



Bangladesh Tax Profile

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1 Corporate Income Tax

1.1 General Information

Corporate Income Tax

Tax Rate

The rates of tax applicable to companies, banks, insurance and other financial institutions:

Companies	Rate
Publicly traded companies i.e. companies listed with any stock exchange in Bangladesh other than banks, insurance companies, merchant banks and other financial institutions and jute, textile, garment industries, mobile phone operator companies and cigarette zarda, bidi, gul or any other tobacco product manufacturing companies.	25%
Non-listed companies including branch companies other than banks, insurance companies, merchant banks and other financial institutions, jute, textile, garment industries, mobile phone operator companies and cigarette, zarda, bidi, gul or any other tobacco product manufacturing companies. <i>[If non-listed companies other than banks, insurance companies, merchant banks and other financial institutions, jute, textile, garment industries, mobile phone operator companies and cigarette, zarda, bidi, gul or any other tobacco product manufacturing companies list at least 20% of their paid up capital through IPO, they shall receive a rebate of 10% in the year of listing.</i> <i>50% of export income is exempt from tax.</i> <i>However, rebate on income from export business shall not apply to companies who are enjoying tax exemption or paying tax at the reduced rates as mentioned in 2.3.]</i>	35%
Banks, insurance and other financial institutions (except merchant banks) if not publicly listed	40%
Banks, insurance and other financial institutions (except merchant banks) if publicly listed and those which got approval from the Government in 2013	37.5%
Merchant banks	37.5%
Cigarette, zarda, bidi, gul or any other tobacco product manufacturing companies (companies, firms and individuals) irrespective of listing status	45%
Surcharge in addition to above tax is applicable on business income.	2.5%
Mobile phone operator companies if not publicly listed as below	45%
Mobile phone operator companies that convert themselves into a publicly traded company by transfer of at least 10% shares through stock exchanges, of which maximum 5% may be through Pre-Initial Public Offering Placement	40%
<i>[If mobile phone operator companies list at least 20% of their paid up capital through IPO, they shall receive a rebate of 10% in the year of listing.</i>	

Reduced rates of Corporate Tax applicable to certain industrial companies and local authorities:

Companies	Rate
Textile industries (time extended up to 30 June 2019)	15%
Jute industries (time extended up to assessment year 2019-2020)	10%
Knit wear and woven garments manufacturer and exporter	12%
Knit wear and woven garments manufacturer and exporter (publicly traded)	12%
Knit wear and woven garments manufacturer and exporter with internationally recognised factory with 'green building certification'	10%
Research Institutes at national level, registered under the Trust Act, 1882 or Societies Registration Act, 1860	15%
Private Universities, Private medical college, Private dental college, Private engineering college or Private college engaged in imparting education on information technology	15%
Co-operative society registered under Co-operative Society Act 2001 other than income from agricultural or cottage sector	15%
Production of pelleted poultry feed, Production of pelleted feed for fish, shrimp and cattle, Production of seeds marketing of locally produced seeds, cattle farming, dairy farming, horticulture, frog farming, sericulture, mushroom farming and floriculture:	
▪ Income up to Tk 1,000,000	3%
▪ Next Tk 2,000,000	10%
▪ On the balance amount	15%
WASA (Dhaka, Chittagong, Khulna and Rajshahi), Bangladesh Civil Aviation Authority, RAJUK, RDA, KDA, CDA, National Housing Authority, Chittagong Port Authority, Mongla Port Authority, Pyra Port Authority, Bangladesh Television, Bangladesh Betar, BIWTA, BTRC, BPDP, BREB, BWAPDA, BEPZA, Bangladesh Bridge Authority, Borendra Multipurpose Development Authority (Rajshahi), Bangladesh Hi-Tech Park Authority, IDRA, Sustainable and Renewable Energy Development Authority	25%

Residence

A company is considered resident in Bangladesh if its control and management of the company is situated wholly in Bangladesh in that year.

Basis of Taxation

Bangladeshi resident and non-resident corporations are subject to tax on their taxable income.

Tax Losses

Tax losses can be carried forward for a maximum period of six years, but cannot be carried back. Unabsorbed tax depreciation can be carried forward indefinitely. Foreign sourced losses of a Bangladesh entity cannot be offset against the Bangladesh profits of that entity.

Transfer of Shares

- Transfer of shares of non-resident company will be treated as transfer of asset in Bangladesh to the extent it is attributable to the value of any assets in Bangladesh.
- Capital gains from the sale or transfer of shares by the investing power generation companies (other than coal based and coal based) shall be exempt from tax.

Capital Gains Tax

Capital gain from transfer of stocks and shares of public limited companies listed with stock exchange except listed Govt. securities:

	Rate
a) For resident companies and firms	10%
b) Capital gain tax of non-resident shareholders (refer to section 5.9)	15%
c) For sponsor shareholders and shareholder directors	5%
d) For resident individual holding at least 10% of the total share capital of the company	5%

Capital gains tax on sale of stocks and shares of public limited companies listed with stock exchange in respect of resident individual assessee shall be exempt from tax unless such residents fall in categories (c) and (d) above.

Transfer of Assets

Capital Gains Tax

In the case of a company, income from capital gains will be separated from total income and tax at 15% is payable on such capital gains regardless of the period of holding of the asset from the date of its acquisition.

In the case of an assessee other than a company, if the asset is transferred before the expiry of five years from the date of acquisition, the capital gains will be taxed at the usual rate applicable to the assessee's total income including the capital gains. If the asset is transferred at any time after expiry of five years from the date of its acquisition, the capital gains will be taxed at the usual rate applicable to the assessee's total income including the capital gains or at the rate of 15% on the amount of capital gains whichever of the two is lower.

Capital Duty (non-tax planning)

None.

CFC Rules

A company paying dividend shall withhold tax at the rate of 30% on dividend payable to any non-resident individual (other than a company). A company paying dividend shall withhold tax at the rate of 20% on dividend payable to a company and at 10% (subject to furnishing 12 digit Tax Payer's Identification Number) or 15% on dividend payable to a resident individual.

A branch company shall withhold tax at the rate of 20% while remitting profit to Head Office. However in cases where dividend is payable to a shareholder resident in a country with which Bangladesh has signed a tax treaty, the rate mentioned in the tax treaty will apply subject to certification from National Board of Revenue (NBR).

Further, any distribution from mutual fund or alternative investment fund would be subject to tax like dividend declared by a company.

1.2 Determination of Taxable Income and Deductible Expenses

1.2.1 Income in general

In general, tax base amount is net of total taxable income less total deductible expense and carried forward tax loss. There are seven heads of incomes such as

- Income from salary,
- Interest on securities,
- Income from house property,
- Agriculture income,
- Income from business or profession,
- Capital gains, and
- Income from other sources.

Expense related to the corresponding income heads are deductible for tax purpose.

1.3 Tax Compliance

1.3.1 Introduction

Every company is required to obtain an e-TIN and register with the VAT authorities to receive distinctive numbers. Companies have to file their tax returns within Tax day*. ***The filing date may be extended up to two months and further extension up to another two months by the tax authorities upon application.*** The return has to be accompanied with audited statement of accounts, computation of total income along with supporting schedules, for example depreciation schedule as per tax law, statement of profit/loss on sale of fixed assets, excess perquisite calculation statements, etc. An assessing officer verifies the filed return and may ask for information, explanation and evidences of claims made where required. Based on this, the officer may re-compute the total income and tax payable, and pass an order of assessment and communicate the order to assessee.

Company means a company incorporated under the Companies Act in Bangladesh and includes:

- A body corporate established or constituted by or under any law in force
- Any nationalised bank or industrial or commercial organisation
- Any association or combination of persons, if any of such persons are registered as a company
- An association or body incorporated by or under any laws of a country outside Bangladesh
- Any foreign association or body which the NBR declares to be a company.

*Tax day means in case of company the 15th day of the seven month following the end of the income year or 15th September following the end of the income year where said 15th day falls before the 15th September.

1.3.2 Resident

In general, a company which is incorporated in Bangladesh will be treated as a resident for tax purposes. Any company whose control and management is situated wholly in Bangladesh will also be treated as a resident for tax purposes.

1.3.3 Permanent establishment

Detailed definition of "Permanent Establishment" (PE) has been inserted in the definition section of tax law.

PE in relation to income from business or profession, means a place or activity through which the business or profession of a person is wholly or partly carried on, and includes:

(i) a place of management; (ii) a branch; (iii) an agency; (iv) an office; (v) a warehouse; (vi) a factory; (vii) a workshop; (viii) a mine, oil or gas well, quarry or any other place of exploration, exploitation or extraction of natural resources (ix) a farm or plantation; (x) a building site, a construction, assembly or installation project or supervisory activities in connection therewith; (xi) the furnishing of services, including consultancy services, by a person through employees or other personnel engaged by the person for such purpose, if activities of that nature continue (for the same or a connected project) in Bangladesh; and (xii) any associated entity or person (hereinafter referred to as "Person A") that is commercially dependent on a non-resident person where the associated entity or Person A carries out any activity in Bangladesh in connection with any sale made in Bangladesh by the non-resident person".

However, earlier definition of PE in Transfer Pricing section of tax law has been deleted.

1.3.4 Taxable income

Tax is imposed on total income from all sources after all allowable deductions. Sales revenue, fees, commissions, realised exchange gains, rents, dividends and interest received, provisions and trading liabilities not paid within three years as well as inadmissible expenses are included in taxable income. All expenses, including realised exchange losses and tax depreciation incurred in earning this income are allowable as deductions.

Foreign source income of companies resident in Bangladesh is included in taxable income but credit is given for tax paid outside Bangladesh. Foreign source income of a non-resident company is not taxed in Bangladesh unless such income is brought into Bangladesh.

Where a company not listed with a stock exchange, receives its paid up capital by issuing shares in an income year, the amount so received in any mode other than by crossed cheque or bank transfer, shall be deemed to be the income of the company from 'other sources' for that income year. However, capital contribution through land transfer (non-cash contribution) is acceptable.

1.3.5 Income deemed to accrue or arise in Bangladesh

The scope of income has been widened in our tax law. As per the new law, any income from the below sources will be captured:

- (a) any permanent establishment in Bangladesh;
- (b) any property, asset, right or other source of income, including intangible property, in Bangladesh;
- (c) the transfer of any assets situated in Bangladesh;
- (d) the sale of any goods or services by any electronic means to purchasers in Bangladesh; and
- (e) any intangible property used in Bangladesh.

Below is the explanation for this section:

- (a) the shares of any company which is a resident in Bangladesh shall be deemed to be property in Bangladesh;
- (b) intangible property shall be deemed to be property in Bangladesh if it is (i) registered in Bangladesh; or (ii) owned by a person that is not a resident of Bangladesh but has a permanent establishment in Bangladesh to which the intangible property is attributed; and
- (c) Transfer of shares of non-resident company will be treated as transfer of asset in Bangladesh to the extent it is attributable to the value of any assets in Bangladesh.

1.3.6 Income year

Entities other than banks, insurance companies or financial institution (and subsidiaries thereof) are required to have their accounting year, for tax filing purposes, as July to June.

Deputy Commissioner of Taxes (DCT) may allow a different financial year for an entity which is a subsidiary or holding company or a branch or liaison office of a parent company incorporated outside Bangladesh if such entity is required to follow a different accounting year for the purpose of consolidation.

1.3.7 Deductions of the Income Tax Ordinance 1984

All expenses relating to the business operations of a company and incurred during the relevant income year are allowed as deductions. Tax depreciation on fixed assets of the company (except on cost of land) is allowed at prescribed rates as per third schedule. The cost of free samples and entertainment expenses are allowed as deductions at prescribed rates based on turnover and profit respectively or on the actual amounts, whichever are lower. Provision for bad debts is not allowed.

Specific provisions for accrued expenses in the relevant income year are allowed as deductions. Prepaid expenses can be carried forward and allowed as a deduction in the relevant accounting year.

Liabilities for expenses which remain unpaid are added to income in the fourth year but allowed as a deduction in the year when the payments are made.

1.3.8 Tax depreciation

There will be no limit for allowing tax depreciation of a bus or minibus transporting the students and teachers in case of educational institute or employees of the business or profession.

Amortisation of licence fee is now allowed as an admissible expenses for any company engaged in providing specialised services, if such licence is integral to the operation of the company. Previously it was only allowed for cellular mobile phone operator. Depreciation rates for some of important assets:

Class of assets	Rate
Buildings	10%
Furniture and fittings	10%
Plant and machinery	20%
Motor vehicles	20%
Computer and computer equipment	30%

Accelerated depreciation in Third Schedule

Alternative to the tax holiday facility mentioned for the industrial undertakings under Section 46B above, accelerated depreciation allowance is reinstated on machinery and plant for new industrial entrepreneurs between 1 July 2014 and 30 June 2019 as stated below:

Year	Rate
1 st year	50%
2 nd year	30%
3 rd year	20%

Accelerated depreciation is not allowed for physical infrastructure facility under section 46C.

Initial depreciation allowance

Where any building has been newly constructed or any machinery or plant has been installed in Bangladesh after the thirtieth day of June, 2002, an amount by way of initial depreciation allowance in respect of the year of construction or installation or the year in which such building, machinery or plant is used by the assessee for the first time for the purpose of his business or profession or the year in which commercial production is commenced, whichever is the later, shall be allowed at the following rates, namely:

Class of assets	Rate
Buildings	10%
Plant and machinery	25%

1.3.9 Allowable perquisites

Perquisite has been defined as follows:

Perquisite means -

- (i) Any payment made to an employee by an employer in the form of cash or in any other form excluding basic salary, festival bonus, incentive bonus not exceeding 10% of the disclosed profit of the relevant income year, arrear salary, advance salary, leave encashment or leave fare assistance and overtime, and
- (ii) Any benefit, called by whatever name, provided to an employee by an employer, whether convertible into money or not; other than contribution to a recognised provident fund, approved pension fund, approved gratuity fund and approved superannuation fund.

Provided that the provision of this clause shall not be applicable to an employer where perquisites were paid to an employee in pursuance of any Government decision published in

the official Gazette to implement the recommendation of a Wage Board Constituted by the Government.

Limit of allowable perquisites has been fixed at Tk 550,000 per employee. The value of perquisites paid/provided to an employee in excess of Tk 550,000 in an assessment year shall be disallowed in company's assessment.

1.3.10 Deductions not admissible in certain circumstances (u/s 30)

Certain payments will not be allowable for tax purposes as detailed below:

- (i) Payment of salaries if tax is not deducted;
- (ii) Salary payment made to any employee who does not have TIN number (if it is required by law);
- (iii) Salary payment after Tax Day to an employee if the employee is required to file the return of income but fails to file the same on or before the Tax Day or obtain time extension.
- (iv) Salary payment to an employee for whom the statement under section 108A was not provided;
- (v) Head office expenses or intra-group expense debited in excess of the 10% of net profit disclosed in the statement of accounts;
- (vi) Payments of royalty, technical know-how fee and technical assistance fee in excess of 10% for first three years and 8% for subsequent years of net profit disclosed in the statement of accounts;
- (vii) Any payment by way of salary or remuneration made otherwise than by crossed cheque or bank transfer by a person to an employee having monthly gross salary of Tk 15,000 or more;
- (viii) Any expenditure by way of incentive bonus exceeding 10% in aggregate of the net profit disclosed in the statement of accounts;
- (ix) Any expenditure by way of overseas travelling exceeding 1.25% of the disclosed turnover;
- (x) Provisions for deduction not admissible in certain circumstances have been introduced as follows:
 - (a) any payment by way of commission paid or discount made to its shareholder director by a company.
 - (b) any payment by way of any rent of any property, whether used for commercial or residential purposes, otherwise than by a crossed cheque or bank transfer.
 - (c) any payment by a person exceeding Tk 50,000 or more, otherwise than by a cheque or bank transfer excluding:
 - payment for the purchase of raw materials;
 - salary or remuneration made to any employee, without prejudice to an obligation referred to in clause (i); and
 - any payment for government obligation i.e. municipal tax, payment for electricity, WASA and gas.
 -

Provisions of section 30 shall apply for insurance business as well in allowing management expenses or any other expenses under Fourth Schedule of tax ordinance.

1.3.11 Donations

Any sums paid by an assessee as donation to philanthropic or educational institutions (especially girls' school/college, technical and vocational training institutes) which are approved by the Government for this purpose and national level institution engaged in the

Research & Development (R&D) of agriculture, science, technology and industrial development are exempt from tax. Such institutions have to apply to National Board of Revenue for obtaining approval.

1.3.12 Minimum tax- Section 82C

Minimum tax would be higher of:

- Withholding tax on certain sources of income, and
- Minimum tax calculated on the basis of overall gross receipts regardless of sources of income

1.3.13 Minimum tax based on withholding tax of certain sources

As per new 82C minimum tax, sources of income have been divided into three broad categories for tax computation purpose considering the concept of minimum tax.

- a) Tax deducted or collected as source would be minimum tax for 24 (twenty four) sources of income as follows:

Sl. no.	Section	Details	Withholding tax rate
1	52	Supply of goods/execution of contract	Up to 5% or 7%
2	52A	Royalty fee, franchise, technical know-how, etc.	10% or 12%
3	52AAA	Commission from C&F Agent	10%
4	52B	Cigarette manufacturer	10%
5	52JJ	Tax collection from travel agent	0.30%
6	52N	Sale of rental power	6%
7	52O	Foreign technician salary of diamond cutting industry	5%
8	52R	IGW and ICX for international call	1.5% and 7.5%
9	53	Imported goods (excluding raw material for own consumption)	5% or 2% or Tk 800 per ton
10	53AA	Shipping business of a resident	5% or 3%
11	53B	Manpower export	10%
12	53BB	Export of certain items	- 0.60% for jute goods - 0.70% for other than jute goods
13	53BBB	Collection of tax from member of stock exchange	0.05%
14	53BBBB	Export of any other goods	0.70%
15	53C	Auction purchase	5%
16	53CCC	Income from courier business of non-resident	15%
17	53E	Commission, discount, fees etc.	10%, 1.5% & 0.25%
18	53EE	Commission/ remuneration of agent of foreign buyer	10%
19	53FF	Real estate /land development business	- Land 3% or 5% - Residential building Tk. 300 to Tk. 1,600 per square meter - Commercial building Tk. 1,200 to Tk. 6,500 per square meter
20	53G	Insurance agent	5%
21	53GG	Payment to surveyor of insurance company	15%
22	53M	Transfer of securities or mutual fund units by Sponsor shareholders	5%

Sl. no.	Section	Details	Withholding tax rate
23	53N	Transfer of share of shareholder of stock exchange	15%
24	55	Winning lottery	20%

Income from above sources will firstly be computed on regular basis as per provision of ITO 1984 and the assessee's regular income tax rate would be applied on such taxable income determined on regular basis as per ITO provisions. If such regular tax liability is higher than the withholding tax deducted from these sources of income, the regular tax liability would be payable after adjusting withholding tax deducted at source.

However, if regular tax liability of those sources is lower or nil compared to withholding tax on those sources, such withholding tax on those sources would be considered as final and minimum tax for those sources of income. In such case, if those sources of income have taxable loss, such loss cannot be set off against the income of other sources of income and vice-versa.

Also note that tax deducted/collected from the following sources shall not be the minimum tax for the purpose of above calculation:

- i) tax collected under section 52 from the following persons:
 - a. a contractor of an oil company or a subcontractor to the contractor of an oil company as may be prescribed;
 - b. an oil marketing company and its dealer or agent excluding petrol pump station;
 - c. any company engaged in oil refinery; and
 - d. any company engaged in gas transmission or gas distribution.
- ii) tax deducted under section 53 from import of goods by an industrial undertakings as raw materials for its own consumption.
- iii) tax deducted under sections 53F(1)(a) and (b)
 - a. Withholding tax deducted from the following 5 (five) sources of income will be considered as final tax liability considering the rate of withholding tax would be their applicable tax rate:

Sl. no.	Section	Source of income	Rate of tax
1	52C	Compensation against acquisition of property	2% and 1%
2	52D	Interest on savings instrument	5%
3	53DDD	Export cash subsidy	3%
4	53F(1)(c) and 2	Interest on savings deposits and fixed deposits	10% and 5%
5	53H	Transfer of property	Depending on location and square meter

- b. For any other sources of income except those mentioned in (a) and (b) above, income would be determined following the provisions of ITO 1984.

1.3.14 Minimum tax based on overall gross receipts

Every companies and every firms (having gross receipts of more than Tk. 5 million) shall be liable to pay minimum tax based on gross receipts as mentioned below:

Sl. no.	Classes of assessee	Rate of minimum tax
1	Manufacturer of cigarette, bidi, chewing tobacco, smokeless tobacco or any other tobacco products	1% of the gross receipts
2	Mobile phone operator	0.75% of the gross receipts
3	Industrial undertaking engaged in manufacturing of goods for first 3 years of commercial operations	0.10% of the gross receipts
4	Any other cases	0.60% of the gross receipts

If an assessee has income from any source that is exempt of tax or is subject to reduced tax rate, the minimum tax rate on gross receipts shall be computed as a summation of:

- i) Minimum tax based on gross receipts from regular sources by applying the rate as mentioned in the above table.
- ii) Minimum tax based on gross receipts from sources which enjoys exemption or reduced tax rate by applying the rate in the above table as reduced in proportion to the exemption of tax or the reduction of rate of tax.

1.3.15 Losses

Losses can be carried forward for a maximum period of six years, but cannot be carried back. Unabsorbed tax depreciation can be carried forward indefinitely.

Foreign sourced losses of a Bangladesh entity cannot be offset against the Bangladesh profits of that entity. Moreover, any losses of any head of income cannot be set off against any income from manufacturing of cigarette, bidi, zarda, chewing tobacco, gul, or any other smokeless tobacco products

Capital losses can only be offset against capital gains. As with trading losses, unabsorbed capital losses can only be carried forward for up to six years.

1.3.16 Advance tax payment

Advance tax payment is required by an assessee on the basis of the last assessed income or provisionally assessed income if his total income exceeds Tk. 400,000. New assessee will also be required to pay advance tax if their estimated income is likely to exceed Tk 400,000. Here total income excludes agricultural income and capital gain except gain from transfer of share of a company listed with a stock exchange.

Advance tax is to be paid in four equal instalments on 15 September, 15 December, 15 March and 15 June of the financial year for which the tax is payable.

In case of failing to pay advance tax, simple interest @ 10% per annum shall be charged on the amount by which the tax as so paid falls short of 75% of the assessed tax. However such interest rate will be 50% higher if the return is not filed on or before the Tax Day.

1.3.17 Penalty for non-compliance

- Penalties are applicable for non-filing of tax returns within due dates as shown below:

The Deputy Commissioner of Taxes may impose penalty for the failure to file tax return by an assessee within the due date as shown below:

Higher of 10% of tax imposed on last assessed income or Tk 1,000 and a further penalty of Tk 50 for every day during which the default continues.

- **Delay interest for not filling return on or before the Tax Day**

An assessee is liable to pay a delay interest at the rate 2% per month but not exceeding one year if the assessee fails to file the income tax return on or before the tax day. However, such delay interest will be applicable on the difference between the tax assessed on total income for the assessment year and the tax paid in advance (including tax deduction) for that assessment year.

- Where any person has without any reasonable cause failed to furnish particulars or information as required by the concerned tax official, the Deputy Director General, Central Intelligence Cell or the Deputy Commissioner of Taxes may impose a penalty of Tk 25,000 and in case of a continuing default a further penalty of Tk 500 for each day of default.

However discretionary power has been given to Deputy Commissioner of Taxes not to impose penalty in appropriate cases.

- Tk 500 and a further penalty of Tk 250 for every month during which default continues in issuing certificate of deduction of tax in prescribed form to persons from whom tax has been collected/deducted as required under section 58 of the Income Tax Ordinance or in filing of particulars of salary payments as provided in section 108 or information regarding payment of interest as provided in section 109 or information regarding payment of dividend as provided in section 110 in Income Tax Ordinance 1984.

- **Penalty for using fake Taxpayer's Identification Number**

Where a person has, without reasonable cause, used Taxpayer's Identification Number (TIN) of another person or used fake TIN on a return of income or any other documents where TIN is required under this Ordinance, the Deputy Commissioner of Taxes may impose a penalty not exceeding Tk 20,000 on that person.

- **Punishment for improper use of Taxpayer's Identification Number**

A person is guilty of an offence punishable with imprisonment for a term which may extend to three years or with fine up to Tk 50,000 or both, if he deliberately uses or used a fake Taxpayer's Identification Number (TIN) or a Taxpayer's Identification Number (TIN) of another person.

- **Penalty for failure to verify Taxpayer's Identification Number**

Failure to verify the authenticity of an e-TIN certificate may result in a penalty up to Tk 200,000 to the person responsible for verification of e-TIN.

- **Penalty for failure to pay tax on the basis of return**

A person, who fails to pay balance tax under section 74 may result in a penalty at the rate of 25% on the total tax payable or on the shortage amount of tax payment.

- **Punishment for obstructing an income tax authority**

A person, who obstructs an income tax authority in discharge of function, shall commit an offence punishable with imprisonment of maximum one year or with a fine, or with both.

- **Punishment for incorrect or false audit report by chartered accountant**

A penalty of Tk 50,000 to Tk 200,000 shall be imposed on such chartered accountant when DCT, CT (Appeals) or Appellate Tribunal is satisfied beyond reasonable doubt that the audit report is not certified by a chartered accountant and is false or incorrect.

- **Punishment for furnishing fake audit report**

Imprisonment between 3 months and 3 years or a fine up to Tk 100,000 or both shall be imposed on a person furnishing fake audit report.

- **Punishment for unauthorised employment**

Imprisonment between 3 months and 3 years or a fine up to Tk 500,000 or both shall be imposed on the person employing or allowing to work any foreign individual without prior approval from BIDA or competent authority of the Government.

- **Penalty for concealment of income**

A penalty of 15% of tax of which would have been avoided shall be imposed for concealment of income by any means.

1.3.18 Advance tax payment on certain income

Manufacturer of cigarette shall pay advance tax at the rate 3% on net sales price every month in addition with quarterly advance tax payment. Although, such tax shall be adjustable against the quarterly advance tax.

However, net sales shall be A-B,

Where, A = Gross sales and B = VAT and SD (if any) on such gross sales.

1.3.19 Annual tax return filing and tax payment

Filing of tax return within due date and payment of due taxes have been made compulsory for any organisation who has obtained a Taxpayers Identification Number (TIN). It is also compulsory for all companies, businesses and professional firms, joint ventures, all registered NGOs, universities and educational institutions run commercially to file tax returns and pay taxes within due dates. For the list of tax return filing, please see section 2.9.

Submission of computation sheet along with audited statement of accounts has been made mandatory showing how the income has been arrived in the tax return.

1.3.20 Return of withholding tax

Every person shall file return of withholding tax collected or deducted half-yearly accompanied by withholding statement along with copy of treasury challans or payment orders.

Such return shall be filed by the following dates:

- i. First return: by 31 January of the year for the periods from July to December, and
- ii. Second return: by 31 July of the year for the periods from January to June.

The time for submission of such return may be extended by DCT upon application for maximum 15 days. For failure of filing such return, penalty u/s 124 will be imposed. The Deputy Commissioner of Taxes, with the approval of the Board, shall select the number of returns of withholding tax within four years from the end of the year in which the return is filed.

DCT after examining the withholding tax return may impose penalty under sections 57, 57A and 124 for any non-compliance regarding deduction of withholding tax appropriately.

1.3.21 Annual Information Return

Government may require any person or group of persons responsible for registering or maintaining books of accounts or other documents containing a record of any specified financial transaction to furnish an Annual Information return in a prescribed form.

1.4 Tax incentives

1.4.1 Special Economic Zones and Developing Unit

In the year 2015, Government has introduced tax exemption for investment in setting up industries in Special Economic Zones (SEZ) and in Developing Economic Zones. These are illustrated in below sections:

a) Tax benefits for investment in Special Economic Zones (SEZ):

The business income is exempted from Income tax for next 10 years from the date of commercial operation in the following manner:

Year	Exemption % of income
1 st , 2 nd and 3 rd	100%
4 th year	80%
5 th year	70%
6 th year	60%
7 th year	50%
8 th year	40%
9 th year	30%
10 th year	20%

Furthermore, “capital gains” arising from transfer of share capital, royalty, technical know-how and technical assistance fee paid by such company and declared dividend are exempted from income tax for next 10 years from the date of commercial operation.

b) Tax benefits for Developing unit in SEZ:

The business income is exempted from Income tax for next 12 years from the date of commercial operation in the following manner:

Year	Exemption % of income
1 st , to 10 th year	100%
11 th year	70%
12 th year	30%

The foreign technicians appointed in investing unit will get 50% tax exemption for next 3 years from the date of appointment subject to such company does not cross 5 years from the date of commercial operation i.e. the company who has crossed 5 years from the date of commercial production, their foreign technicians can not avail this benefit.

Both the above exemptions are subject to the following condition being met by the Project Company/foreign technicians:

- (i) Obtain 12 Digit Taxpayer’s Identification Number; and
- (ii) Submit income tax return as per section 75.

1.4.2 Hi-Tech Park Zone

The government has introduced “Bangladesh Hi-Tech Park Authority Act, 2010” (BHPTA) for the development of the country. There is no minimum limit for export to avail the benefits. The

high-tech park act has specified the meaning of high tech industry. As per section 2(12) of Bangladesh Hi-Tech Park Authority Act, 2010-

“Hi-tech Industry means knowledge and capital based eco-friendly and information technology (IT), software technology, bio-technology renewable energy, green technology, hardware, information Technology Enabled Services (ITES) and Research and Development (R&D) related industry.”

a) Tax benefits for Investing unit of Hi-Tech Park Zone

The business income is exempted from Income tax for next 10 years from the date of commercial operation in the following manner:

Year	Exemption % of income
1 st , 2 nd and 3 rd	100%
4 th year	80%
5 th year	70%
6 th year	60%
7 th year	50%
8 th year	40%
9 th year	30%
10 th year	20%

Moreover, capital gains arising from transfer of share capital, royalty, technical Know-how and Technical assistance fee and declared dividend paid by such company are 50% exempted from Income tax for next 10 years from the date of commercial operation.

The foreign technicians appointed in investing unit will get 50% tax exemption for next 3 years from the date of appointment subject to such company does not cross 5 years from the date of commercial operation i.e. the company who has crossed 5 years from the date of commercial production, their foreign technicians can not avail this benefit.

Both the above exemptions are subject to the following condition being met by the Project Company / foreign technicians:

- (i) Obtain 12 Digit Taxpayer’s Identification Number; and
- (ii) Submit income tax return as per section 75.

b) Tax benefits for Developing unit in Hi-Tech Park Zone:

The business income is exempted from Income tax for next 12 years from the date of commercial operation in the following manner:

Year	Exemption % of income
1 st , to 10 th year	100%
11 th year	70%
12 th year	30%

Moreover, declared dividend is exempted from income tax for next 10 years from the date of commercial operation.

Please note that, the above exemptions are subject to the following condition being met by the project company:

- (i) Obtain 12 Digit Taxpayer’s Identification Number; and
- (ii) Maintain accounts as per section 35 (Method of Accounting) and submit income tax return as per section 75.

1.4.3 Partial tax exemption for newly established undertaking

Qualifying industrial undertaking set up between 1 July 2011 and 30 June 2019 and going into commercial production/operation within those dates will be entitled to apply for granting tax exemption. However, the exemption structure has been revised as follows:

Industrial undertaking

Area	Year	Exemption % of income
Dhaka, Mymensingh and Chittagong Divisions excluding Dhaka, Narayanganj, Gazipur, Chittagong, Rangamati, Bandarban and Khagrachari Districts	1 st and 2 nd year	100%
	3 rd year	60%
	4 th year	40%
	5 th year	20%
Rajshahi, Khulna, Sylhet, Barisal and Rangpur divisions (excluding City Corporation area) and Rangamati, Bandarban and Khagrachari Districts	1 st and 2 nd year	100%
	3 rd year	70%
	4 th year	55%
	5 th year	40%
	6 th year	25%
	7 th to 10 th year	20%

“Bio-fertilizer” and “petro-chemical” production industry shall be entitled to partial tax exemption for 10 years even if it is set up in the districts of Dhaka, Gazipur, Narayanganj or Chittagong.

Brick made of automatic hybrid kiln technology will be treated as industrial undertakings for the purpose of this incentive.

Industrial undertaking does not include expansion of an existing undertaking for the purpose of this section. In other words, expansion units will not qualify for tax exemption. The following undertakings and facilities only will qualify for tax exemption:

a) "industrial undertaking" means:

An industry engaged in the production of active pharmaceuticals ingredient industry and radio pharmaceuticals industry, automobile manufacturing industry, barrier contraceptive and rubber latex, basic chemicals or dyes and chemicals, basic ingredients of electronic industry, bi-cycle manufacturing industry, bio-fertilizer, biotechnology, boilers, brick made of automatic Hybrid Hoffmann kiln technology or tunnel kiln, compressors, computer hardware, energy efficient appliances, insecticide or pesticide, petrochemical, pharmaceuticals, processing of locally produced fruits and vegetables, radioactive application industry, textile machinery, tissue grafting, tyre manufacturing industry and any other category of industrial undertaking as the Government may by notification in the official Gazette specify;

b) Only those profits and gains of the said industry shall qualify for tax exemption which is within the purview of section 28, *Income from business or profession*, of the Income Tax Ordinance, 1984.

c) The newly established undertaking is required to ensure that their paid up capital is not less than two million and thirty per cent of the income exempted is invested in the said undertaking or in any new industrial undertakings during the period of exemption or within one year from the end of the period to which the exemption under that sub-section relates and in addition another 10% of the income exempted is invested in each year before the expiry of three months from the end of the income year in the purchase of shares of a company listed with any stock exchanges in Bangladesh, failing which the income so exempted shall, notwithstanding the provisions of this Ordinance, be subject to tax in the assessment year in which the undertaking failed to comply with the provision and an individual not being a Bangladeshi citizen is employed or allowed to work without prior approval of BIDA or any competent Government authority.

Provided that the quantum of investment referred to in this clause shall be reduced by the amount of dividend, if any, declared by the company enjoying tax exemption under this section.

- d) The undertaking has to apply in prescribed form for approval within six months from the end of the month of commencement of commercial production and be approved by the Board for this purpose.
- e) The undertaking need to obtain a clearance certificate from the Directorate of Environment and the undertaking has to maintain books of account on a regular basis and submits income tax return under section 75 of the ordinance.

Tax exemption will be allowed for biotechnology and petrochemical industries even if situated in Dhaka, Gazipur, Narayangonj and Chittagong districts.

1.4.4 Partial tax exemption for newly established physical Infrastructure facility

Qualifying physical Infrastructure set up between 1 July 2011 and 30 June 2019 and going into commercial production/operation within those dates will be entitled to apply for granting tax exemption. Tax exemption of different proportions will now be granted for 10 years if the said physical undertakings are set up in any area of Bangladesh.

Year	Exemption % of income
1 st and 2 nd	100%
3 rd year	80%
4 th year	70%
5 th year	60%
6 th year	50%
7 th year	40%
8 th year	30%
9 th year	20%
10 th year	10%

“Physical Infrastructure facility” means

an industry engaged in the production of deep sea port, elevated expressway, export processing zone, flyover, gas pipe line, hi-tech park, information technology village or software technology zone, information technology park, large water treatment plan and supply through pipeline, LNG terminal and transmission line, mono-rail, rapid transit, renewable energy, sea or river port, toll road or bridge, underground rail, waste treatment plan or any other category as the Government may by notification in the official Gazette specify;

- a) Only those profits and gains of the said industry shall qualify for tax exemption which is within the purview of Income from business or profession under section 28 of the Income Tax Ordinance, 1984.
- b) The newly established undertaking is required to ensure that their subscribed and paid up capital is not less than Tk 2 million and 30% of the income exempted is invested in the said undertaking or in any new industrial undertakings during the period of exemption or within one year from the end of the period to which the exemption under that sub-section relates and in addition another 10% of the income exempted) is invested in each year before the expiry of three months from the end of the income year in the purchase of shares of a company listed with any stock exchanges in Bangladesh, failing which the income so exempted shall, notwithstanding the provisions of this Ordinance, be subject to tax in the assessment year in which the undertaking failed to comply with the provision or an individual not being a Bangladeshi citizen is employed or allowed to work without prior approval of BIDA or any competent Government authority.

Readymade garments are allowed to invest 40% in the said undertaking or in any new industrial undertakings.

- c) Provided that the quantum of investment referred to in this clause shall be reduced by the amount of dividend, if any, declared by the company enjoying tax exemption under this section.
- d) The undertaking has to apply in prescribed form for approval within six months from the end of the month of commencement of commercial production and be approved by the Board for this purpose.
- e) The undertaking need to obtain a clearance certificate from the Directorate of Environment and the undertaking has to maintain books of account on a regular basis and submits income tax return under section 75 of the ordinance.

1.4.5 Tax exemption for Public Private Partnership (PPP) Project

In the year 2017, Government has introduced tax exemption as mentioned below (a, b and c) for Public Private Partnership (PPP) work by Project Companies involved in the following PPP projects:

1. National Highways or Expressways and related Service Roads
2. Flyovers
3. Elevated and At-Grade Expressways
4. River Bridges
5. Tunnels
6. River port
7. Sea port
8. Air Port
9. Subway
10. Monorail
11. Railway
12. Bus terminals
13. Bus depots
14. Elderly care home

a) **Income Tax exemption of the business income of PPP Project Company:**

The business income is 100% exempted from Income tax for next 10 years from the date of commercial operation.

b) **Income Tax exemption of capital gains arising from the transfer of share capital of PPP Project Company, Royalty, Technical Know-how and Technical assistance fee paid by such company:**

The capital gains arising from transfer of share capital, Royalty, Technical Know-how and Technical assistance fee paid by such company are 100% exempted from Income tax for next 10 years from the date of commercial operation.

c) **Income Tax exemption for foreign technicians employed in PPP Project Company:**

The foreign technicians appointed in PPE Project Company will get 50% tax exemption for next 3 years from the date of appointment subject to such company does not cross 5 years from the date of commercial operation i.e. the company who has crossed 5 years from the date of commercial production, their foreign technicians can not avail this benefit.

Please note that, the above exemptions are subject to the following condition being met by the project company:

- (i) Obtain 12 Digit Taxpayer's Identification Number; and

- (ii) Maintain accounts as per section 35 (Method of Accounting) and submit income tax return as per section 75.

1.4.6 Income from exports

50% of income derived by any taxpayer from export shall be exempt from tax, except for a company not incorporated in Bangladesh and company paying tax at a reduced rate.

1.4.7 Export Processing Zones

At present the following exemptions are available on tax payable:

- For a period of 5 years if the industry is set up in Export Processing Zones (EPZ) Dhaka and Chittagong divisions excluding Rangamati, Bandarban and Khagrachari districts; and
- For a period of 7 years if the said EPZ are set up in Rajshahi, Khulna, Sylhet and Barisal divisions and Rangamati, Bandarban and Khagrachari districts.

Area	Year	Exemption % of income
Dhaka, Mymensingh and Chittagong divisions excluding Rangamati, Bandarban and Khagrachari districts	1 st and 2 nd year	100%
	3 rd and 4 th year	50%
	5 th year	25%
Rajshahi, Khulna, Sylhet and Barisal divisions and Rangamati, Bandarban and Khagrachari districts	1 st , 2 nd and 3 rd year	100%
	4 th , 5 th and 6 th year	50%
	7 th year	25%

To attain above exemption of EPZ industries, proper books of accounts have to be maintained and must submit income tax return as per section 75 of ITO 1984.

1.4.8 Income from the business of software development or Nationwide Telecommunication Transmission Network (NTTN) and information technology enabled services (ITES)

Income derived from the business of software development or Nationwide Telecommunication Transmission Network (NTTN) and information technology enabled services (ITES) is to be tax exempt up to 30 June 2024. However those enjoying the exemption must file tax return annually disclosing the income along with income from other sources, if any.

Information Technology Enabled Services (ITES) definition has been widened as below:

- Software development;
- Software or application customization;
- Nationwide Telecommunication Transmission Network (NTTN);
- Digital animation development;
- Website development;
- Web site services;
- Web listing;
- IT process outsourcing;
- Website hosting;
- Digital graphics design;
- Digital data entry and processing;
- Digital data analytics;
- Geographic Information Services (GIS);
- IT support and software maintenance service;
- Software test lab services;
- Call centre service;
- Overseas medical transcription;
- Search engine optimization services;
- Document conversion, imaging and digital archiving;
- Robotics process outsourcing; and
- Cyber security services.

1.4.9 International Taxation

Double Taxation Avoidance Agreement

There are agreements on avoidance of double taxation between Bangladesh and 33 countries which are:

1 UK	18 Belgium
2 Singapore	19 Thailand
3 Sweden	20 Poland
4 Republic of Korea	21 Philippines
5 Canada	22 Vietnam
6 Pakistan	23 Turkey
7 Romania	24 Norway
8 Sri Lanka	25 USA
9 France	26 Indonesia
10 Malaysia	27 Switzerland
11 Japan	28 Oman (air traffic only)
12 India	29 Mauritius
13 Germany	30 United Arab Emirates
14 The Netherlands	31 Myanmar
15 Italy	32 Kingdom of Saudi Arabia
16 Denmark	33 Kingdom of Bahrain
17 China	

1.4.10 Double Tax Relief

A foreign tax credit is available to a Bangladesh resident in respect of any taxes paid in a foreign jurisdiction on the same income being taxed in Bangladesh. The allowable credit is the lower of the foreign tax paid or the Bangladesh tax otherwise payable.

2 Transfer Pricing

Effective period of transfer pricing

Transfer pricing regulation is effective from 1 July 2014 (S.R.O. 161/Law/Income tax/2014 dated 26 June 2014.

Key points in brief are as follows:

- (i) Transactions included are transaction between associated enterprises, either or both of whom are non-residents, in the nature of purchase, sale or lease of tangible or intangible property, provisions of services, lending or borrowing money, or any other transactions having a bearing on the profits, income, losses, assets, financial position or economic value of such enterprises etc.
- (ii) There are extensive proposals in the Act regarding responsibility and determination of “arms-length price” of such transactions.
- (iii) If such a transaction is not found to be at arms-length, DCT may determine via the Transfer Pricing Officer the arms-length price of the transaction.
- (iv) Every person who has entered into an international transaction shall furnish, along with the return of income, a statement of international transactions in the form and manner as may be prescribed.
- (v) The tax payer has to furnish a transfer pricing report, on such transaction if those exceed Tk 30 million in aggregate in a given year, by a Chartered Accountant/Cost and Management Accountant, is only required to be submitted to the DCT if instructed in the notice.
- (vi) Every person fails to submit transfer pricing return along with corporate income tax return may result in a penalty of maximum 2% on the value of international transactions.

Failure to furnish such report may lead to a penalty up to Tk 300,000.

Report/certificate from Chartered Accountants authenticating certain documents related to transfer pricing as per notice by the tax authority once transfer pricing assessment/audit has been initiated by tax authority.

3 Indirect Tax

Indirect Tax

Value Added Tax - VAT

Standard Rate

The standard rate of VAT is 15 percent.

Exports are zero-rated and certain items are VAT-exempt.

In Bangladesh standard VAT rate is 15%. There is also truncated rate (short value addition VAT system) applicable for many services. In general, input rebate is applicable for companies providing services under full rate of 15% as per VAT Act 1991.

Further Information

For more detailed indirect tax information, refer to:

[National Board Revenue](#)

4. Personal Taxation

4.1 Introduction

In general, Bangladesh residents are taxed on their worldwide income. Non-residents are taxed on income earned in Bangladesh irrespective of where the payment is made.

There is no provision for married couples to file joint returns. Returns are to be filed by 30 November for the income year ending 30 June.

Individuals may file returns under universal self-assessment scheme but the assessing officers have discretion to scrutinise the returns.

Where total income exceeds Tk 400,000 during the income year for any individual, he is required to pay advance tax as either 100% of last assessed tax or 75% of current estimated income tax and pay the outstanding tax (if any) at the time of filing the return. Tax on an employee's salary is required to be withheld on a monthly basis by the employer.

4.2 Resident

An individual is treated as a resident of Bangladesh if that person stays in Bangladesh for 182 days or more in any income year; or 90 days or more in an income year if that person has previously resided in Bangladesh for a period of more than 365 days during the four preceding years. Residence is determined in Bangladesh purely on the period of presence in Bangladesh irrespective of residency in other countries. Short-term visitors and dependents of foreign nationals not earning any income in Bangladesh are not taxed in Bangladesh and are not required to file tax return.

4.3 Taxable income

Taxable income is the total income earned from all sources, excluding exempt income. Foreign source income of a resident is included in his/her taxable income with the exception of the foreign source income of foreign nationals who are resident in Bangladesh.

No tax is payable by tax residents on income not exceeding Tk 250,000. The following rates are applicable to resident individual, Hindu undivided family, partnership firm, non-resident Bangladeshi, and association of persons:

Residents including non-resident Bangladeshi

Total income	Tax rate
First Tk 250,000*	Nil
Next Tk 400,000	10%
Next Tk 500,000	15%
Next Tk 600,000	20%
Next Tk 3,000,000	25%
On the balance	30%

*Initial exemption limit for women and senior citizens aged 65 years or over is Tk 300,000, for physically challenged persons, it is Tk 400,000 and for gazetted war-wounded freedom fighters, it is Tk 425,000.

In case of parent/legal guardian of a physically challenged person, he/she will get a further initial exemption of Tk 50,000 in addition to above limit.

Non-residents other than Bangladeshi non-residents shall pay tax on the total income at the rate of 30%.

Charge of surcharge

Surcharge is payable by an individual assessee on total tax payable if the total net worth exceeds Tk 22.5 million as stated below:

Total net worth	Rate
a) Over Tk 22.5 million to Tk 50 million or owner of more than 1 motor car or owner of a flat of 8,000 sft size within City Corporation area	10%
b) Over Tk 50 million to Tk 100 million	15%
c) Over Tk 100 million to Tk 150 million	20%
d) Over Tk 150 million to Tk 200 million	25%
e) Over Tk 200 million	30%

However, minimum surcharge will not be less than Tk 3,000 for option (a) above and not less than Tk 5,000 if net worth exceeds Tk 100 million.

4.4 Requirement of twelve digit Taxpayer's Identification Number (e-TIN)

It has been made compulsory to submit e-TIN certificate or acknowledgement receipt of income tax return or the tax certificate issued by Deputy Commissioner of Taxes at the time of:

- opening a letter of credit for the purpose of import;
- submitting an application for the purpose of obtaining an import registration certificate;
- renewal of trade licence;
- submitting any tender documents;
- submitting an application for membership of a club registered under the Companies Act 1994;
- issuance or renewal of license or enlistment of a surveyor of general insurance;
- registration for purchase of land, building or apartment situated within any city corporation deed value of which exceeds Tk 100,000. This provision will not apply in cases of non-resident Bangladeshis;
- registration, change of ownership or renewal of fitness of a car, jeep or a microbus;
- registration, renewal of fitness or change of ownership of a bus, truck, prime mover, lorry etc. plying for hire;
- sanction of loan exceeding Tk 500,000 to a person by a commercial bank or a leasing company;
- issue of credit card;
- issue of practicing license to a doctor, a lawyer, a chartered accountant, a cost and management accountant or an income tax practitioner;
- all sponsor directors at the time of registration of a company (other than non-resident foreign directors/sponsors);
- applying for or renewal of membership of any trade body;
- submitting a plan for construction of building for the purpose of obtaining approval from RAJUK, CDA, KDA and RDA;
- Issuance of drug license;
- applying for connection of gas for commercial use within a city corporation, pourashava or cantonment board;
- applying for connection of electricity for commercial use within a city corporation, pourashava or cantonment board;
- issuance or renewal of survey certificate of a water vessel including launch, steamer, fishing trawler, cargo, coaster and dump-barge etc., plying for hire;
- registration or renewal of certificate as agent of an insurance company;

- parents of the students of English medium school following international curriculum within City Corporation or in any pourashava of a district headquarter.
- receiving the salaries by an employee of the government or an authority corporation, body or units of the government who draws a salary at a scale of grade 10 or above;
- receiving any amount from the government under Monthly Payment Order (MPO) if the amount of payment exceeds Tk 16,000 per month;
- receiving any payment which is an income of the payee classifiable under the head of salaries by any person employed in the management or administrative function or any supervisory position in the production function;
- obtaining or maintaining the agency or the distributorship of a company;
- receiving any commission, fee or other sum in relation to money transfer through mobile banking or other electronic means or in relation to the recharge of mobile phone account;
- receiving any payment by a resident from a company against any advisory or consultancy service, catering, service, event management service, supply of manpower or providing security service;
- submitting a bill of entry for import into or export from Bangladesh; and
- participates in a ride sharing arrangement by providing motor vehicle.

4.5 Issuance of e-TIN without application and re-registration

- Twelve digit Taxpayer's Identification Number (e-TIN) may be issued without any application where any income tax authority has found a person having taxable income during the year and has failed to apply for TIN.
- Board may direct any person having a TIN to furnish such information or documents for the purpose of re-registration and thereafter issue a new twelve digit Taxpayer's Identification Number.

4.6 Issuance of Temporary Registration Number (TRN)

Temporary Registration Number (TRN) may be given to a person who has been found having taxable income in any year and has failed to apply for Taxpayer's Identification Number (TIN) under section 184B.

5 Tax Authority

Tax Authority

National Board of Revenue (NBR)

Link to [National Board Revenue](#)

Appeals

An assessee who feels aggrieved may file an appeal against the order to the Commissioner of Taxes (Appeal) and against the order of the Commissioner of Taxes (Appeal) to the Taxes Appellate Tribunal. An assessee can file appeal against the order of the Taxes Appellate Tribunal only on the point of law to the Supreme Court – High Court Division. An appeal can further be filed to the Appellate division if High Court Division allows for such appeal.

The first appeal before the Commissioner of Taxes (Appeal) shall have to file within 45 days of the date of received of assessment order. The time limit for second appeal is 60 days from the date of receiving of first appeal order. The first and second appeal shall be disposed of by the appellate authority within 150 days and 180 days respectively from the end of the month at which the appeal was filed.

Where the return of income was not filed, no appeal shall lie against any order of assessment under the section 153(4), unless the assessee has paid 10% of the tax as determined by the Deputy Commissioner of Taxes.

An assessee can file appeal against the order of the Taxes Appellate Tribunal only in the area of law to the High Court Division of Supreme Court within 90 days from the date of receiving tribunal order. If the assessee is aggrieved with the decision of High Court Division, he may appeal to the Appellate Division of Supreme Court. There is no time limit for disposal of appeal to Supreme Court.

No appeal shall be filed to the Appellate Tribunal unless the assessee has paid 10% of the amount representing the difference between the tax as determined on the basis of the order of the Appellate Joint Commissioner or Commissioner of Taxes (Appeals) and the tax payable under section 74.

However, Appellate Joint Commissioner/Commissioner of Taxes (Appeals) may allow the appeal for hearing if assessee pay the tax on the basis of return before filing of appeal to Joint Commissioner or Commissioner of Taxes (Appeals).

Provided that the Commissioner of Taxes (Appeals) may reduce the requirement of such payment upon application by the assessee if the grounds of such application appears reasonable to him.

No reference shall lie to the High Court Division against an order of the Taxes Appellate Tribunal unless the assessee has paid the following tax at the rate of-

- a) 15% of the difference between the tax determined by the Appellate Tribunal and the tax payable u/s 74 where tax demanded does not exceed Tk 1 million.
- b) 25% of the difference between the tax determined by the Appellate Tribunal and the tax payable u/s 74 where tax demanded exceeds Tk 1 million.



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