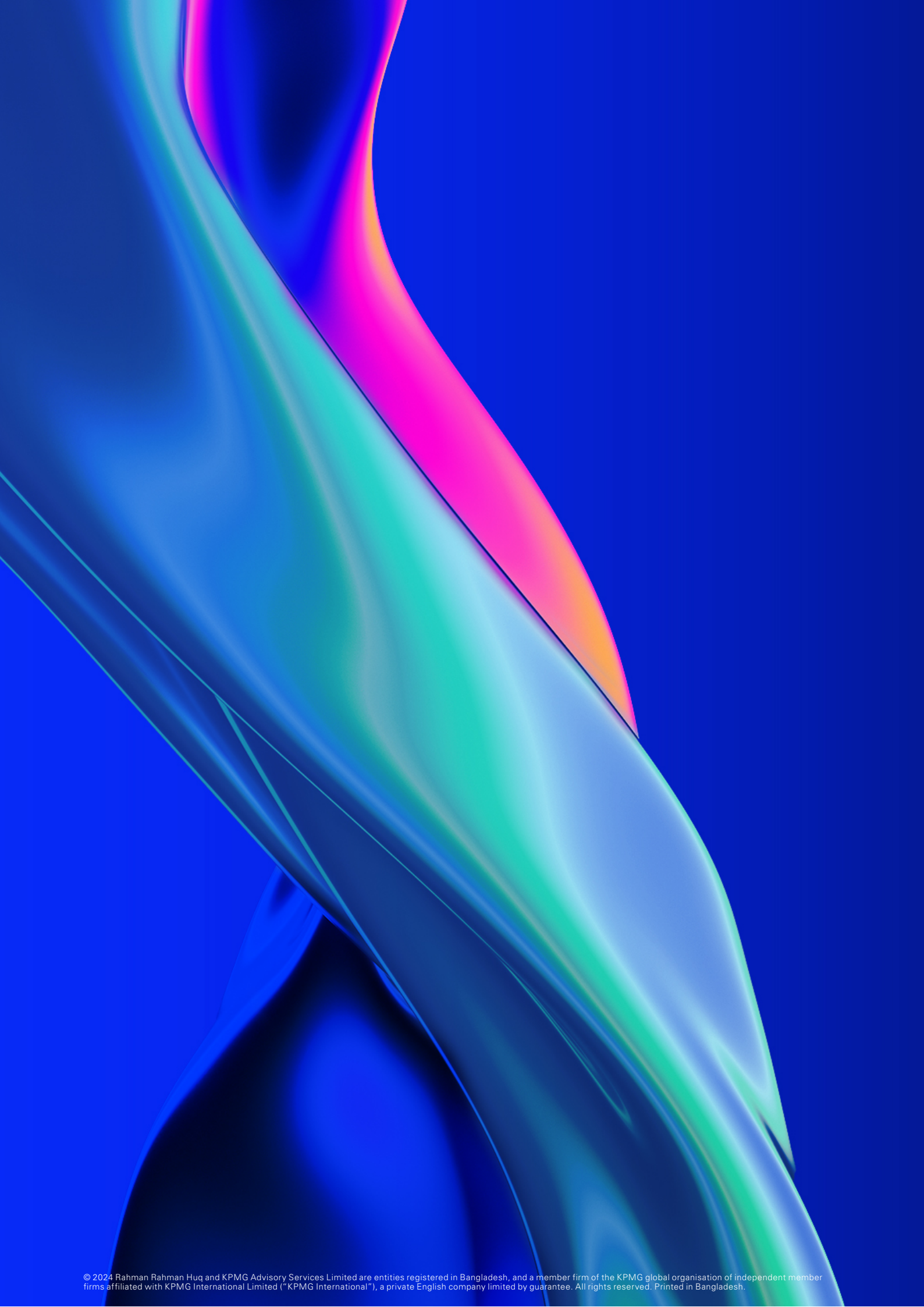
Benefits available in growth years:

- No expense disallowances;
- Loss to carry forward for subsequent 9 years;
- 0.1% minimum tax on gross receipt;
- No reporting requirement except for filing tax return and withholding tax return, provided access to information system or books of accounts is allowed to tax authority.



The exemptions discussion the preceding pages are not meant to be comprehensive.

NBR from time to time issues various statutory orders, special orders or general orders which grant various exemptions to specific persons, industries or projects.



Tax returns filing requirements

ITA 2023 has made it mandatory for certain persons to file tax returns while also making tax return filing optional for certain persons.

Mandatory filing obligations

Filing of tax return is compulsory for every person who:

1. earns income exceeding the minimum income exemption threshold;
2. was assessed for tax for any one of the three years immediately preceding that income year;
3. is a company,
4. is a shareholder director or shareholder employee of a company,
5. is a firm;
6. is a partner of a firm;
7. is an association of persons;
8. is an employee holding an executive or management position in a business or profession;
9. is a public servant;
10. is a non-resident having permanent establishment in Bangladesh;
11. is subject to tax exemption or lower tax rate not being an institution established solely for charitable purpose;
12. is required to be registered as taxpayer; and
13. is required to furnish proof of submission of return.

Not mandatory

Tax return filing will not be mandatory for:

1. a primary or pre-primary school providing education in Bengali version curriculum or a Government secondary or higher secondary school or an educational institute receiving Government benefits under Monthly Payment Order (MPO) which does not have English version curriculum;
2. a public university;
3. Bangladesh Bank;
4. local authority;
5. statutory Government authority, autonomous body, a body corporate established or constituted by or under any law if they have no income except fund or interest from the Government;
6. Government Provident Fund and Pension Fund;
7. a non-resident individual having no fixed base in Bangladesh; and
8. any class of persons authorised by NBR.

Types of tax returns

Self assessment tax returns

All taxpayers are required to file return of income in compliance with the following conditions:

- File return of income in prescribed forms, schedules, computations, appendices and records along with audited financial statements;
- Pay admitted tax liability if applicable within Tax Day; and
- Pay additional tax in case of delay in filing.

Amended returns

Amended return can be submitted within

- 180 days from the date of submission of self-assessment return; or
- after processing of a return by the DCT.

No amended return can be submitted after submission of first amended tax return or after the initial return has been selected for audit.

No amended return can be submitted based on the order of the appellate authority, unless no return was submitted.

Normal returns

Upon DCT's notice in respect of tax audit and tax escaping payment, the returns would be considered as 'normal return'.



Admitted tax liability refers to tax liability based on income tax returns submitted by the taxpayer (within or beyond Tax Day) and a tax liability as a result of processing of return by the DCT.

Tax obligations at a glance

1

Tax registrations (TIN)

A person needs to obtain tax registration or a unique Tax Identification Number (TIN), if:

- A person is a taxpayer, is required to submit return, furnish proof of submission of return or is willing to pay tax or submit return;
- A person who is eligible to be a registered taxpayer but failed to obtain TIN, tax authorities have the right to issue TIN; and
- TIN may be issued where the income tax authority has found a person having taxable income during the year and has failed to obtain a TIN.

2

Withholding Identification Number (WIN)

Any person who is required to deduct or collect tax as per ITA 2023, is required to obtain Withholding Identification Number (WIN).

Temporary WIN may be issued in the prescribed manner by NBR to a person who has been found eligible for having a WIN but fails to obtain the same.

3

Proof of submission of return (PSR)

Taxpayers are required to furnish proof of submission of tax returns for obtaining certain services or prior to embarking on certain activities. PSR can be:

- Acknowledgement receipt of income tax return;
- System generated tax certificate; or
- Tax certificate issued by the Deputy Commissioner of Taxes (DCT), containing name, TIN and the assessment year for which the return has been submitted.

4

Comply with withholding tax and advance income tax requirements

Key matters of compliances include:

- Deduction and timely deposition of withholding tax and collection of tax on payments and also issue certificate of deduction or collection of tax;
- Ensure quarterly advance income tax payment or compliance; and
- File applicable returns in due time.

Tax compliance calendar

Withholding return**Advance income tax****Tax return**

July '24

within
25th

August '24

within
25th

September '24

within
25thwithin
15th

October '24

within
25th

November '24

within
25th

December '24

within
25thwithin
15th

January '25

within
25th

February '25

within
25th

March '25

within
25thwithin
15th

April '25

within
25th

May '25

within
25th

June '25

within
25thwithin
15th

Between 15
September to 15
January depending on
the income year of the
taxpayer

Preparing for Tax Day

1

Audited Financial Statements

Tax return should be accompanied with audited financial statements prepared and reported in accordance with IFRS.

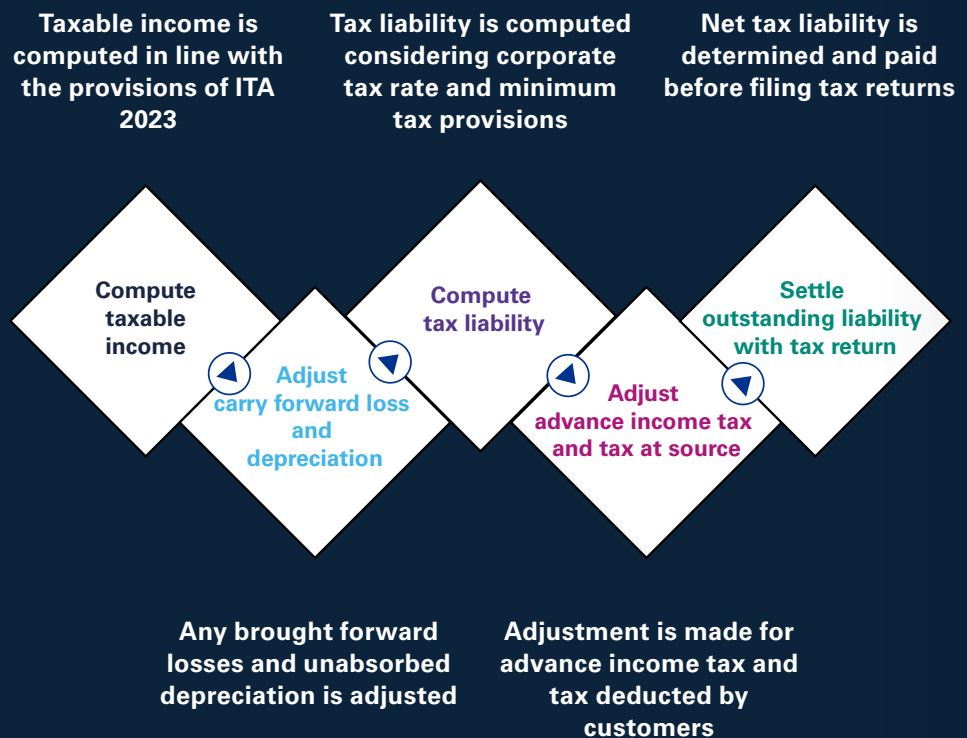
Submission of audited financial statements is not mandatory for following persons:

- Natural person i.e. Individual
- Hindu undivided family
- Any firm, trust, association of persons, foundation, society and cooperative society, having turnover not exceeding Taka 50 million
- Any educational institutions which provide pre-primary or primary education

2

Computation of income and tax payment

Tax return has to be accompanied by computation of total income along with supporting schedules.



Preparing for Tax Day

3

Prepare Statement of International Transactions (TP Return)

Persons having international transactions with associated enterprises would need to prepare and submit statement of international transactions along with the tax return.

4

Prepare submission deck

Taxpayer needs to compile further documents for its tax filing, which includes:

1. Bank statements
2. Proof of reduced tax rate or tax exemption, if any
3. Rental agreements
4. Tax payment documents
5. Copy of withholding tax returns

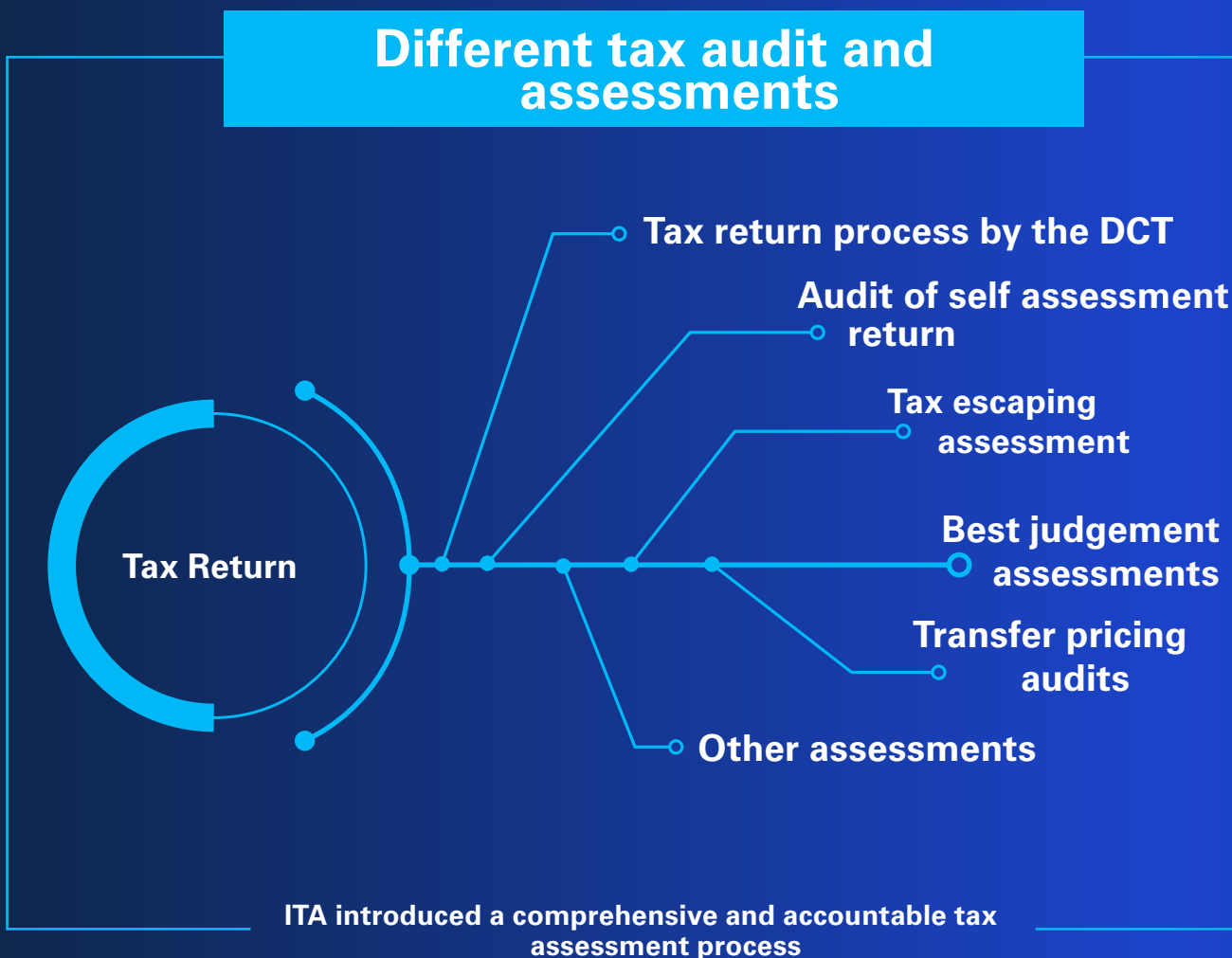
Incomplete return

If a person submits a return where the conditions of return submission or any guidance of NBR is not complied with, then the submitted return will be considered as incomplete return with following consequences:

- A notice will be issued by the DCT mentioning the time limit to submit required documents;
- If notice is not complied with, the submitted return will be considered as invalid or ineffective; and
- It can be selected for tax audit

Receipts of acknowledgment does not render the return as complete.

Tax assessments



Tax assessments

Tax return process by the DCT

After filing of income tax return by a taxpayer, the Deputy Commissioner of Tax (DCT) will process (i.e. check) the tax computation for arithmetical accuracy and incorrect claim.

After processing the filed income tax return, the DCT will send a notice to the taxpayer communicating any discrepancy in computation of income, tax liability, refund or other related particulars and provide an opportunity to the taxpayer to submit justification in writing by filing an amended return within a time limit mentioned in the notice.

If the taxpayer files an amended return duly, the DCT will send a letter of acceptance within 90 days. In case the taxpayer does not respond to the notice, the DCT will send a demand notice within 6 months along with a computation specifying total income and tax payable or refundable.

Audit of self assessment return

Exemption from tax audits

Self assessment return of taxpayers, other than bank, insurance and finance company, will not be selected for audit if such return shows at least 15% higher income than preceding assessment year. However, in following cases, return may be selected for audit:

- Any return of a bank, insurance or finance company;
- Return includes loan exceeding Taka 0.5 million from any sources other than from bank and finance company, but no bank statement is submitted;
- Return includes exempted income or income subject to reduced tax rate or any refund; or
- Withholding income tax return is not submitted.

NBR may select and approve a return of income for audit within 2 years immediately after the end of assessment year. The assessment needs to be completed within 2 years of such selection.

Audit process

The tax audit process involves several steps with specific timelines to ensure thorough and efficient auditing.

Audit team responsible for the tax audit of income tax return will be separated from the respective circle of the taxpayer.

1. **Selection and forwarding:** NBR or an approved authority selects returns for audit and forwards them to respective Commissioner of Taxes.

Return can be selected after expiry of 60 days from the date of submission of tax return.

2. **Appointment of teams:** Within 7 working days of receiving the selection list, the Commissioner of Taxes appoints an Inspection Team, Audit Team, and Audit Curator and disseminates the list.
3. **Notice to taxpayer:** The DCT issues a notice to the taxpayer within 7 working days of receiving the order.
4. **Inspection team activities:** The inquiry team collects information and submits an inquiry report within 60 days of receiving the notice. If needed, the time may be extended by up to 60 days.
5. **Audit team activities:** After receiving the inquiry report, the audit team conducts audit activities following NBR's guidelines. They verify compliance, inspect records, and collect evidence.
6. **Draft audit report:** The audit team forwards the draft audit report to the taxpayer and receives a written explanation.
7. **Final audit report:** The audit team submits the final audit report to the Audit Curator within 300 days of receiving the inspection report.
8. **Audit curator's recommendation:** Within 7 working days of receiving the report, the Audit Curator recommends the completion of audit proceedings or further actions.
9. **Commissioner's Decision:** The Commissioner of Taxes makes a decision within 7 working days of receiving the recommendation.
10. **Final steps:** The DCT sends the audit report to the taxpayer and issues a notice for filing a revised return within 7 working days of receiving approval. If the taxpayer complies, the audit is completed. If not, the DCT may take further steps to assess the tax.

Tax assessments

Tax escaping assessment

The DCT can issue a notice to the taxpayer if there is indication that a taxpayer has evaded paying taxes based on an audit, tax assessment, or other information.

This notice will require the taxpayer to file amended return and relevant documents for the specified income year/s and payment of the evaded tax amount.

The DCT will send an acceptance letter if the taxpayer files amended tax return within the specified period, pays the evaded amount, and explanations for tax avoidance. If these conditions are not met, the DCT will proceed with best judgement tax assessment.

Transfer pricing audit

- Selection:** The DCT with prior approval of NBR, may refer the determination of the arm's length price to the Transfer Pricing Officer (TPO).
- Initiation by TPO:** The TPO will proceed to determine the arm's length price in relation to any international transaction.
- Notice to taxpayer:** The TPO will serve a notice to the taxpayer to produce within specified date any evidence in support of computation of the arm's length price for the international transactions.
- Determine arm's length price:** The TPO, after considering the evidence, relevant materials and hearing from taxpayer, issues an order, in writing, determining the arm's length price in relation to the international transaction and sends a copy of the order to the DCT.
- Determine taxable income:** The DCT, thereafter will proceed to compute the total income of the taxpayer in conformity with the arm's length price so determined by the TPO.

For a taxpayer that is exempted from tax or is subject to a reduced rate of tax, any adjustment on the basis of arms' length price determined by TPO will be treated as income to be taxed at the regular rate.

- Rectification by TPO:** The TPO may rectify any order passed so as to correct any mistake apparent from the record.

- Review by DCT:** Where any rectification is made, the TPO informs the DCT who will thereafter proceed to amend the order of assessment of the taxpayer.

Other manners of tax assessment

Spot assessment

Where a person is found to have taxable income or is required to submit tax return or is required to comply with any provision of ITA 2023, and such person has failed to perform or comply with requirements of the Act, the DCT may assess their tax liability on the spot.

Assessment of return by the DCT

The DCT can assess the income in following cases:

- Any return or amended return considered as normal return;
- Any person is required to be assessed on account of audit, tax escaping and erroneous order.

Where the DCT is satisfied that in order to assess the tax, presence of the taxpayer or any evidence is not required, tax may be assessed without a hearing.

However, if the DCT deems the taxpayer's presence or evidence necessary, he/she will issue notice for hearing. The taxpayer or any representative on his behalf is required to attend the hearing and submit documents in support of the return as required by the DCT.

If the taxpayer fails to comply with the notice of hearing, the DCT may assess the tax based on *best judgement assessment*.

Best judgement assessment

The DCT may assess the tax on the basis of his best judgement in case the taxpayer neither submits return or amended return nor complies with the notice for submission of such return or amended return and fails to attend the hearing.

Tax assessments

Assessment in case of discontinued business

Period of income covers the 1st day of income year in which the business ceased to the closing date of business.

A notice along with return of above period needs to be submitted to the DCT within 15 days of such discontinuance.

The DCT may also issue notice allowing at least 7 days to submit return, accounts, documents etc.

Income year and assessment year are same.

Assessment in case of person leaving Bangladesh

If any person having work permit leaves and there is no intention of returning, assessment is required.

The assessment period would be:

- If assessed earlier - end of previous assessed income year up to date of departure; and
- If not assessed earlier - entire period of his stay in Bangladesh.

The DCT will issue notice allowing at least 7 days to submit return, accounts, documents etc.

Income year and assessment year are the same.

Audit for erroneous order of the DCT

The Inspecting Joint Commissioner may re-examine any erroneous order of the DCT within the expiry of four years from the date of DCT's order.

Statute of limitations

Statute of limitations of issuing notice for assessment is:

- Any time, if no return is filed or no tax is assessed, or
- Within six preceding tax years in other cases.

If a taxpayer conceals any assets acquired before 6 years, the DCT will deem the assets to be acquired within such six years and will deem income accordingly.

Tenure of completion of assessment

Return processed by the DCT	within 2 years of return submission
Self assessment return	within 2 years of selection of audit
Normal return	within 1 year of consideration of normal return
Tax escaping payment	within 2 years of issuance of notice
TP return	within 3 years of submission

Tax appeals

A taxpayer being aggrieved on the order of any tax authorities may file appeal on following matters before the appellate authorities

**Assessment of
income**

**Computation of tax
liability**

Tax credit

**Imposition of any
penalty or interest**

**Charge and
surcharge or any
other sum**

**Computation of
refund**

**Set off or carry
forward of loss**

Regarding any refund

Appeal stages

1

First Appeal: Within 45 days from the date of receiving of assessment order, the first appeal is to be filed before the **Commissioner of Taxes (Appeals)**.

**To be disposed of
within 150 days from
the month of filing of
appeal.**

Before filing appeal:

- **Pay admitted tax liability**, if income tax return is filed.
- **Pay 10% of tax liability**, if income tax return is not filed.
- Applicant must pay **10% of disputed tax for second appeal**

2

Second Appeal: If aggrieved against the first appeal order, the second appeal is to be filed within 60 days from the date of receiving of first appeal order to the **Taxes Appellate Tribunal**.

**To be disposed of
within 180 days from
the month of filing of
appeal.**

Aggrieved taxpayer can further apply to

High Court

Reference application to the High Court Division of the Supreme Court can be filed within 90 days from the date of receiving Tribunal order, but only in the areas of law.

Applicant must pay

- **15% of disputed tax**, where tax demanded does not exceed Taka one million.
- **25% of disputed tax**, where tax demanded exceeds Taka one million.

Appellate Division

No time limit for disposal of appeal to the Appellate Division is mentioned in the tax law.

Tax appeals

Alternative Dispute Resolution (ADR)

A taxpayer may choose ADR route if the case is disputed with any appellate authorities and an appeal filed by the DCT at Tribunal or reference application made by the Commissioner of Taxes (Appeals) at High Court, will be stayed until disposal of the ADR application.

However, any dispute which has already been filed in the form of writ petition will not be subject of ADR. A taxpayer would not be eligible for application to ADR if they fail to pay admitted tax liability, where the return of income for relevant year or years has been submitted.

In case of ADR, time limit for the facilitator to make an agreement is 3 months from the end of the month in which the application was made, unless no agreement is deemed to have been reached.

Taxpayer needs to comply with Income Tax Alternative Dispute Resolution Rule 2024.



03

International tax

Tax treaties

Double Tax Avoidance Agreements (DTAAs) are agreements between Bangladesh and contracted country aiming to avoid double taxation by defining the taxing rights of each country concerning cross-border flows of income.

The Government of Bangladesh has the authority to enter into agreements with other countries (treaty countries) to address various tax-related matters. These agreements can cover tax reductions, determination of income sources within and outside Bangladesh, prevention of double taxation and tax evasion, exchange of information to prevent tax evasion, and recovery of taxes. Internal Resources Division, Ministry of Finance may issue regulations for implementing these tax agreements.

Additionally, such agreements may include provisions for tax reductions prior to the enactment of the agreement and adjustments for foreign taxes paid under the laws of the concerned country.

The NBR incorporates the DTAAs into the tax regulations by issuing official Gazettes necessary for their implementation. Recently, DTAA with the Netherlands and Mauritius has been amended.

Foreign tax credit in Bangladesh

Bangladeshi resident taxpayers can avail foreign tax credit against tax payable in Bangladesh up to the following limits:

- If foreign tax is paid in a treaty country, foreign tax credit can be taken up to *average rate of tax*.
- If foreign tax is paid in a non-treaty country, foreign tax credit can be taken up to the lower of *average rate of tax* in Bangladesh and *average rate of tax* foreign country.

Tax applicable on total income (including foreign income) divided by such total income is defined as average rate of tax.

Applying tax treaty benefits

For non-residents, it is pertinent to consider withholding tax regulations as it requires payment parties to obtain tax exemption or reduced tax certificates from the NBR prior to exercising the benefits under tax treaties. NBR is expected to respond to applications within 30 days.

Treaty countries

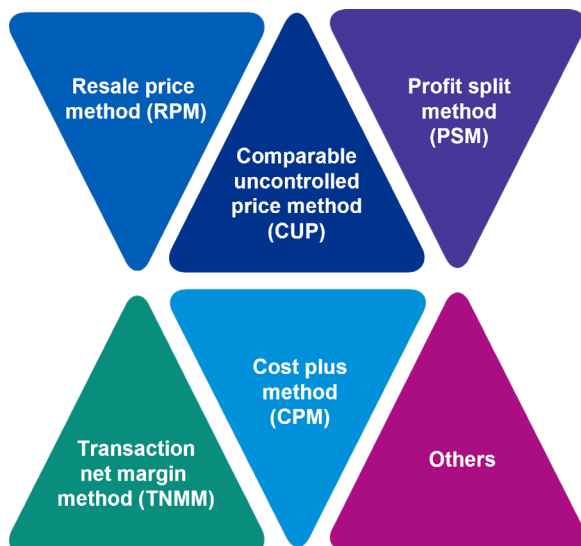
Sl.	Country	Sl.	Country
1	Bahrain	22	Pakistan
2	Belgium	23	Philippines
3	Bhutan	24	Poland
4	Canada	25	Republic of Belarus
5	China	26	Republic of Korea
6	Czech Republic	27	Romania
7	Denmark	28	Saudi Arabia
8	Germany	29	Singapore
9	France	30	Sri Lanka
10	India	31	Sweden
11	Indonesia	32	Switzerland
12	Italy	33	Thailand
13	Japan	34	Turkey
14	Kuwait	35	United Arab Emirates
15	Malaysia	36	United Kingdom
16	Mauritius	37	United States of America
17	Myanmar	38	Vietnam
18	Nepal	39	Maldives
19	The Netherlands	40	Morocco
20	Norway	41	Hong Kong
21	Oman (air traffic only)	42	Iran

Transfer pricing regulations

Transactions considered under transfer pricing regulation are those transactions between associated enterprises, either or both of whom are non-residents, relating to transfer of tangible or intangible goods, provision of services or any other transactions that have a bearing on the profits, income, losses, assets, financial position or economic value of such enterprises, etc.

Arm's length pricing

“Arm's length price” means a transaction price the terms of which (such as price, margin or profit sharing) do not differ from those prevailing in a comparable uncontrolled transaction between two independent parties under comparable situations



- Arm's length price for an international transaction is determined by applying the most appropriate method based on the nature of transaction, the availability of reliable information, functions performed, assets employed, risks assumed, or such other factors as may be prescribed.
- Any adjustment made in determining arm's length price will be treated as income taxable at the regular rate irrespective of whether income is exempted from tax or subject to reduced rate of tax.
- Downward adjustment to gross income from international transactions is not permitted through transfer pricing adjustments.

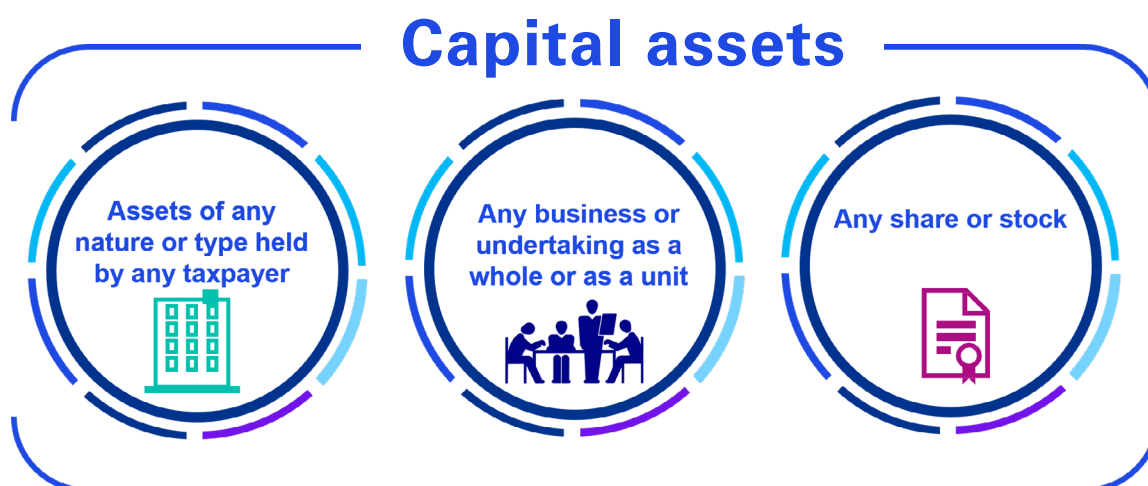




04

Other income matters

Transfer of assets



Excludes inventory and consumables for business use and personal items and vehicles for personal use

<p>Business Income ▶ CIT rate</p> <p>Capital Gain ▶ CGT rate</p>	<p>Business Income</p> <ul style="list-style-type: none"> > Business income if selling price, insurance value, salvage value or compensation (up to acquisition cost) exceeds tax written down value; > Business loss if selling price, insurance value, salvage value or compensation (up to acquisition cost) is less than tax written down value. <p>Capital Gain/Loss</p> <p>(i) higher of selling price or fair market value or (ii) insurance value, salvage value or compensation, as applicable</p> <ul style="list-style-type: none"> > Less acquisition cost, > Less any transaction costs
<p>Capital gain tax rate is:</p> <ul style="list-style-type: none"> > Companies - 15% > Other 15% if asset is held for more than 5 years, otherwise slab rate. 	

“

Transfer of assets gives rise to business income and capital gain income. Segregation of business income and capital gain income is crucial as it will determine the tax rate and eligibility of respective set off of loss.

”

Business combinations

Direct transfer of shares

Capital gain tax on direct transfer of shares, i.e. transfer of shares in a company incorporated in Bangladesh is well regularised. General capital gain computation rules are applicable.

Indirect transfer of shares

Bangladesh tax legislation imposes capital gain tax on transfer of shares in a foreign company that directly or indirectly have interests in Bangladesh. Capital gain tax in Bangladesh is computed as a proportion of fair value of the assets in Bangladesh to the fair value of assets of the foreign company being sold.

Offshore Indirect Transfer Rules, 2022 was issued with an aim to provide clear guidance on computation of fair value of assets in Bangladesh and of the foreign company as well as filing obligations of the selling shareholders and Bangladesh interest/entity. Additionally, the rules also provide exemptions to non-controlling shareholders and de minimis investments.

01 Asset valuation method	02 Income attribution	03 Compliance requirements	04 Exemptions
<p>Listed Bangladesh Companies: (Market Capitalization + Book Value of Liabilities) / Total Shares</p> <p>Non-listed Bangladesh Companies Valued by merchant banker or chartered accountant using accepted methods</p> <p>Foreign Companies</p> <ul style="list-style-type: none"> Listed: Market capitalization + book value of liabilities Unlisted: Valued by merchant banker/accountant using accepted methods 	<p>Capital gain in Bangladesh: (Total Capital Gain) × (FMV of Bangladeshi assets) / (FMV of all assets of Foreign Company)</p> <p><i>Capital gain is computed as per the general method under ITA 2023 for the foreign shares being sold.</i></p>	<p>Transferor:</p> <ul style="list-style-type: none"> ✓ File return of income ✓ Submit Form OIT-1, verified by an accountant <p>Bangladeshi Entity:</p> <ul style="list-style-type: none"> ✓ File return for the income year of the transferor ✓ Submit Form OIT-2 within 90 days ✓ Maintain specified documentation for 6 years 	<p>De minimis Threshold:</p> <ul style="list-style-type: none"> • Bangladeshi assets exceed BDT 150 million and is at least 50% of all assets of foreign company <p>Non-resident Transfers: No income deemed if:</p> <ul style="list-style-type: none"> • No control over the foreign company. • Transferor holds < 5% voting power or share capital.

Business combinations

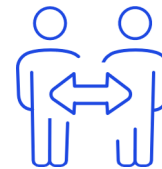
As business combinations become familiar, tax legislation has clarified the scope of amalgamation and demerger along with the tax treatments of the underlying transactions



Amalgamation

The key aspects of amalgamation or merger includes:

- All the property and liabilities of the amalgamating companies become those of the amalgamated company.
- For Bangladeshi amalgamated company, shareholders holding at least 75% of the shares in the amalgamating companies (excluding shares already held by the amalgamated company or its subsidiary) become shareholders of the amalgamated company.
- For foreign amalgamated company, shareholders holding at least 75% of the shares in the amalgamating foreign companies that hold shares in a Bangladeshi company (excluding shares already held by the amalgamated company or its subsidiary) become shareholders of the amalgamated company.



Demerger

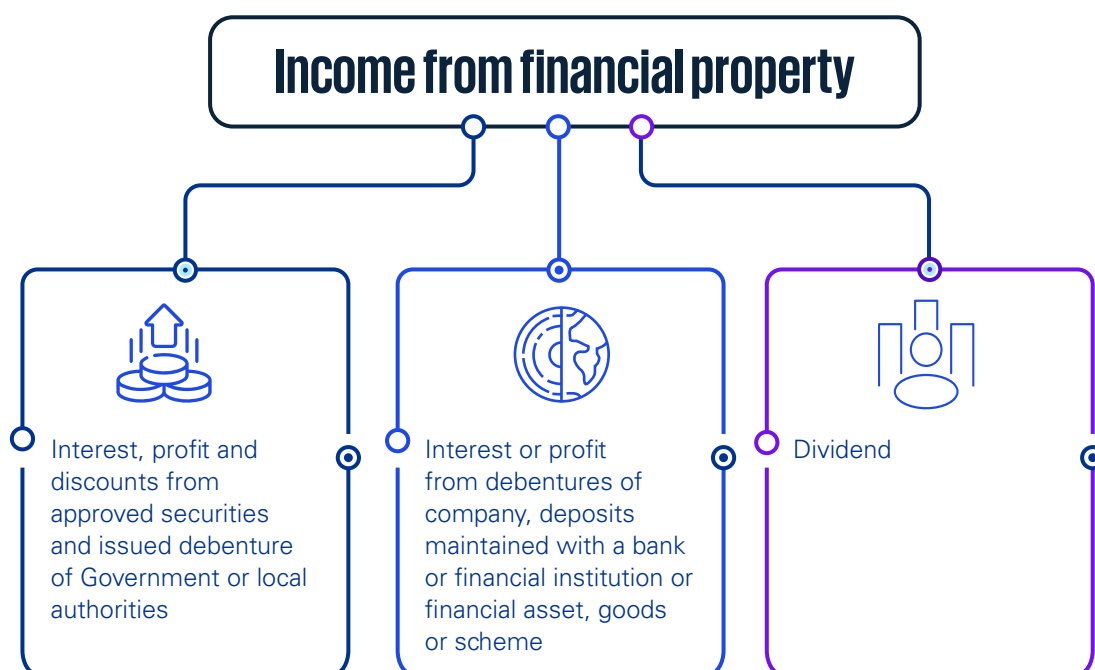
The key aspects of demergers includes:

- All the property and liabilities of the demerging company become those of the demerged company.
- For Bangladeshi demerged company, shareholders holding at least 75% of the shares in the demerged company become shareholders of the resulting company.
- For foreign demerged company, shareholders holding at least 75% of the shares in the demerged foreign company that hold shares in a Bangladeshi company become shareholders of the resultant company.

- **Qualified amalgamations and demergers are exempted from tax;**
- **Prior approval of NBR is not needed but VAT authority's approval is needed for any transfer of business undertaking;**
- **Any disappearing company need to apply for cancellation of tax and VAT registration.**

Accumulated business loss and unabsorbed depreciation of amalgamating and demerged company can be used by amalgamated company and resulting company.

Income from financial property



Income inclusion

- Income from financial assets is included in the income of the income year in which it is received or deposited with the taxpayer; and
- Accrual basis income from financial assets is not included in the computation of income

Deductions

Expenses incurred only for the purpose of earning the relevant income are allowed as deductions including:

- Amount deducted from the receipts excluding any income tax;
- Interest paid on money borrowed solely for the purpose of earning "income from financial assets";
- Any interest payable outside Bangladesh on which withholding tax compliance has not been followed;
- Expenses against income from such financial assets that are exempted from tax; and
- Any expenditure of a capital or personal nature.

Tax rate

Income from financial property is generally taxed at the applicable tax rate of the taxpayer, except for dividend income earned by company taxpayer which is subject to 20%.

Income from rent

Rent income includes any rental income generated from any asset, irrespective of its rental nature, trade or business etc. excluding rental from hotel, hostel, motel, resort or business property.

Computation of income from house property

- + Higher of rent receipts or annual value
- + Adjustable portion of advance for a period
- + Any additional amount or value of benefit except for salami or premium
- + Any service charge paid by the tenant
- Vacancy allowance
- Insurance premium
- Interest on loan
- Repair and maintenance allowance (resident: 25%, commercial: 30%)
- Annual fee, levy, or charge and
- Proportionate expenses in case of partial rent out and partial tenure.

Computation of income from other properties

- + Higher of rent receipts or annual value
- + Adjustable portion of advance for a period
- + Any additional amount or value of benefit
- All admissible expenses allowed for income from business and
- All expenses except for admissible allowances as per Third Schedule of ITA 2023 to be paid through bank transfer

Special rent means:

1. Unspent expenses on account of income from rent;
2. All inadmissible expenses/deductions except for areas of accounting adjustment.

While computing income on account of special rent, no deductions, set off/carry forward of loss or any allowance of Third schedule can be made and tax on a regular rate will be paid separately thereof.

Tax rate

Income from rent is generally taxed at the applicable tax rate of the taxpayer.

Donation & gifts

Any kind of donation or gift is considered as “income from other sources”.

Tax benefits on donations

Allowable deductions available on

Donation to any fund established by “Trust of Prime Minister Education Assistance Act 2012”

Such donations are allowable up to the following limit:

- Companies – lower of 10% of income or Taka 80 million.
- Other than companies – lower of 10% of income or Taka 10 million.

Donation to girls’ school/college

Donation in an income year by bank transfer to any girls’ school or girls’ college approved by the Ministry of Education of the Government is exempted from tax.

Donation to technical and vocational institution

Donation in an income year by bank transfer to any technical and vocational training institute approved by the Ministry of Education of the Government is exempted from tax.

Donation to research and development

Donation in an income year by bank transfer to any national level institution engaged in the Research and Development (R&D) of agriculture, science, technology and industrial development is exempted from tax.

Exclusions from income

- Any donation received by any education or research institution from abroad.
- Any donation or grant received and spent on religious or charitable purposes by religious institution, or any charitable institution approved by the Commissioner of Taxes.
- Any donation or grant received by any person approved by NGO Affairs Bureau.
- Any donation or grant received by any company who is not mandatorily required to submit tax return.

Anti-tax avoidance

Abuse through tax arrangements

Misuse of tax arrangement is any arrangement, whether performed by the person affected or by any other person:

- which creates one or more tax benefits, unless it is undertaken for a bona fide purpose; or
- which creates one or more tax benefits, unless the multiple arrangements or part thereof; are reasonably undertaken or created for a bona fide purpose.

ITA 2023 defines **Tax Benefit** as

- Income tax avoidance or reduction;
- Relieve any person from the liability to pay income tax, or from the potential or prospective liability of future income tax;
- Avoiding, deferring or reducing, any tax liability, or any potential or prospective liability for future income tax;
- Delay in payment of income tax; and
- Avoidance of requirement of deposit of tax deducted or collected at source.

Arrangement is defined as all steps and transactions undertaken to affect a consent, agreement, planning, negotiation or memorandum of understanding.

The DCT is empowered to initiate proceedings for any misuse of tax arrangement by a taxpayer and recover tax through:

- Income enhancement
- Correction of tax liability
- Adjustment of tax refund
- Correction of allowance, rebates etc.
- Any other means

Tax recovery procedures by the DCT is executed by:

- Issuing notice to a taxpayer for misuse of tax stating reasons thereof, details of countermeasures, requesting to appear with relevant tax benefit documents;
- Taxpayer is given minimum 30 days to prepare for hearing; and
- Tax authority passes an order with necessary adjustment and notifies within 30 days of the order.

Transaction with non-residents

When a business is conducted between a resident and a non-resident, and the DCT finds that due to their close relationship, the business has been arranged in a way that no profit has accrued to the resident, or if the profit is less than the expected normal profit, the DCT has the authority to determine a reasonable income for the resident. This determined income will then be included in the total income of the resident for tax purposes.

Transfer of assets to non-resident

If tax is evaded by way of transfer of any asset or any reason thereof, whether jointly or severally with associated activities, tax would be recovered in the following manner:

Income attribution: Income payable to a non-resident due to asset transfer is deemed to be the income of the person who acquires the right to enjoy that income or receives money related to the transaction.

Taxability: This income is considered taxable, unless the DCT is satisfied that the transfer did not involve tax avoidance schemes and was a genuine business transaction.

Non-duplication of tax: Income treated and taxed under this provision will not be taxed again as part of any person's income.

Capacity to enjoy income: This section defines various scenarios where a person is deemed to have the capacity to enjoy the income, such as benefiting from the income, controlling its use, or receiving money related to the transaction.

05

Personal tax

Imposition of tax on salary

Scope of taxable income

Taxable income in Bangladesh is defined on the basis of tax residency of the taxpayer. Scope of personal income generally includes income from employment excluding, exempted income.

Residency

For individuals, residency depends on the period of stay in Bangladesh.

An individual is a resident if the individual resides in Bangladesh for:

- 183 days or more in any income year; or
- 90 days or more in an income year and that person has also previously resided in Bangladesh for a period of 365 or more days during the four preceding years.

An individual not meeting the above conditions is a non-resident.

Assessment year

Assessment year is a twelve-month period commencing from the first day of July of a calendar year unless specific rules apply.

Income year

Income year is a period not more than twelve-months preceding the assessment year.

For individuals, income year is 1 July to 30 June.

Tax day

Tax Day, in case of an individual, is 30 November following the end of the income year.

- Individual who did not previously file return of income should file returns by 30 June following the end of income year.
- Individuals who stay outside Bangladesh for higher education, or on deputation, lien for employment, or with valid visa and work permit, the Tax Day would be the 90th day from the date of her or his return to Bangladesh.

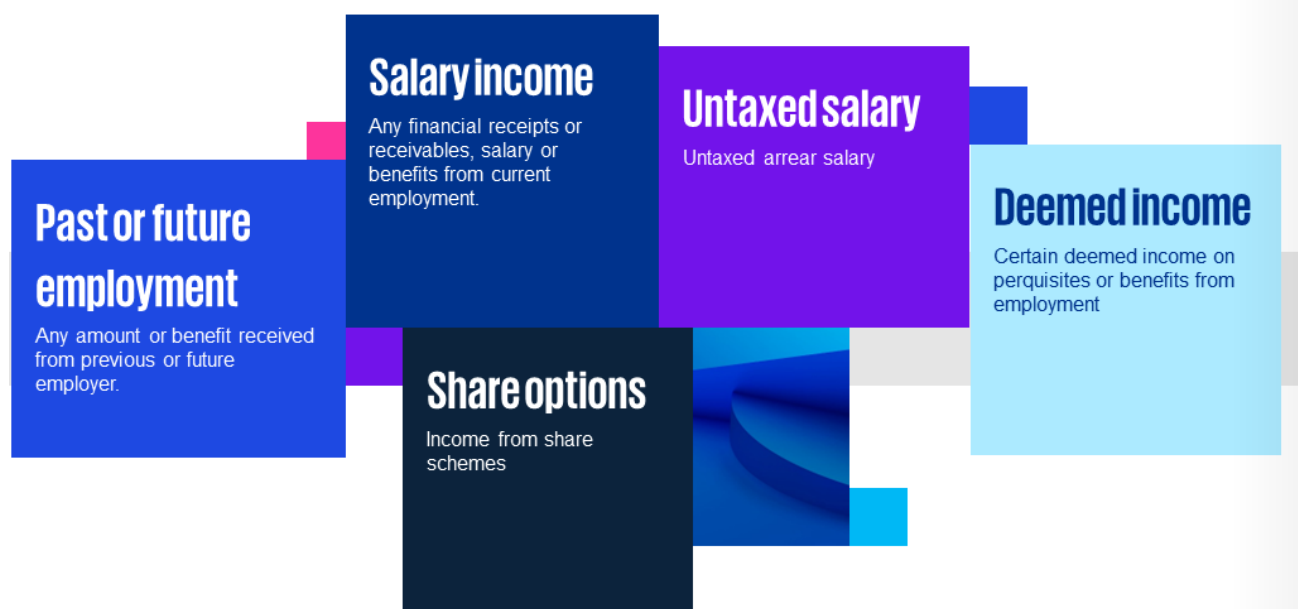
Proof of submission of return

Individual taxpayers are required to show proof of submission of tax returns (PSR) for obtaining certain services or prior to embarking on certain activities.

Refer to page 36.

Computing income from employment

Income from employment includes all income from employment, excluding exempted income.



Exclusions from income from employment

- > **Medical benefits** related to heart, kidney, eye, liver and cancer operations expenses, except for shareholder director.
- > **Transportation, travelling, daily allowances** received and expended wholly and solely for performance of duties.
- > Exemptions as per Sixth Schedule Part 1.

Inclusions or deemed income

Housing benefits

- > Annual value if the accommodation is provided free.
- > Differential amount of annual value and rent paid by the employee for concessionary arrangement.

Car benefits

- > Taka 10,000 per month for vehicles up to 2500 cc.
- > Taka 25,000 per month for vehicles above 2500 cc.

Employee share options

- > Where share is received, fair market value of the shares less cost of acquisition of shares.
- > Where share is transferred, sale price or transfer value of right to share less price paid for entitlement of right to shares.

Other benefits at monetary value or fair market value.

Types of taxes

General rates

Tax is applicable on income from employment on the basis of a slab rate tax structure for resident individual taxpayers.

For non-resident individual taxpayers, applicable tax on income from employment is flat 30%.

Total income

Tax rate (AY24/25) Tax rate (AY25/26)

Total income	Tax rate (AY24/25)	Tax rate (AY25/26)
Up to exempted limit	0%	0%
Next Taka 100,000	5%	5%
Next Taka 400,000	10%	10%
Next Taka 500,000	15%	15%
Next Taka 500,000	20%	20%
Next Taka 2,000,000	25%	25%
Remaining amount	25%	30%

Exempted income limits are as follows

- Generally, it is Taka 350,000.
 - For women and senior citizens aged 65 years or above, it is Taka 400,000.
 - For physically challenged and third gender persons, it is Taka 475,000.
 - For gazetted war-wounded freedom fighters, it is Taka 500,000.
- Parent/legal guardian (maximum one) of a physically challenged person will get a further initial exemption of Taka 50,000 in addition to above limit.

Investment rebate

Resident taxpayers and non-resident Bangladeshis may obtain credit on their investments

Lower of:

- **3% of total taxable income** (excluding income subject to exemption, reduced tax rate or minimum tax rate), or
- **15% of actual investment** as per Part 3 of 6th Schedule or
- **Taka one million**

Surcharge

Individuals are subject to wealth surcharge and environmental surcharges



Location

Tax

Dhaka and Chattogram City Corporation	5,000
Any other City Corporation	4,000
Non-city corporation areas	3,000

Minimum tax

Individual taxpayers having taxable income are subject to minimum tax

Other key matters

General income exclusions

Income from employment

Income received from employment is exempted from tax up to one-third of total income from employment or Taka 450,000, whichever is lower.

Properties/assets taken as gifts from spouse/parents or descendants

Properties/assets taken as gifts from spouse/parents or descendants are excluded from income, provided:

- it is disclosed in the respective tax returns of the benefactor and beneficiary;
- no disclosure in tax returns of benefactor is necessary, if the gift is received from abroad through banking channel.

Receipt of capital gain not exceeding Taka 5 million

Capital gains up to Taka 5 million is excluded from income, if it is earned by:

- transfer of share or unit of a listed company or fund and
- by persons other than of sponsor, director or placement share of a company or fund.

Interest on pensioners' savings certificate

Income received by an individual by way of interest from pensioners' savings certificate is exempted from tax where the investment on such certificate does not exceed Taka 500,000 at the end of the relevant income year.

Foreign income by individuals

Income earned abroad by a Bangladeshi citizen is exempted from tax subject to the compliance with the applicable laws in respect of inward remittance.

Gratuity income

Gratuity income from the Government or NBR approved gratuity fund up to Taka 25 million is exempted from tax.

Eligible investment

Following investments are considered as allowable/eligible investment when claiming investment rebate

- Life insurance premium
- Contribution to approved Provident Fund (both by the employee and employer)
- Contribution to deposit pension scheme or monthly savings scheme amounting to maximum Taka 120,000 sponsored by a scheduled bank or a financial institution
- Donation to a national level institution set up in memory of the "Liberation War"
- Donation to a national level institution set up in memory of "Father of the Nation"
- Donation to government approved public welfare or educational institution
- Donation to Zakat Fund/charitable fund established by or under Zakat Fund
- Any sum invested in Government securities up to Taka 500,000
- Any sum invested in unit certificates and mutual funds, ETF or joint investment scheme, unit certificate issued by financial institution, Investment Corporation of Bangladesh (ICB), fund manager etc. up to Taka 500,000
- Any sum invested in shares of listed companies.

Tax obligations

Tax registration

Individuals need to obtain tax registration or a unique Tax Identification Number (TIN) under the conditions specified in page 36.

Expatriate employees working in Bangladesh require work permits issued from appropriate authority to obtain tax registration in Bangladesh.

Tax return

Individuals are required to file tax returns within the Tax Day (see page 59).

Statement of wealth and lifestyle

Individual taxpayers must submit statements of wealth and lifestyle along with their tax returns.

Resident Bangladeshis must disclose both their assets and liabilities in Bangladesh and outside Bangladesh.

Non-resident Bangladeshis and foreigners have to submit the assets and liabilities statements only in respect of assets located in Bangladesh.

Conditions	Wealth Statement	Lifestyle Statement
Owns a motor car	✓	✓
Shareholder director of a company	✓	✓
Investment in a house property or an apartment	✓	✓
Business income		✓
Gross wealth over Taka 5 million	✓	
Total income over Taka 0.5 million		✓

Environment Surcharge

Environment surcharge is payable by individual taxpayers owning more than one motor car and is exempted from tax on the motor car with the lowest applicable surcharge.

Engine capacity of motor car	Surcharge
Up to 1500cc or 75kw	Taka 25,000
Exceeding 1500cc or 75kw but not 2000cc or 100 kW	Taka 50,000
Exceeding 2000cc or 100 kW but not 2500cc or 125 kW	Taka 75,000
Exceeding 2500cc or 125 kW but not 3000cc or 150 kW	Taka 150,000
Exceeding 3000cc or 150 kW but not 3500cc or 175 kW	Taka 200,000
Exceeding 3500cc or 175 kW	Taka 350,000

Wealth surcharge

Individuals are subject to surcharge on the basis of their net wealth.

Net wealth	Tax rate
<ul style="list-style-type: none"> over Taka 40 million to Taka 100 million, owner of more than 1 motor car, or owner of house property exceeding 8,000 sq. ft., within a city corporation area 	10%
Over Taka 100 million to Taka 200 million	20%
Over Taka 200 million to Taka 500 million	30%
Over Taka 500 million	35%



06

Value Added Tax

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Charge of VAT

Economic Activity

VAT and Supplementary Duty are imposed on activities carried on regularly or continuously for making supply of any goods, services or immovable property.

However, services rendered by an employee to his employer, general duties rendered by a director of a company, any recreational pursuit or hobby performed on a non-commercial basis, and any activities carried on by the Government without any commercial motive are excluded from the definition of economic activities.

Exempted Supplies

VAT & SD Act 2012 provides VAT exemption on certain goods and services in the First Schedule of the Act.

Taxable Supplies

Any supply, unless exempted, delivered through an economic activity which includes supply of goods, services and immovable property.



Taxable Import

Any goods, unless exempted, brought into the geographical territory of Bangladesh from outside Bangladesh.

Imported Services

Imported service means supply of any service from outside Bangladesh.

Place of supply

Destination of supply is crucial for VAT and compliance implications.

Supplies within Bangladesh

When supplies are made by resident persons, they are considered as local supplies.

Non-resident's supplies are also considered as local supplies in certain cases, especially:

1. Supplies through or from a fixed place of business,
2. Supplies of immovable property with respect to land in Bangladesh,
3. Supplies of goods that are transferred, conferred, installed or assembled in Bangladesh,
4. Supplies to a VAT unregistered person (B2C) given physically while located in Bangladesh or are of electronic services in nature or radio, television and telecommunication services (except global roaming services) to locations or persons in Bangladesh.

Types of VAT & SD

Structure of VAT & SD



Standard rate

The standard VAT rate under VAT & SD Act 2012 is 15%.

Businesses under Turnover Tax would be required to pay 4% as Turnover Tax on their sales over each quarter.

Zero rate

Goods and services supplied outside the geographical territory of Bangladesh are generally zero-rated VAT.

Scope of zero-rated VAT services includes deemed exports, temporary imports and goods and services for ocean going ships and aircraft engaged in international transport.

Supplementary duty

Certain goods are subject to supplementary duty under Second Schedule of the VAT & SD Act 2012.

Generally, SD paid on purchase of goods and services cannot be taken as credit/adjustment. Only in case of export of goods, if any SD is paid on import of raw materials, a decreasing adjustment can be taken.

Reduced and specified rate

For certain supplies, VAT rates are lower than the standard VAT rate of 15%. Fixed amount or specified rates are prescribed in the VAT legislation.

Trade VAT

Generally, traders are subject to VAT at a rate of 5% on their supplies, unless it is provided to withholding entities.

Traders of medicine and petroleum products are subject to VAT at 2.4% and 2%, respectively and for some specific wholesale businesses (e.g. clothing business and paper business) applicable VAT rate is 1.5%, subject to fulfilment of certain conditions and procedures.

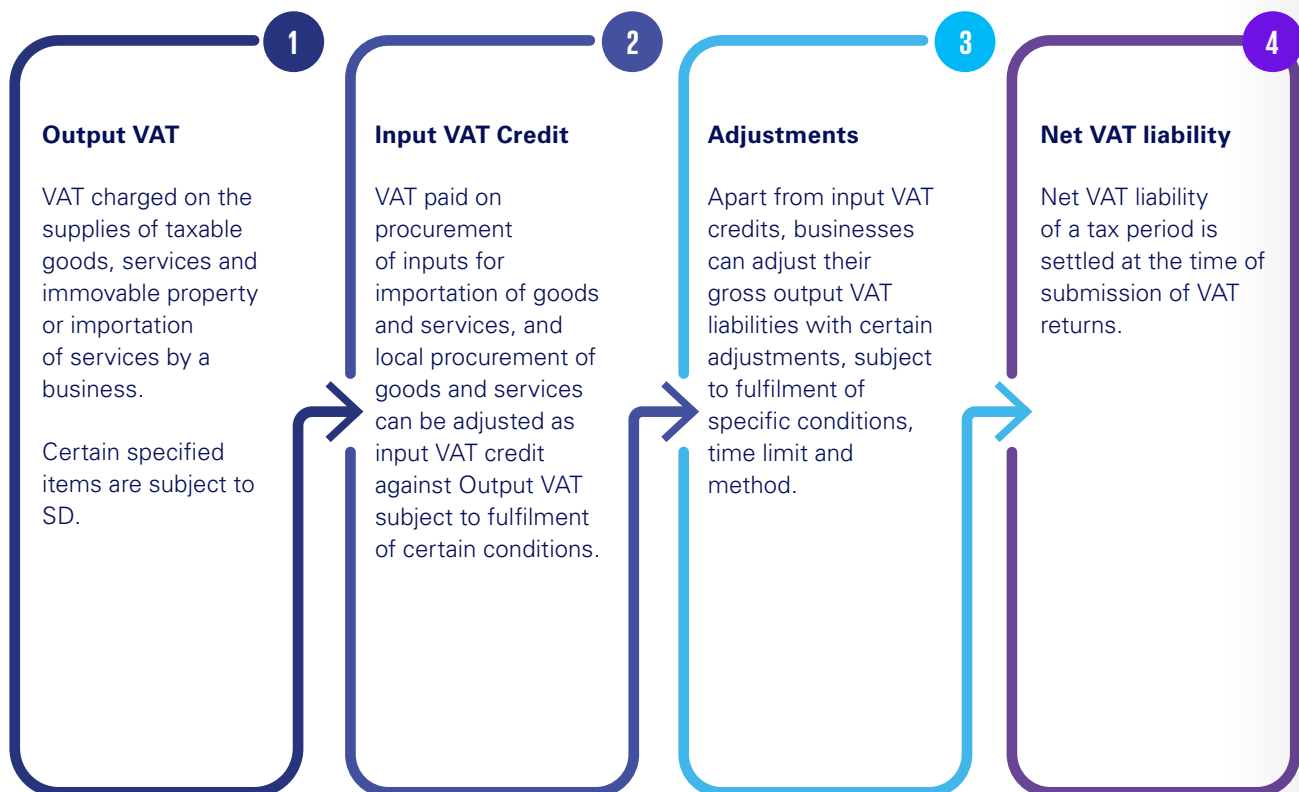
Advance tax

Importers are required to pay Advance Tax at 5% on taxable imports.

Advance Tax (AT) for import of raw materials to be consumed in the production/manufacture of goods is 3%, subject to fulfilment of prescribed conditions.

VAT mechanism

Businesses are required to compute its net VAT payable upon consideration of input VAT credit, if any, and necessary increasing/decreasing adjustments with output VAT.



Tax period is each calendar month for VAT registered persons and each quarter for Turnover Tax enlisted persons.

VAT mechanism

Input VAT and credit

Input VAT credit is only obtainable against standard rated and zero-rated VAT supplies.

Business entities whose supplies are subject to VAT rates other than Standard and Zero rates can choose to exercise the standard VAT rate of 15% and claim input VAT credit.

Input VAT credit is allowed subject to certain conditions, for instance:

- Payments by banking channel for any supply exceeding Taka 100,000 except for inter-company raw material purchases;
- Compute and record of output VAT in the VAT return on import of service for input VAT credit against imported services;
- Report imported services as output VAT in the VAT return of relevant tax period;
- Input tax credit should be taken within four tax periods from the end of month of purchase or invoice date or bill of entry;
- Recording purchase in the prescribed purchase register;
- Obtain VAT invoice (Mushak 6.3) against supplies;
- Inputs must be declared in Input Output Coefficient by manufacturers/suppliers of goods. Revised declaration must be submitted if total input price or sales price are changed by more than 7.5%;
- No input credit can be claimed against supplies subject to supplementary duty.

Partial input VAT credit

Input VAT credit is eligible partially only up to the amount of consideration paid or payable for the inputs. Partial input VAT credit is considered if the sale price is less than the total input cost.

When businesses supplying goods or service applying different applicable VAT rates (such as standard rate, zero rate, reduced rate or specified rate), input VAT credit is to be calculated in proportion (partial input VAT credit) against those supply of goods or service delivered at standard rate or zero rate.

Documentation for input VAT credit

Businesses should preserve the following documents against claim of input VAT credit at the time of submission of VAT return:

- a. In case of import, bill of entry;
- b. For local procurement, appropriate VAT invoice (Mushak 6.3);
- c. Treasury challan copy for payments of VAT against import of service; and
- d. Invoice issued for gas, water, electricity, banking, insurance, port and telephone services by authorised entity will be considered as VAT invoice for taking input VAT credit.

Adjustments of VAT

Apart from input VAT credits, businesses can also take certain adjustments, for instance:

- a. Increasing adjustment for VAT withheld by the business;
- a. Decreasing adjustment for VAT withheld by the customer upon collection of withholding VAT certificate (Mushak 6.6) within stipulated time;
- b. Decreasing adjustment for advance VAT;
- c. Increasing or decreasing adjustment of under-payment or over-payment of VAT amount of any previous tax period;
- d. Increasing adjustment of interest, penalty, fine, fee and outstanding VAT;
- e. Increasing or decreasing adjustment of annual recalculation or change in the VAT rate;
- f. Increasing adjustment of goods used for private purposes;
- g. Increasing adjustment of VAT on supplies not made through banking channels;
- h. Decreasing adjustment of issuing credit note;
- i. Any other prescribed increasing or decreasing adjustment.

Withholding VAT

Withholding entities

Entities given the responsibility to withhold VAT include:

- Any Government entity (ministry, board, authority, semi-government, autonomous body, state owned entity, local authority or similar types of institutes);
- Any non-government organisation approved by the NGO Affairs Bureau or the Directorate-General of Social Welfare;
- Any bank, insurance company or a similar financial institution;
- Any post-secondary educational institution;
- Any limited company;
- Any individual or organisation whose turnover exceeds Taka 100 million.

Scope of withholding supplies

- **Supply of goods by a manufacturer:** There is no requirement for withholding VAT, regardless of the VAT rate.
- **Supply of goods by traders:** The entire VAT amount must be withheld, unless when the goods are supplied at 15% along with Mushak 6.3 and VAT honour card.
- **Supply of services:** Withholding VAT applies to all services prescribed for withholding VAT. Currently, 43 such services are categorised for withholding VAT.
- **Services not subject to withholding VAT:** Services not included in the list of mandatory withholding VAT are not subject to withholding VAT if Mushak 6.3 is provided.

General guidance

- Withholding VAT needs to be deposited within 7 days of the following month.
- An unregistered withholding entity must deposit the withheld VAT to the Government Treasury within 15 days of the deduction.
- Issue withholding VAT certificate (Mushak 6.6) in three copies within 3 working days after deposit of withholding VAT.
- Submit withholding documents (original copies of the certificate and the treasury challan) to the concerned VAT office during VAT Return submission and one copy to the supplier.
- Preserve or maintain withholding documents for at least 5 years.
- Applicable VAT needs to be paid by the withholding entity if it procures goods or services from an unregistered or non-enlisted person.
- Suppliers can claim decreasing adjustment on the withheld VAT within three tax periods following the end of the month of receiving payment.

VAT exemption for sub-contractors in projects

Sub-contractors, agents or any other service providers in a project are not subject to withholding VAT on the basis of evidence that payment of entire VAT of the project is ensured against the main contractor.

However, this rule is not applicable for purchasing goods under the project.

VAT audit and appeals

VAT Investigations

VAT audits are performed through frequent inquiries and investigations on matters such as reconciling VAT returns with audited financial statements and focusing on expenses for withholding VAT obligations. Thus, audited financial statements are also key documents for VAT audits. VAT audits are usually conducted for 5 years at a time. Upon completing their inspections, the VAT authority issue notices of demand.

Notable VAT authorities that conduct audits and investigations are Customs, Excise and VAT Commissionerate office, VAT Audit, Investigation, and Intelligence department, Central Intelligence Cell (CIC) and Auditor General (AG) through the concerned VAT circle or divisional office.

VAT audits and investigations are also specially initiated for e.g. closure of business, requesting a No Objection Certificate (NOC) for any business purpose, changing the address from one Commissionerate office to another or claiming a VAT refund through an application.



Appeal to the Commissioner (Appeal)

Applicant: Any person or any VAT officer who is aggrieved by a decision taken or order issued under the VAT regulation by any Additional Commissioner or any VAT officer below the rank of an Additional Commissioner.

Timeline: Appeal must be made within 90 days from the date of the service of such decision. It can be extended another 60 days subject to certain conditions.

Deposit of tax at the time of filing: The applicant other than VAT officer will be required to pay 10% of the tax specified in the impugned order at the time of filing. Fine will be excluded from the tax amount for the calculation of 10% disputed tax for appeal to the Commissioner (Appeal).

Disposal of the case: The Commissioner (Appeal) is to dispose of the appeal within a period not exceeding one year.

Appeal to Appellate Tribunal

Applicant: Any person or any VAT officer who is aggrieved by a decision taken or order issued under the VAT regulation by any Commissioner or Commissioner (Appeal) or Director-General or by any VAT officer holding the same rank.

Timeline: Appeal must be made within 90 days from the date of the service of such decision. It can be further extended another 60 days subject to certain conditions.

Deposit of tax at the time of filing: The applicant other than VAT officer will be required to pay 10% of the tax specified in the impugned order at the time of filing. Fine will be excluded from the tax amount for the calculation of 10% disputed tax for appeal to the appellate Tribunal.

Provided that, this 10% tax will not be required to be paid if the appeal is made against the order issued by the Commissioner (Appeal).

Disposal of the case: If the Appellate Tribunal fails to dispose of the appeal within a period of two years, the appeal will be deemed to have been granted by the Appellate Tribunal.

VAT obligations

01.

Registration

Businesses need to assess their registration requirements prior to commencing operations.

A business should register for VAT, if:

- Mandatory registration rules apply (currently 175 specific goods and services are subject to this requirement) through general order;
- Annual turnover exceeds Taka 30 million;
- Supplies are subject to supplementary duty;
- Participating in contract, tender or work order;
- Importer or exporter;
- Any foreign branch, liaison or project office; or
- VAT agent.

Businesses falling outside the above scope needs to enlist for turnover tax if annual turnover exceeds Taka 5 million. Otherwise, no registration or enlistment requirements is applicable.

A non-resident having no fixed place of business in Bangladesh can appoint a VAT Agent who will carry out all VAT related responsibilities on behalf of the non-resident and obtain a VAT Registration. Only the non-resident will be liable for all payments including taxes, fines, penalties, and interests.

02.

VAT documentation

Businesses must maintain books and records as required by VAT legislation for a minimum of 5 years

Business can maintain all prescribed books and records at its own format or template covering all the prescribed information.

Businesses must prepare their financial statement under IFRS and have them audited as per ISA. For tax determination, all documents which depict the operation of business should be considered.

In case of unsettled VAT disputes, all the relevant documents and records must be kept until the settlement of such disputes.

All suppliers of goods are required to file Input-Output Coefficient in Mushak 4.3 online and to the divisional VAT official within 15 days from date of first supply.

VAT obligations

03.

VAT invoices and certificates

Businesses must issue two copies of VAT compliant VAT Invoices (Mushak 6.3) against all its supplies

Businesses can design its commercial invoice by including all prescribed information in Mushak 6.3.

Moreover NBR, by a notification in the official Gazette, can declare any Tax Invoice or bill issued by a registered person in his/her own format as a Tax Invoice (i.e. Mushak 6.3).

Withholding entities must issue withholding VAT certificate (Mushak 6.6) in prescribed format for any VAT withheld or deducted against its payments

Businesses must issue withholding VAT certificate (Mushak 6.6) within 3 working days from depositing withheld VAT to the Government exchequer.

04.

File monthly VAT returns

Businesses must file VAT returns within 15 days following the end of the month or tax period (for Turnover Tax—following the end of quarter)

If the last day (i.e. 15th day) for the submission of VAT return is a “public holiday”, the next working day will be considered as the deadline for the submission of VAT return.

An extension of up to one month can be taken for filing VAT return by paying delay interest of 1% per month on the net VAT payable after obtaining approval from the VAT authority.

Companies must submit their audited financial statements within 6 months after the end of each financial year.

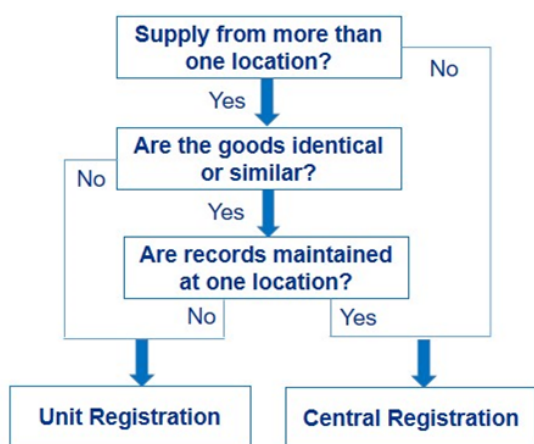
Other matters

Operating from multiple locations

Businesses operating from multiple locations and supplying different goods and services would be subject to either central or unit VAT registration based on its circumstances.

Having different business units is not a matter of important consideration for central VAT registration, rather it is the place where books and records are centrally maintained.

Supplies between units by a centrally registered business will not result in output VAT liability and input VAT credit.



VAT software

NBR requires registered businesses having turnover exceeding Taka 50 million in the preceding financial year to maintain their VAT related books and records in software prescribed by the VAT authority. In order to comply with this provision, only software from NBR approved software developers or suppliers should be installed. Entities may also use their own software, provided it has the same specifications as prescribed by NBR and after obtaining approval from NBR.

Fair market price rules

Fair market price rules apply on supplies such as:

- Taxable supplies with no or inadequate consideration;
- Free samples exceeding Taka 20,000 in a fiscal year;
- Supplies of service or immovable property to any employee (in-kind benefits) without a consideration or at a price less than the fair market price;
- When quantity of goods subject to SD is identified during an audit to have not been accounted properly;
- Transfer of immovable property by a property developer to the landowner;
- Transactions between associated entities will be based on the fair market value of the taxable supply or imported services if:
 1. The taxable supply or imported service is made for no consideration or consideration lower than the fair market value, and
 2. The associated entity cannot claim input VAT credit on the taxable supply or imported service.

Carry forward and refund

Negative net tax payable (refund) for a tax period can be carried forward for six tax periods.

If the refund is not fully adjusted and the refund amount is greater than Taka 50,000, it can be claimed as cash refund within three months after making an application. Otherwise, refund can be carried forward until it becomes nil.

Refund can be claimed only after submission of all VAT returns up to the current tax period.

Exporters can claim cash refund of supplementary duty paid on raw materials import (not applicable for local supplies) immediately.

Other matters

VAT on sale of business

Where any business or part thereof is purchased or transferred with an intention of continuing the economic activities, such transfer of ownership will not be regarded as a taxable supply.

Prior approval of the VAT authority is needed.

Reverse charge of VAT

Banks which are responsible for sending money against importation of services from outside of Bangladesh will check whether applicable VAT on importation of services has been deposited to the Government exchequer. Based on the status of the importer's VAT registration, the control mechanism is as follows:

- **VAT unregistered recipient (B2C):** banks will collect VAT at 15% on the import price from the recipient at the time of making payment outside Bangladesh and deposit it to Government Exchequer.
- **VAT registered recipient (B2B):** recipient will deposit the VAT to Government exchequer and

submit a copy of the treasury challan to the bank. Otherwise, the bank will collect the required amount of VAT from the service recipient to deposit the VAT to the Government Exchequer by itself.

Consequences of non-compliance

Businesses can suffer:

- Interest at a simple interest of 1% per month for failure to pay VAT on or before the due date of payment (2% semi-annually for withholding VAT). Maximum period for computing interest is 24 months.
- For other non-compliances, penalty can be up to the amount of VAT evaded in case of any evasion. In other cases, penalty can be imposed up to Taka 100,000.
- In the case of non-compliance of withholding VAT, the person responsible for withholding VAT could be fined up to Taka 25,000.



VAT returns should be filed within 15 days following the end of the tax period

Amended VAT Returns

Businesses can file Amended VAT Return for clerical or computational errors. Amended VAT Return can be submitted before the completion of 4 years from the date of filing of the relevant return or before commencement of audit by VAT Authority.

Any failure in taking decreasing adjustment or input VAT credit within stipulated time frame cannot be rectified by amended return.

The taxpayer will have to pay interest on the difference between the amount of tax payable as per the amended return and the amount of tax initially paid.

Late VAT Returns

VAT authority will issue a notice if a business fails to submit the VAT return in due time and require filing of a Late VAT Return.

If any business remains non-compliant after 21 days of the notice, VAT official will issue an assessment order. NBR may further temporarily lock the BIN including suspension of import and export activities through automatic VAT online system. With submission of VAT return, BIN (VAT registration) will automatically be unlocked within two days of the submission.

Appendices

AoP	Association of Persons	ITA 2023	Income Tax Act 2023
AG	Auditor General	ITES	Information Technology Enabled Services
AIT	Advance Income Tax	IY	Income Year
AT	Advance Tax (VAT)	MoF	Ministry of Finance
AY	Assessment Year	MPO	Monthly Payment Order
ADR	Alternative Dispute Resolution	NBR	National Board of Revenue
BIDA	Bangladesh Investment Development Authority	NGO	Non-government Organisation
BIN	Business Identification Number	NOC	No Objection Certificate
B2B	Business to Business	OBU	Offshore Business Units
B2C	Business to Consumer	PSR	Proof of Submission of tax return
CIC	Central Intelligence Cell	R&D	Research and Development
CIT	Corporate Income Tax	ROU Assets	Right of Use Assets
CGT	Capital Gain Tax	SD	Supplementary Duty
CSR	Corporate Social Responsibility	SME	Small and Medium Enterprise
DCT	Deputy Commissioner of Taxes	TIN	Tax Identification Number
DTAA	Double Tax Avoidance Agreement	TPO	Transfer Pricing Officer
FY	Financial Year	VAT	Value Added Tax
IFRS	International Financial Reporting Standards	WIN	Withholding Identification Number
IPO	Initial Public Offering		

Section	Description of service	Withholding tax rate	Minimum tax
86	Salaries	Average rate	No
88	Payment to Participation Fund, Welfare Fund and Worker's Welfare Foundation Fund	10%	Yes
91	Payment for intangible property/asset	10% or 12%	Yes
92	Advertising bill of media (newspaper or magazine, private television or private radio station)	5%	Yes
94	Commission, discount, fees etc.	10%, 1.5%, 3% and 5% 5% and 3% rates are applicable on the difference between selling price to distributor and retail price.	Yes
95	Travel agent	0.30%	Yes
96	LC commission	5%	No
97	Payment through local LC	3% - purchasing goods for trading or processing 1% - extending the credit facility to any distributor 2% - purchasing fruits and computer and computer accessories 1% - purchasing grocery items.	No
98	Payment by cellular mobile phone operator	20%	No
99	Payment in excess of premium paid on life insurance policy	5%	No
100	Insurance commission	5%	Yes
101	Fees, etc. of surveyors of general insurance company	15%	Yes
102	Interest on savings deposit and fixed deposit, etc.	10%-20% depending on nature of receiver	Yes
104	Interest on loans, not received from bank and finance company	10%	No
105	Interest earned on savings certificates	10%	Yes
106	Interest earned from securities	5%	Yes
108	IGW and ICX for international call	1.5% and 7.5%	Yes
109	Rent payment	5%	No
110	Payment to convention hall, conference centre	5%	Yes
111	Compensation against acquisition of property	6% for property reside in city corporation, pourashava, cantonment board or 3% for other area	Yes
112	Export cash subsidy	10%	Yes
114	Purchase of power/electricity	6%	Yes

Section	Description of service	Withholding tax rate	Minimum tax
115	Sum paid by real estate developer to landowner	15%	Yes
116	Commission or remuneration paid to agent of foreign buyer	10%	Yes
117	Dividends	20% - if the shareholder is a company. 10%/15% - if the shareholder is a person other than a company at 10% if TIN is furnished, otherwise 15%	Yes
118	Income from lottery, etc.	20%	Yes
90	Payment for services		
	Advisory or consultancy	10%	Yes
	Professional service, technical services and technical assistance fee	10%	Yes
	For below and any other service of similar nature-	10%	Yes
	a) On commission or fee	2%	
	b) On gross bill amount		
	Catering service, Cleaning service, Collection and recovery service, Private security service, Supply of manpower, Creative media service, Public relations service, Event management service, Training, workshops, etc. organisation and management service, Courier service, Packing and Shifting service, Other services in similar nature	However, where both gross bill and commission are shown; minimum withholding tax will be based on 10% commission on gross bill amount.	
	Media buying agency service		Yes
	a) On commission or fee	10%	
	b) On gross bill amount	0.65%	
		However, where both gross bill and commission are shown; minimum withholding tax will be based on 2.5% commission on gross bill amount.	
	Indenting commission	8%	Yes
	Meeting fees, training fees or honorarium	10%	Yes
	Mobile network operator, technical support service provider	12%	Yes
	Credit rating agency	10%	Yes
	Motor garage or workshop	8%	Yes
	Private container port or dockyard service	8%	Yes
	Shipping agency commission	8%	Yes
	Stevedoring/berth operation		Yes
	- on commission or fee	10%	

Section	Description of service	Withholding tax rate	Minimum tax
90	(i) Transport service, carrying service, vehicle rental service, repair and maintenance service (ii) Any other service under any sharing economy platform including ride sharing service, coworking space providing service and accommodation providing service	5%	Yes
90	Wheeling charge for electricity transmission	3%	Yes
90	Internet service	10%	Yes
90	Service delivery agents engaged in mobile financial services or channel partners of mobile financial services	10%	Yes
90	Freight Forwarding Agent: a) On commission or fee b) On gross bill amount	10% 2.5%	Yes
90	Any other service which is not deductible as per any section of this act	10%	Yes

Sl.	Description of service	Withholding tax rates
1	In case of an industrial undertaking engaged in MS Billets and locally purchased of MS Scrap	0.5%
2	In case of supply of oil by oil marketing companies engaged in marketing of petroleum oil and lubricants	0.6%
3	In case of supply of oil by dealer or agent of petroleum oil market company	1%
4	In case of supply of paddy, rice, wheat, potato, fish, meat, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses, maize, coarse flour, flour, salt, edible oil. sugar, black pepper, cinnamon, cardamom, clove, date, cassia/bay leaf, jute, cotton, yarn	1%
5	Supply of all kinds of fruits	2%
6	In case of industrial establishments engaged in manufacturing of iron or iron product, ferro alloy products, ceramic products or cement other than MS billet	2%
7	In case of supply of oil by any company engaged in oil refinery activities	2%
8	In case of company engaged in gas distribution, on any amount	2%
9	In case of company engaged in gas transmission, on any amount	3%
10	Supply of Extra High Voltage Power Cable made by the companies which owns Vertical Continuous Vulcanisation line at local level	3%
11	In case of supply of books to a person other than the Govt. including all of its attached and sub-ordinate offices	3%
12	Supply of recycled lead	3%
13	In case of supply of industrial raw materials to a manufacturer	3%
14	In case of supply of (a) Supply of any goods not mentioned in serial no. 1 to 12 (b) In other cases mentioned in section 89	5%

Payments made to resident contractors and suppliers as stated above are all subject to minimum tax.

Sl.	Description of service	Withholding tax rate
1	Advisory or consultancy service	20%
2	Pre-shipment inspection service	20%
3	Professional service, technical services, technical know-how or technical assistance	20%
4	Architecture, interior design or landscape design, fashion design or process design	20%
5	Certification, rating etc.	20%
6	Charge or rent for satellite, airtime or frequency, rent for channel broadcast	20%
7	Legal service	20%
8	Management service including event management	20%
9	Commission	20%
10	Royalty, licence fee or payments related to intangible assets	20%
11	Interest	20%
12	Advertisement broadcasting	20%
13	Advertisement making or digital marketing	15%
14	Air transport or water transport excluding scope mentioned in section 259 and 260	7.5%
15	Contractor or sub-contractor or sub-sub-contractor services provided against manufacturing, processing, conversion, construction or service of similar nature	7.5%
16	Supply of goods	7.5%
17	Capital gain	15%
18	Insurance premium	10%
19	Rental of machinery, equipment etc.	15%
20	Dividend- (a) company, fund and trust (b) any other person not being a company, fund and trust	20% 30%
21	Artist, singer or player	30%
22	Salary or remuneration	30%
23	Exploration or drilling in petroleum operations	5.25%
24	Survey for coal, oil or gas exploration	20%
25	Fees, etc. of surveyors of general insurance company	5.25%
26	Any service for making connectivity between oil or gas field and its export point	5.25%
27	Bandwidth payment	10%
28	Courier service	15%
29	Any other payments	20%

Payments made to non-residents as stated above are all subject to minimum tax.

Section	Description of service	Withholding tax rate	Minimum tax
120	Imported goods	0% to 20% or Taka 500 per ton based on specified H.S. Codes	Yes
121	Manpower export/ recruiting agents	10%	Yes
122	Commission from Clearing & Forwarding	10%	Yes
123	Export of goods	1%	Yes
124	Remittance of: service charge, fees, commission, revenue sharing etc.	7.5%	Yes
	In case of freight forwarder	10% - on commission 2.5% - on gross bill	
125	Transfer, etc. of property	Land – 20 lakh per katha (1.65 decimal) Flat, apartment, floor space – Taka 1,000 per sq. meter Or 10% of deed value whichever is higher	Yes
126	Developer or real estate development business	Land 5% of Deed value - Residential building Taka 1,600 per square meter - Commercial building Taka 6,500 per square meter	Yes
127	Commission on govt. stamp, court fee, cartridge paper etc.	10%	Yes
128	Lease of property	4%	Yes
129	Cigarette manufacturers	10%	Yes
132	Shipping business of a resident	5%/3%	Yes
133	Sale of goods or property by public auction	10%; Sale of tea 1%	Yes
134	Transfer of non-listed share	15%	Yes
135	Transfer of securities	10%	Yes
136	Transfer of shares of shareholders of stock exchange	15%	Yes
137	Member of Stock Exchanges	0.05%	Yes
138	Commercially operated motor vehicles	Depend on type of vehicles	Yes
139	Shipping business	Depend on type of vessels	Yes

Transaction as stated above are all subject to minimum tax.

Service Code	Description of services	VAT rate
S001.10	Hotel (Air-conditioned)	15%
S001.20	Restaurant (Air-conditioned)	5%
S001.10	Hotel (Non-AC)	7.5%
S001.20	Restaurant (Non-AC)	5%
S002.00	Decorators and caterers	15%
S003.10	Motor car garage and workshop	10%
S003.20	Dockyard	10%
S004.00	Construction firm	7.5%
S007.00	Advertising firm	15%
S008.10	Printing press	10%
S009.00	Auction firm	15%
S010.10	Land developer	2%
S010.20	Building construction firm	
	Up to 1,6 00 square feet	2%
	Above 1,600 square feet	4.5%
	Reregistration irrespective of size	2%
S014.00	Indenting agency	5%
S015.10	Freight Forwarders	15%
S020.00	Survey firm	15%
S021.00	Plant or capital machinery rental firm	15%
S024.00	Furniture distributors	
	a. Manufacturing stage	7.5%
	(if manufacturer directly delivers to consumer – VAT 15%)	
	b. Selling stage (showroom) (subject to 7.5% VAT challan at manufacturing stage, otherwise 15%)	7.5%
S028.00	Courier and express mail service	15%
S031.00	Repair and maintenance service firm	10%
S032.00	Consultancy and supervisory firm	15%
S033.00	Lessor	15%
S034.00	Audit and accounting firm	15%
S037.00	Procurement provider	7.5%
S040.00	Security service	15%
S043.00	Program aired through television or online platform	15%
S045.00	Legal advisor	15%
S048.00	Transport contractor:	
	i) Transportation of petroleum products	5%
	ii) Others	10%
S049.00	Rent-a-car service provider	15%
S050.10	Architect, interior designer or interior decorator	15%
S050.20	Graphic designer	15%
S051.00	Engineering firm	15%
S052.00	Sound and lighting accessories provider	15%
S053.00	Board meeting participants	10%
S054.00	Advertisement through satellite channel	15%

Service Code	Description of services	VAT rate
S058.00	Chartered air or helicopter rental firm	15%
S060.00	Buyer of auctioned goods	15%
S065.00	Cleaning and maintenance services of floors, compounds etc.	10%
S066.00	Seller of lottery ticket	15%
S067.00	Immigration Advisor	15%
S071.00	Event management	15%
S072.00	Human resource supplier or management	15%
S099.10	Information technology enable services	5%
S099.20	Miscellaneous services	15%
S099.30	Sponsorship services	15%
S099.50	Credit rating agency	7.5%



About KPMG in Bangladesh

About KPMG

KPMG is a global organisation of independent professional services firms providing Audit, Tax and Advisory services. KPMG firms operate in 143 countries and territories with more than 273,000 partners and employees working in member firms around the world.

KPMG in Bangladesh operates through two locally owned entities: Rahman Rahman Huq and KPMG Advisory Services Limited collectively known as KPMG Bangladesh/RRH.

We take pride in being the first Member Firm in Bangladesh (2006) of any of the "Big 4" global professional service firms. This status is positioned on top of our reputation built over the last half a century by providing services to our clients with sound technical knowledge, combined with uncompromising integrity, objectivity and independence.

In 1962 Mr. Rezaur Rahman joined forces with two other Chartered Accountants Mr. M. Saifur Rahman and Mr. Tashfin I. Huq to form Rahman Rahman Huq,

Operating from offices in Dhaka and Chattogram, RRH is a team of around 480 people, majority being qualified and/or experienced professionals. The firm, the partners and personnel, and the processes under which it operates are governed not just by a strict code of ethics, but also by an elaborate risk management structure.

At KPMG, we are committed to recruiting top talent and training them in an environment of technical and ethical excellence. Our goal is to meet the highest expectations of our clients in an ever-evolving landscape.

We attract, recruit, and train passionate and empowered individuals from diverse backgrounds. Our professionals bring valuable industry experience and advanced training, enabling them to understand your organisation, align with your goals, and uncover unexpected opportunities.

KPMG in Bangladesh at a glance



2 offices

2 offices in Bangladesh; one in Dhaka and one in Chattogram



480+ people

KPMG in Bangladesh is armed with a strong resource base of over 480 people



60+ years

Over 60 years of experience in Bangladesh



250+ client

We have over 250 clients including foreign and local entities across various industries

Audit

Our audit services include financial statement audits across various industries. We focus on delivering a better audit experience by increasing standardization, leveraging technology, and maintaining quality control. Additionally, KPMG offers assurance services in areas such as internal controls, regulatory reporting, and compliance reporting. Our goal is to help organisations build trust with stakeholders and maintain the integrity of their financial information.

Tax

We provide a wide range of tax services that combines people resources, years of deep industry experience, specialist skills and knowledge. Our services help businesses to navigate complex tax regulations and optimize their tax strategies. These services support businesses at every stage of their life cycle, ensuring compliance and optimising tax outcomes.

Transfer Pricing

Our Transfer Pricing services professionals help companies effectively and efficiently manage their transfer pricing compliances through a range of services. The transfer pricing team assists clients in developing and implementing economically supportable transfer prices, maintaining documentation as per regulation, and responding to tax authority's challenges.

Deal Advisory

Our Deal Advisory services are designed to help clients navigate the complexities of transactions and achieve their strategic goals. The services cover a wide range of areas, including transaction advisory services, financial due diligence, vendor due diligence/vendor assistance, and cyber due diligence.

IT Advisory

Our IT Advisory services are designed to help organisations navigate the complexities of technology drive business transformation and manage risks

to comply all standards. Our experts work closely with you to understand your unique needs and challenges. We provide tailored solutions that enhance operational efficiency, improve security, and support innovation. Our services include provide CBS review and post implementation review, SWIFT CSP review, information system audit, RAFM assessment , information technology audit, system process re-engineering, information strategy development, data lake implementation and other solutions.

Management Consultancy

Our Management Consulting services leverages industry best practices to enhance project management, optimize strategic initiatives, and drive operational efficiencies. Our suite of services encompasses comprehensive market research, in-depth market feasibility studies, rigorous commercial due diligence, robust policy framework support and targeted organisational capacity building. All services are meticulously tailored to align with specific business objectives. Our strategic expertise empowers organisations to navigate complexities and foster sustainable growth in a dynamic marketplace.

Valuation services

Our Valuation services team offers a full portfolio of services, including M&A valuations and modelling, financial reporting valuations, impairment and purchase price allocation (PPA) reviews, complex financial modelling and model audits, property plant and equipment valuation, real estate valuation, financial feasibility studies.

Risk Consultancy

Our Risk Consultancy services help organisations manage and mitigate risks through various specialized teams. We provide Internal Audit, Risk & Compliance Services (IARCS), Financial Risk Management (FRM), Forensic Services and Accounting Advisory Services (AAS). Our services are tailored to provide strategic solutions for sustained success, leveraging their global presence and expertise to serve the needs of businesses, governments, public-sector agencies, and not-for-profits.

About our Tax Team

KPMG in Bangladesh possess a diverse and well experienced team to deliver insights and relevant support to your business needs



M Mehedi Hasan

Partner

Mehedi is a tax and advisory partner at KPMG in Bangladesh.

With over 25 years of experience in home and abroad he provides tax and advisory services to foreign and Bangladeshi clients in matters of tax and related regulations with entry into Bangladesh, business structuring, tax compliance and deal advisory services.



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