Quarterly Tax Updates

March 2026

Rahman Rahman Huq Chartered Accountants
KPMG in Bangladesh

01 Income Tax

Mandatory Use of ASYCUDA BI System for Accurate and Transparent Income Tax Assessment

The National Board of Revenue has made it mandatory for tax officials to use the ASYCUDA Business Intelligence (BI) server to verify import values and advance income tax (AIT) during assessments. Inspectorate Range Officers will collect this data and share it with assessment officers, ensuring accurate tax calculation. This system will improve transparency, speed up tax assessments and refunds, ensure correct AIT credit, and help reduce tax evasion which ultimately translates to improved tax collection.

Press Release, 5th March 2026

02 Vat and Customs

Reduction of Customs Duty on Smartphones and Wireless Devices

The Government of Bangladesh has reduced customs duty on smartphones and other telephones for cellular networks or other wireless networks from 25% to 10%.

SRO No. 15-Act/2026/Customs, 13 January 2026

Reduction of Customs Duty on Imported Mobile Phone Components

The SRO has amended a prior SRO No. 165-Act/2024/17/Customs published on May 29, 2024, to reduce the customs duty rate on imported mobile phone components from 10% to 5%, while exemptions on VAT, regulatory duty, and supplementary duty will continue to apply. This SRO of 16-Act/2026/Customs, 13 January, 2026 is effective until June 30, 2026.

SRO No. 16-Act/2026/Customs, 13 January 2026

02 Vat and Customs

Withdrawal of Concessional Duty for Weaving Industry Imports

This SRO repeals issued SRO No. 200-Act/2024/52/Customs, under the powers of the Customs Act, 2023 and the Value Added Tax and Supplementary Duty Act, 2012 which previously allowed registered Weavers' Associations and Jamdani Weavers' Associations to import certain raw materials for the weaving industry at a reduced customs duty rate capped at 5% with exemptions from regulatory duty, VAT, and supplementary duty.

S.R.O. No- 19/Act/2026/109/Customs, 15 January 2026

VAT exemption on LPG and LNG Gas

This SRO amends the previous SRO No. 160-Act/2025/288-VAT issued under the Value Added Tax and Supplementary Duty Act, 2012. Under the amendment, the VAT exemption on the import of LP gas has been withdrawn and VAT is imposed at 7.5%.

VAT exemption on LPG now covers all LPG supplies at the production & manufacturing and trading stages, removing the earlier conditions on bulk sales, first-stage resale, direct supply to end consumers, and resale by exempt bulk purchasers.

S.R.O. No- 51/Act/2026/VAT, 15 February 2026

02 VAT and Customs

Exemption of Additional VAT and Advance Tax on Imported LP Gas

This SRO granted exemption on applicable VAT over 7.5% and Advance tax (AT) on the import of LP gas (HS Codes 2711.12.00 and 2711.13.00).The exemption is applicable only to local manufacturing industries that are Industrial IRC holders and VAT-compliant. The notification takes effect immediately and will remain valid until June 30, 2026.

S.R.O. No- 52/Act/2026/VAT, dated 15 February 2026

Amendment to Temporary Import Rules, 2025

Amending the Temporary Import Rules, 2025 under the Customs Act, 2023 and the Value Added Tax and Supplementary Duty Act, 2012, this SRO replaces the existing schedule with a revised list of goods not eligible for temporary import under the returnable system, mainly covering consumable and non-returnable items. Compared to the previous schedule, the only change is the removal of dredger from the list. The notification takes effect immediately.

S.R.O NO-63/Act/2026/01/Customs, dated 26 February 2026

Contact us

Nahidul Islam

Director,
KPMG in Bangladesh
T: +880 2 2222 86450-2
E: nahidulislam@kpmg.com

Fuad Khan

Director,
KPMG in Bangladesh
T: +880 2 2222 86450-2
E: khanfuad@kpmg.com

Md Jashim Uddin Patwary

Director,
KPMG in Bangladesh
T: +880 2 988 6450-2
E: juddin@kpmg.com

Sheikh Aminul Islam

Associate Director,
KPMG in Bangladesh
T: +880 2 2222 86450-2
E:skaminul@kpmg.com

Abidur Rahman

Associate Director,
KPMG in Bangladesh
T: +880 2 2222 86450-2
E:abidurrahman@kpmg.com

dhaka@kpmg.com

https://kpmg.com/bd/