



# BANGLADESH TAX GUIDE 2025

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*This guide is based on our understanding of publicly known Bangladesh laws, regulations, and official practices as of July 2023 and may be affected by laws that are subsequently passed by Parliament or notifications adopted by various ministries. There may also be instances when the unofficial practices applied by government authorities (including the tax authorities) are not in accordance with, or may even contradict, Bangladesh law. More importantly, as the decisions of the courts and tax authorities are not made publicly available, the courts or tax authorities may adopt an interpretation of Bangladesh laws that is not in accordance with our interpretation. Furthermore, not all laws and regulations are published.*

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# 1. Overview

## The Primary Sources of Tax Legislation in Bangladesh:

The Income Tax Act ("**ITA**") of 2023, supplemented by the Tax at Source Rules ("**TSR**") of 2024, governs:

- Corporate income tax (CIT)
- Personal income tax (PIT)
- Capital gains tax (CGT)
- Withholding tax (WHT)
- Transfer pricing (TP)

The Value Added Tax & Supplementary Duty ("**VAT & SD**") Act of 2012, supplemented by the VAT & SD Rules of 2016, governs:

- Value added taxes
- Supplementary duties

The Customs Act of 2023, effective from 6 June 2024, replaces the Customs Act of 1969 and governs the various import duties and customs regulations.

The National Board of Revenue ("**NBR**") under the Internal Resources Division ("**IRD**") of the Ministry of Finance is currently the highest authority for tax administration and is empowered to issue statutory regulatory orders ("**SRO**") to address specific matters related to taxation.

## 2. Corporate Income Tax [“CIT”]

The following are subject to corporate income tax in Bangladesh:

- A company/one-person company incorporated under the Companies Act, 1994 in Bangladesh;
- A branch/liaison office of a foreign company that is registered to operate in Bangladesh; and
- A company registered under foreign laws and “carrying on business” in Bangladesh through a permanent establishment.

### **Tax Year:**

The taxpayer accounting year starts from 01 July and runs until 30 June of the following year. However, foreign-owned companies and those with significant equity holdings may follow a different accounting year, subject to prior approval from the tax authority.

### **Classification of Income:**

All income that arises in or is deemed to arise in Bangladesh is broadly classified under the following:

- Income from employment;
- Income from rental property;
- Income from agriculture;
- Income from business;
- Income from capital gains;

- Interest from securities, and
- Income from other sources.

### Tax Residency:

For tax purposes, any entity incorporated under the laws of Bangladesh is considered a resident of Bangladesh. Resident companies are subject to corporate income tax on their worldwide income.

### A. Corporate Income Tax Rates

The effective CIT rates under the ITA are as follows:

#### General Rates:

Type of Entity/Company	Rate for FY 2024- 2025	Rate for FY 2025- 2026 & 2026-2027
One-person company	22.5%*	27.5%**
Private Limited Company	27.5%*	27.5%**
Public Limited Company (Having transferred $\geq 10\%$ paid-up capital through IPO)	22.5%*	22.5%**
Public Limited Company (Having transferred $< 10\%$ paid-up capital through IPO)	25%*	27.5%**
Branch of a foreign company	27.5%*	27.5%*

## Special Rates:

Type of Entity/Company	Rate for FY 2024- 2025	Rate for FY 2025- 2026 & 2026-2027
Export-oriented companies <sup>1</sup> (Applicable from 1 July 2022 to 30 June 2028)	12%***	12%***
Non-listed banking and financial institutions, including mobile financial services (MFS)	40%	40%
Listed banking and financial institutions, including mobile financial services (MFS)	37.5%	37.5%
Tobacco company	45%	45%
Non-listed mobile phone operator  (Listed mobile phone operator will be taxed at 40% if it offloads at least 10% of its paid-up capital, with no more than 5% allocated through pre-IPO placement. Additionally, it will receive a 10% tax rebate in the year of IPO if at least 20% of its paid-up capital is offered through the IPO.)	45%	45%
Private university, private medical college, dental college, private engineering college, or private college engaged in information technology education	15%	10%

- \* The tax rate will be reduced by 2.5% if all income and receipts, and all expenses and investments over BDT 0.5% for single transactions and BDT 3.6 million in a year are transacted through the banking channel.

<sup>1</sup> SRO no. 158-Law/Income tax/2022; dated: 01 June 2022

- \*\* The tax rate will be reduced by 2.5% if all income is received through the banking channel.
- \*\*\* Exporters with a manufacturing facility holding a LEED Certification are subject to a corporate tax rate of 10%.

Employers who hire individuals with disabilities, constituting at least 10% of their total workforce, or more than 25 individuals, will be eligible for a tax rebate. The rebate will be either 5% of the total tax liability or 75% of the total salaries paid to the disabled employees. A similar tax incentive will also apply to employers who hire individuals from the third-gender community.

## B. Taxable Income

Taxable income includes profits from business operations and other income, including dividends, interest, royalties, capital gains, and service fees derived from domestic and foreign sources.

## C. Deductible Expenses

**Ordinary business expenses incurred in connection with the earning of income are deductible. These include:**

- Rent paid for premises from which business is conducted;
- Repair expenses for business premises;
- Interest payments to banks and financial institutions;
- Repair and maintenance costs;
- Insurance premiums incurred and paid for business purposes;
- Depreciation charge subject to the permissible limits and conditions set out in the Third Schedule of the ITA;
- Amortization allowance, research, and development expenses are subject to the permissible limits and conditions set out in the Third



### Schedule of the ITA;

- Land development tax or rents, local rates, or municipal taxes;
- Employee salary and bonuses are subject to conditions;
- Written-off irrecoverable debts;
- Royalties, technical fees, and head office expenses, subject to limitations;
- Expenses in commissions, brokerage, discounts, or warranty charges relating to sales;
- Subscriptions to any club or commercial association, including admission fees, for the use of their facilities;
- Any expenditure except capital or personal expenditure incurred wholly and exclusively for business purposes.

An assessing officer of the NBR has the authority to disallow an expense if they consider the expense not to be directly related to the earning of taxable income or the applicable tax has not been withheld at source. Head office charges or allocation of costs may be deducted, provided that the taxpayer can demonstrate that the services are valid business expenditures of the taxpayer in Bangladesh. Robust supporting documentation and evidence should be prepared.

## D. Non-Deductible Expenses

**There are certain limitations on the deductibility of expenses. These limitations include:**

- Payments for any expense without deductions at the source where tax withholding is mandatory;
- Expenditures for providing perquisites (e.g., medical allowances, conveyance allowance, house rent allowance, mobile phone

allowance, etc.) to each employee beyond BDT 2 million;

- Expenditures on account of entertainment allowances beyond the allowable limit, which is 4% against the first BDT 1 million income and 2% on any balance amount;
- Head office or intra-group expenses exceeding 10% of the disclosed profit before tax
- Royalties, technical service fees, technical know-how, or expenses of a similar nature exceeding 15% of disclosed profit before tax or 6% of the disclosed turnover, whichever is lower;
- Overseas travel expenditures exceeding 0.5% of disclosed turnover;
- Promotional expenditures exceeding 0.5% of disclosed turnover;
- Salary payments exceeding BDT 50,000 by any means other than through banking channels;
- Rent payments if made by means other than through banking channels;
- 25% of the total payments if 50% of the payments made in respect of raw materials are transacted through other than banking channels;
- Amortization in accordance with IFRS-16.

#### **a. Losses**

Under the ITA, losses can be carried forward for 6 (six) tax years and set off as follows:

Type of Loss	Can be set off with
<b>Capital</b>	Only with income from capital gains
<b>Business</b>	Only with income from business
<b>Speculation business</b>	Only with income from the speculation business
<b>Tobacco business</b>	Only with income from the tobacco business

## b. Depreciation

### 1) Normal depreciation:

Asset Class	Depreciation Rate
General building	5%
Factory building	10%
Furniture and fittings	10%
Office equipment	10%
Machinery and plant (general)	10%
Machinery and plant (specific)	
<i>Motor vehicles for hire</i>	20%
<i>Motor vehicles not for hire</i>	10%
<i>Computer and computer equipment</i>	25%
<i>Amortisation of Bangladeshi-made computer software</i>	20%
<i>Amortisation of imported computer software</i>	10%

2) **Initial depreciation:** against any newly constructed building, or any newly installed machinery or plant used by taxpayers for business:

- (i) Building: 10% of the cost
- (ii) Machinery or plant: 25% of the cost

As discussed earlier, depreciation is an admissible expense under the Third Schedule of ITA. However, the Third Schedule does not prescribe any depreciation/amortization allowance rate for leased assets. Under such circumstances, amortization (apart from those specified in Part 2 of the Third Schedule) claimed in a taxpayer's books is considered inadmissible.

Any residual allowance may be carried forward to the following years until the entire allowance on this account is adjusted against profits if a taxpayer has insufficient income to offset the depreciation allowance in the given year.

**Gains or losses on asset disposals:** The gain will be considered income for the year when proceeds exceed the written down value ("**WDV**"), but the gain does not exceed the difference between the original cost and WDV.

## **E. Tax Holidays:**

**Public Private Partnership (PPP) project:** the GOB offers tax exemption on business income along with certain other tax benefits for Public Private Partnership work by project companies involved in the following projects:

- 1) National Highways or Expressways and related Service Roads;
- 2) Flyovers;
- 3) Elevated Expressways;
- 4) River Bridges;
- 5) Tunnels;
- 6) River ports;
- 7) Sea-ports,
- 8) Airports;

- 9) Subways;
- 10) Monorails;
- 11) Railways;
- 12) Bus terminals;
- 13) Bus depots;
- 14) Elderly care homes.

**Information Technology Enabled Service (ITES):** The ITA provides tax exemptions on business income to companies engaged in ITES business between 1 July 2024 to 30 June 2027. The ITES exemptions apply to income from:

- 1) AI-based solution development;
- 2) Blockchain-based solution development;
- 3) Robotics process outsourcing;
- 4) Software as a service;
- 5) Cyber security service;
- 6) Digital data analytics and data science;
- 7) Mobile application development service;
- 8) Software development and customization;
- 9) Software test lab services;
- 10) Web listing, website development, and service;
- 11) IT assistance and software maintenance service;
- 12) Geographic information service;
- 13) Digital animation development;

- 14) Digital graphics design;
- 15) Digital data entry and processing;
- 16) E-learning platform and e-publication;
- 17) IT freelancing;
- 18) Call center services;
- 19) Document conversion, imaging, and digital archiving;

The exemption is subject to the condition that all income from the ITES business should be received through banking channels.

**Economic zones:** Apart from the production and sale of edible oil, sugar, flour, cement, iron, and iron-related products, companies/industrial units located in economic zones will receive corporate income tax exemptions/reductions for up to 10 years starting from the commencement of commercial operation at the rates specified below:

- 1) 100% - for the first, second, and third year;
- 2) 80% - for fourth year;
- 3) 70% - for fifth year;
- 4) 60% - for sixth year;
- 5) 50% - for seventh year;
- 6) 40% - for eighth year;
- 7) 30% - for ninth year;
- 8) 20% - for the tenth year.

**Renewable energy:** Private power-generating companies producing electricity from renewable sources a commencing commercial production between 01 July 2025 and 30 June 2030, are exempt from corporate income

tax on business income (i.e., power generation) from the date of the commercial operation for a period of 15 years at the following rates:

- 100% income tax exemption for the first ten years
- 50% for the next three years
- 25% for the following two years

The power-generating company must obtain a No Objection Certificate (NOC) from the Power Division under the Ministry of Power, Energy, and Mineral Resources for each project or power plant.

## **F. Tax Return Filing:**

The taxpayer accounting year is from 1 July to 30 June (although foreign companies and those with significant equity may have different accounting years). Tax returns are due each year on 15 March (for 30 June year-end), 15 September (for 31 December year-end), and 15 December (for 31 March year-end). Penalties apply for late filing, failure to file a return, concealment of income, inability to maintain proper records, and failure to provide required data.

### 3. Personal Income Tax [“PIT”]

#### A. Tax Residence

Under Bangladesh law, an individual is considered a resident for tax purposes if they are present in Bangladesh for a total of at least 182 days or more in a calendar year or at least 90 days in that calendar year, having previously been in Bangladesh for a total of at least 365 days in the preceding four years.

Residents are taxed on their worldwide income, which includes:

- Income received or deemed to be received in Bangladesh;
- Income accruing or deemed to accrue in Bangladesh;
- Income accruing outside Bangladesh.

Non-residents are taxed only on income earned in Bangladesh, with income in this respect including:

- Income received or deemed to be received in Bangladesh;
- Income accruing or deemed to accrue in Bangladesh;

The tax year for PIT in Bangladesh runs from 01 July to 30 June of the following year, and tax filing and payment must be completed by 30 November (i.e., “Tax Day”) following the end of the income year unless the NBR has pushed back the Tax Day.

Individual taxpayers can now seek an extension of up to 90 days for filing their tax return by obtaining permission from the Commissioner of Taxes.



## B. Taxable Income

Assessable income includes most monetary and non-monetary benefits derived from employment in Bangladesh, property held, business carried out in Bangladesh, interest income, agricultural income, capital gains, and other income. This is regardless of the recipient's residence status, where the payments are made (i.e., in or outside of Bangladesh) or whether the employment is permanent or temporary. Individuals are taxed at slab rates. The slabs are as follows:

FY 2024-2025		FY 2025-26 & 2026-27	
Income Slabs in BDT	Rate	Income Slabs in BDT	Rate
First 350,000 *	Nil	First 375,000 **	Nil
Next 100,000	5%	Next 300,000	10%
Next 400,000	10%	Next 400,000	15%
Next 500,000	15%	Next 500,000	20%
Next 500,000	20%	Next 2,000,000	25%
Next 2,000,000	25%	Remaining amount	30%
Remaining amount	30%		

Tax rate for foreign individuals who are not considered residents for tax purposes is flat 30% on their taxable income.

\* For FY 2024-25, the first slab for women and taxpayers over the age of 65 starts at BDT 400,000. It is BDT 475,000 for taxpayers with a disability or if they are of a third gender, and BDT 500,000 for documented war-wounded freedom fighters. The tax-free slab is increased by a further BDT 50,000 for any single parent/legal guardian of disabled individuals.

\*\* For FY 2025-26 & 2026-27, the first slab for women and taxpayers over the age of 65 starts at BDT 425,000. It is BDT 500,000 for taxpayers with a disability or if they are

*of a third gender, and BDT 525,000 for documented war-wounded freedom fighters or July Fighters. The tax-free slab is increased by a further BDT 50,000 for any single parent/legal guardian of disabled individuals.*

Salaried individuals are eligible for further exemptions on the lesser of one-third of their salary income or BDT 500,000.

### C. Investment Rebate:

A taxpayer making investments in the following sectors during the income year shall be eligible for credit at the rate of 15% against their tax liability:

Particulars	Limit
Investment in respect of life insurance	-
Any sum deducted from salary payable by or on behalf of the government	-
Contribution to a provident fund	-
Employer and employer's contribution to recognised provident fund (subject to specified limits)	-
Contributions to a superannuation fund	-
Investment in Bangladesh Shanchay Patra or government securities	BDT 500,000
Investment in unit certificates, mutual fund	-
Investment in a deposit pension scheme (DPS)	BDT 120,000
Investment in listed shares	-
Donations to an NBR-approved charitable hospital situated outside the city corporation area	-

Particulars	Limit
Donations to an NBR and Social Welfare Department-approved organisation set up for the welfare of retarded people	-
Payment of zakat to a Zakat Fund or donations to a charitable fund established under the Zakat Fund Management Act, 2023	-
Donations to a government-approved philanthropic or educational institution	-
Donations to a national-level institute for the liberation war	-
Donations to a national-level institute set up in memory of the father of the nation	-

The maximum eligible investment amount is the lower of<sup>2</sup>:

- 3% of total income calculated excluding tax-exempt income, such income subject to reduced tax rates, and such income subject to minimum tax;
- 15% of the total amounts invested in accordance with Part 3 of the 6<sup>th</sup> Schedule of ITA;
- BDT 1,000,000.

#### **D. Tax Surcharge:**

A surcharge on top of tax liability will be due in the following manner for every individual whose cumulative net worth, as reported on their Statement of Assets, Liabilities, and Expenses (IT-10B), exceeds BDT 40 million:

<sup>2</sup> Section 78 of ITA

Net Worth	Rate of Surcharge
Up to BDT 40,000,000	N/A
BDT 40,000,001 to BDT 100,000,000; Owns more than one motor vehicle in their name; or owns property of more than 8,000 sq. ft. in any city corporation area	10%
BDT 100,000,001 to BDT 200,000,000	20%
BDT 200,000,001 to BDT 500,000,000	30%
Above BDT 500,000,000	35%

### E. Advance Tax for Owning Motor Vehicles:

Every person who owns a private motor vehicle (including a jeep or a microbus) is required to pay advance income tax in the following manner<sup>3</sup>:

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<sup>3</sup> Section 153 of ITA

Net Worth	Amount of Tax (BDT)
A car or jeep, not exceeding 1500cc or 75kw	25,000
A car or jeep, exceeding 1500cc or 75kw but not exceeding 2000cc or 100kw	50,000
A car or jeep, exceeding 2000cc or 100kw but not exceeding 2500cc or 125kw	75,000
A car or jeep, exceeding 2500cc or 125kw but not exceeding 3000cc or 150kw	125,000
A car or jeep, exceeding 3000cc or 150kw but not exceeding 3500cc or 175kw	150,000
A car or jeep, exceeding 3500cc or 175kw	200,000
A microbus	30,000

The advance income tax payable will be collected by the authority responsible for fitness renewal.

## F. Minimum Tax Liability:

An individual whose total taxable income in an income year exceeds the tax-free level (after any relevant allowances) is subject to the obligation to pay minimum tax based on their jurisdiction. The tax amounts are as follows:

### For FY 2024-2-25

- BDT 5,000 – In Dhaka or Chattogram City corporation area;
- BDT 4,000 – In any other City Corporation area; and
- BDT 3,000 – In areas other than City Corporation

## For FY 2024-2-25

- BDT 5,000 – for all taxpayers; and
- BDT 1,000 – for new taxpayers

### G. Income from Employment:

An employer is responsible for withholding and remitting personal income tax from employment income to the NBR when the payment is made to employees at a rate representing the average of the rates applicable to the estimated total income of the employee<sup>4</sup>. A statement of monthly deductions must be provided to the NBR within 25 days from the end of the month in which the payment is made<sup>5</sup>. Where the 25<sup>th</sup> day falls on a weekend or government holiday, the statement will be due for submission on the next working day.

### H. Tax Clearance for Expatriates:

Before departing Bangladesh permanently or temporarily, expatriates are required to obtain a Tax Clearance Certificate from the NBR, which may be required as proof of tax payment or exemption.<sup>6</sup>

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<sup>4</sup> Section 86(1) of ITA

<sup>5</sup> Sec 177 of ITA

<sup>6</sup> Section 243 of ITA

## 4. Capital Gains Tax [“CGT”]

Capital gains tax applies to both individuals and corporations and is imposed at the rate of 15% on the disposal of capital assets.

For individuals, if the capital asset is transferred before the period of five years from acquisition (<5 years), CGT will be imposed at the applicable slab rates for total taxable income, including capital gains. However, if the asset is transferred after five years from acquisition (>5 years), the CGT rate will be the lower of 15% or the applicable slab rate of the individual.

Capital gains are calculated by subtracting the acquisition cost, transport cost, etc., from the sale proceeds or fair market value, whichever is higher.

In Bangladesh, foreign investors who derive gains from the alienation of assets in Bangladesh or from shares and other instruments issued by a resident company are subject to tax unless a tax treaty between Bangladesh and the investor's home country provides an exemption.

## 5. Withholding Tax (“WHT”)

Bangladesh operates as a withholding tax jurisdiction. Companies, branch offices, liaison offices, banks, and other financial institutions, and other entities that are considered withholding agents are required to deduct tax at the source when making payments. Withholding taxes are usually described as “tax deducted at source” or “TDS”. The obligation to deduct tax at the source is on the person making the payment (including payment of salaries, compensation for supply and services, payment of dividends, payment of interest on a loan, etc.), which must then be deposited into the Government Treasury.

Most transactions (both local and foreign) are subject to tax deductions at source by the person making the payment.

WHT applies to the following:

Assessable Income	Section	WHT on Payments to Resident Persons	WHT on Payments to Non-resident Persons (Rule-5)
Salary	86	Average rate	30%
Interest or profit on securities (including Govt. T-Bill & T-Bond)	106	5%	-



Assessable Income	Section	WHT on Payments to Resident Persons		WHT on Payments to Non-resident Persons (Rule-5)
Payment to contractors or suppliers	89, Rule-3	Please see Table 1 below		
Royalty	91	Below BDT 2.5m	10%	20%
		Above BDT 2.5m	12%	
Advisory or consultancy	90, Rule-4	For individual - 15% For other than individual – 7.5%		
Professional service/technical assistance fee, etc.		For individual - 15% For other than individual – 7.5%		
Catering service/cleaning service/collection & recovery service/private security service/supply of manpower/creative media service/public relations service/events management service/training & workshop, etc.,		On commission	10%	
		On the gross amount	2%	

Assessable Income	Section	WHT on Payments to Resident Persons		WHT on Payments to Non-resident Persons (Rule-5)
organisation and management service/courier service/packing & shifting service/any other service of a similar nature				
Print and electronic media agency service		On commission	10%	
		On the gross amount	0.65%	
Indenting commission		7.5%		
Meeting fees/training fees/honorarium		10%		
Mobile network operator/technical support service provider		12%		
Credit rating service		10%		

Assessable Income	Section	WHT on Payments to Resident Persons		WHT on Payments to Non-resident Persons (Rule-5)
Motor garage or workshop/private container port or dockyard/shipping agency commission		8%		
Private container port or dockyard		8%		
Shipping agency commission		8%		
Stevedoring/berth operation commission		On commission On the gross amount	10% 5%	
Transport services/vehicle rental service/carrying service/repair and maintenance service/ride-sharing services/coworking space providing service/accommodation providing service		5%		
Wheeling charge for electricity transmission		3%		

Assessable Income	Section	WHT on Payments to Resident Persons	WHT on Payments to Non-resident Persons (Rule-5)
Internet Service		5%	
Service delivery agents engaged in mobile financial services or channel partners of mobile financial services		10%	
Freight forward agency service commission		10%	
Freight forward agency services on gross bill with or without commission		1.5%	
Payment for any services apart from those mentioned above		10%	-

Assessable Income	Section	WHT on Payments to Resident Persons	WHT on Payments to Non-resident Persons (Rule-5)
Receipts from abroad in connection with service, revenue sharing, etc.	124	Rendering services from within or outside Bangladesh; Allowing the use of an online platform	7.5%
		ITES income, and Income of ocean-going ships (up to 30 June 2030) and income earned abroad by individuals and brought into Bangladesh as remittance.	Exempt
			-

Assessable Income	Section	WHT on Payments to Resident Persons		WHT on Payments to Non-resident Persons (Rule-5)
Rent payment for house property	109	10%		-
From the collection of export proceeds	123	1%		-
Collection at source from commission, discount, or fees, etc.	94	Commission s/discounts/ etc. allowed to distributors	10%	20%
		Payment against the distribution or marketing of a company's goods	1.5%	
		Selling to a distributor under a contract	0.25%	

Assessable Income	Section	WHT on Payments to Resident Persons		WHT on Payments to Non-resident Persons (Rule-5)
Collection of tax from the transfer of property	125 Rule-6	Variable depends on location and deed value		
Collection of tax from the transfer of securities or mutual fund units by sponsor, shareholder of a company, etc.	135	10% on the gain value		
Collection of tax from the transfer of shares of a shareholder of the Stock Exchanges	136	15%		
Deduction of tax on dividends	117	Companies	20%	20% for company, fund, trust;
		Other than a company, having a TIN	10%	
		Other than a company not having a TIN	15%	30% for others

Table 1 (Section 89 of ITA read with Rule 3 of TSR)

Sl.	Description	Rate
1	Industrial undertaking engaged in MS billets and locally purchased MS scrap	0.5%
2	Supply by oil marketing companies engaged in the marketing of petroleum oil and lubricants	0.6%
3	Supply of oil by a dealer or agent of a petroleum oil market company	1%
4	Supply of paddy, rice, wheat, potato, fish, onion, garlic, peas, chickpeas, lentils, etc.	0.5%
5	Supply of cotton and	1%
6	Supply of all kinds of fruits	2%
7	Sub-contracts provided by the 100% export-oriented garments industry	1%
8	Industrial establishments engaged in manufacturing iron or iron products, ferro alloy products, ceramics, etc.	2%
9	Supply of oil by any company engaged in oil refinery activities.	1.5%
10	Company engaged in gas transmission	3%
11	Company engaged in gas distribution	0.6%



Sl.	Description	Rate
12	Supply of extra high voltage power cable made by companies that own a Vertical Continuous Vulcanization line at the local level	3%
13	Supply of books to any entity other than the government, including all of its sub-ordinate offices	3%
14	Supply of recycled lead	3%
15	Supply of industrial raw materials	3%
16	Supply of raw materials for the recycling industry	1.5%
17	Manufacturing, process or conversion, civil works, construction, engineering, or other similar works	5%
18	Supply of cigarettes, bidis, and other tobacco products	10%
19	Supply of any goods not mentioned in serails 1-12 above and any other cases not mentioned in section 89	5%

The tax must be withheld at source by the Bangladesh entity and remitted to the NBR as follows:

Time of Deductions	Tax to be Deposited
From July to May of the following year	Within two weeks of the end of the month
The first twenty days of June	Within seven days following the date of deduction
The last ten days of June	On the next day of deduction

The tax withheld from non-residents is considered a minimum tax and, therefore, is not subject to any refunds or adjustments with any demand.

## 6. Transfer Pricing [“TP”]

Bangladeshi transfer pricing provisions are broadly in line with the OECD Transfer Pricing Guidelines and apply to ensure that transactions between associated enterprises or related parties (either or both of whom are non-residents) are conducted at arm’s length (market) prices, including both subsidiaries and branches.

The transfer pricing provisions apply to goods, services, intangible property, and intercompany loans.

- A. Associated enterprises or related parties** are those based on a parent/subsidiary or common ownership or control relationships, or certain relationships in which one company controls decisions or executive appointments of another.
- B. Transfer pricing documentation:** a taxpayer who engages in international transactions of over BDT 30 million in a financial year is required to maintain documentation to be submitted on request to the National Board of Revenue (NBR) within 30 days, as well as a certificate from a chartered accountant in a prescribed format, if requested.

Transfer pricing documentation is prepared in either English or Bangla, and while annual benchmarks are preferred, prior-year data may be used. The five OECD and other methods are acceptable, as is the use of regional benchmarks. Penalties apply for non-compliance.

**Annual disclosure requirements:** all transactions with associated enterprises must be reported on an annual statement of international transactions and filed with an annual income tax return to local tax authorities.

## 7. Value Added Tax (“VAT”)

The VAT system in Bangladesh follows the conventional VAT system under which input VAT can be adjusted with output VAT (i.e., Input Tax Credit). VAT is generally imposed on sale or service transactions executed or performed in Bangladesh by an operator or person selling goods or rendering services during business or professional activities. VAT is also imposed on the import and export of goods at 15% and 0%, respectively.

Foreign and local entities planning to operate businesses in Bangladesh must register as VAT registrants with the NBR. The duties of the VAT registrant include issuing tax invoices and delivering them to customers when the tax point is reached, collecting VAT from customers, and remitting the VAT amount collected from customers to the NBR within a specified time.

An entity is not required to be a VAT registrant if its turnover is less than BDT 5 million annually. However, there is scope to register voluntarily. Once registered voluntarily, there is no scope for deregistration before the expiration of one year from the registration date. It is mandatory for foreign entities carrying on business in Bangladesh through a branch/liaison to get registered for VAT.

If a foreign operator performs business in Bangladesh and temporarily or only provides services from abroad while the services are used in Bangladesh, they do not need to register for VAT.

### **Central VAT Registration:**

An entity (apart from tobacco-based businesses) may opt for central registration in a preferred address where all accounts, tax deposits, and

records of economic activity relating to the supply of identical or similar goods or services, or both, from one or more locations, are maintained in an NBR-approved, software-based automated system.

Eligibility of central registration will lapse if, despite supplying identical or similar goods, the accounts and records of economic activity are maintained separately in separate locations.

### **VAT Agent:**

A non-resident entity that does not conduct business in Bangladesh from a local fixed base must appoint a VAT agent.

The VAT agent of the non-resident entity shall assume all responsibilities and carry out all activities of the non-resident, but the non-resident shall be liable for the payment of all taxes, fines, penalties, and interest thereon.

### **VAT Rates Currently in Force:**

Rate	Classification	Particulars
15%	Standard rate	Except for those included in the First and Third Schedules of the Law, all products and services imported to or provided in Bangladesh are subject to the Standard Rate.
Below 15%	Reduced rate	All goods and services included in the Third Schedule are subject to a Reduced Rate
0%	Zero-rated	All exports and deemed exports of goods and services from Bangladesh are subject to a zero rate
N/A	Exempted	Any goods and services included in the First Schedule or a Statutory Regulatory Order ("SRO") issued explicitly to grant exemptions.

VAT is payable by a VAT registrant monthly before the 15<sup>th</sup> day of the month following its collection.

VAT levied on the importation of goods into Bangladesh is imposed based on CIF prices (including import duties and excise taxes) and is collected upon import at the customs clearance point along with related customs duties. The Customs Department oversees the collection and remitting of import VAT to the NBR.

The VAT system in Bangladesh follows a typical offsetting formula (i.e., Input Tax Credit, *discussed below*) whereby an operator computes VAT monthly by netting the value of its Output Tax (VAT amount collected from the customers when selling goods or providing service) against its Input VAT (VAT paid to the seller of goods or service provider) and allows requests for a VAT refund (when there is a negative balance) that can be carried forward to the following month (up to a maximum of six months) in situations when the level of Input Tax is higher than Output Tax. After six months, the VAT registrant may apply to the authority for a refund.

### **Input Tax Credit:**

Input VAT is the VAT paid by a VAT registrant on its imports and local purchases. Here, input means all raw materials, laboratory reagents, laboratory equipment, laboratory accessories, any material used as fuel, packaging materials, services, machines, and parts of machines.

The items below are not considered inputs, and any input VAT paid against them is not eligible for claiming a credit:

- Land, labor, buildings, office equipment and fixtures, infrastructure construction, maintenance, repair, and renovation;
- All furniture, office supplies, stationery, refrigerator, air conditioner, fan, lighting materials, generator purchases, and repairs;

- Interior design, architecture planning, and design;
- Lease and rental payments for transportation;
- Travelling, entertainment, goods, and services related to employee welfare associated activities;
- Rent for office premises, showrooms

Provided that the VAT registrant's output VAT rate is the standard rated (15%) or zero rated (0%), then input tax credit can be claimed through the VAT return within the current period or the subsequent four periods, except for the items listed below:

- any expense over BDT 100,000 for which payment is made without a banking channel or mobile financial service (MFS) platform, except for intra-company transactions;
- expenses for exempted goods or services;
- expenses for which the VAT invoice does not mention the name, address, and BIN of both the customer and the supplier;
- expenses related to transportation of goods above 80%;
- expenses related to the supply of goods and services for businesses other than export-oriented, which are subject to Turnover Tax or VAT at a specified rate or VAT at a rate less than 15%;
- expenses that are not mentioned in the Input-Output Coefficient Declaration;
- goods or services that are supplied for less than the purchase price;
- if an updated Input-Output Coefficient Declaration is not submitted in case of any deviation of more than 7.5% of the input amount;
- imported services for which output VAT has not been shown in the VAT Return;

- purchase of passenger vehicle or entertainment services, if input VAT credit may be allowed when such purchases are part of the ordinary course of economic activities of the person;
- VAT paid on inputs that have not been entered in the Purchase-Sale Register prescribed by the rules;
- VAT paid on the goods under the custody or possession, or occupancy of another person, except for contractual goods production

Any credit claimed regarding inputs that went into producing goods rendered unusable or damaged shall be cancelled. In this respect, the VAT registrant shall file an application to the authority in the prescribed manner. Once approved, the cancelled amount of VAT credit will need to be reported in the VAT return for the relevant month through an increasing adjustment.

### **Partial Input Tax Credit:**

There also exists a concept of claiming partial input tax credit through the following formula:

**$I \times T/A$** , whereby –

I = amount of input VAT on imports or acquisitions in the relevant period;

T = Amount of consideration paid by the VAT registrant against all taxable supplies in said period; and

A = Amount of consideration paid by the VAT registrant against all supplies in the same period.



## VAT Documents/Forms:

Sl.	Form	Details
1	Mushak-2.1	Application of VAT registration and turnover tax enlistment
2	Mushak-2.2	Application of VAT registration for non-residents
3	Mushak-3.1	Registration of a VAT agent
4	Mushak-3.2	Registration certificate of VAT agent
5	Mushak-3.4	Delegation of power to a VAT agent by a nonresident person
6	Mushak-4.2	Joint application for transfer of liabilities for the purpose of buying and selling an ongoing business
7	Mushak-4.3	Input-output co-efficient
8	Mushak-4.4	Application for the disposal of unused or unusable materials
9	Mushak-4.5	Application for the settlement of accidental damage or destruction

Sl.	Form	Details
10	Mushak-4.6	Application for the settlement of the supply and disposal of waste or by-products
11	Mushak-6.1	Purchase book
12	Mushak-6.2	Sales book
13	Mushak-6.2.1	Purchase-sale accounts for registered/enlisted persons not engaged in processing goods/ services
14	Mushak-6.3	VAT invoice
15	Mushak-6.5	Good transfer invoice for a centrally registered entity
16	Mushak-6.6	VAT deduction certificate
17	Mushak-6.7	Credit note
18	Mushak-6.8	Debit note
19	Mushak-6.9	Turnover tax challan (document)
20	Mushak-6.10	Information relating to purchase/sale invoices above BDT 200,000

Sl.	Form	Details
21	Mushak-9.1	VAT return
22	Mushak-9.2	Turnover tax return
23	Mushak-9.3	Application for submitting a late return
24	Mushak-11.1	Late VAT return
25	Mushak-11.2	Assessment order for VAT
26	Mushak-18.1	Application for a VAT consultant license
27	Mushak-18.1a	VAT consultant license

### Withholding VAT:

Withholding entities (see below) are required to withhold VAT from their procurements and deposit it into the government treasury within the seventh day of the following month, after which they must provide a VAT deduction certificate to their suppliers within three days from deposit.

The following are considered withholding entities:

- A government entity;
- A non-governmental organization approved by the NGO Affairs Bureau or the Directorate General of Social Welfare;
- A bank, insurance company, or a similar financial institution;

- An educational institution of secondary level or above;
- A limited company, branch office, or liaison office.

### VAT Rates on Services:

Sl.	Service Code	Particulars	Rate	Withholding Requirement?
1	S001.1	Hotel: A/C	15.0%	✓
2	S001.1	Hotel: Non-A/C	7.5%	✓
3	S001.2	Restaurant: A/C	5.0%	✓
4	S001.2	Restaurant: Non-A/C	5.0%	✓
5	S002	Decorators and caterers	15.0%	✓
6	S003.1	Motor Garages & Workshop	10.0%	✓
7	S003.2	Dockyard	10.0%	✓
8	S004	Construction Firms	7.5%	✓
9	S005.1	Warehouse	15.0%	
10	S005.2	Port	15.0%	
11	S006	Cold Storage	0.0%	
12	S007	Advertising Firms	15.0%	✓
13	S008.1	Printing Press	10.0%	✓
14	S008.2	Binding agency	0.0%	
15	S009	Auctioneer	10.0%	✓
16	S010.1	Land Development Firms	2.0%	✓
17	S010.2	Building Construction Firms (1-1600 sq. ft.)	2.0%	✓
18	S010.2	Building Construction Firms (> 1600 sq. ft.)	4.5%	✓

Sl.	Service Code	Particulars	Rate	Withholding Requirement?
19	S010.2	Building Construction Firms (Reregistration)	2.0%	✓
20	S011.10	Video Shop	15.0%	
21	S011.2	Video Game Shop	15.0%	
22	S011.3	Audio & Video Recording shop	15.0%	
23	S011.4	Audio & Video Rental Shop	15.0%	
24	S012	Telephone/Tele-printer/Telex/Fax	15.0%	
25	S012.14	Internet Service Provider	5.0%	
26	S012.2	SIM card supplier	15.0%	
27	S013	Automated Laundry	10.0%	
28	S014	Indenting Firm	5.0%	✓
29	S015.1	Freight Forwarders	15.0%	✓
30	S015.2	Clearing & Forwarding Agents	15.0%	
31	S016	Travel Agency	0.0%	
32	S017	Community Center	15.0%	✓
33	S018	Film Studio	10.0%	
34	S019	Photo Maker	0.0%	
35	S020	Survey Firms	15.0%	✓
36	S021	Rental of plant and capital equipment	15.0%	✓
37	S022	Sweet Shops	7.5%	
38	S023.1	Film producers	10.0%	

Sl.	Service Code	Particulars	Rate	Withholding Requirement?
39	S023.2	Cinema hall	10.0%	
40	S024.10	Furniture manufacturer	7.5%	✓
41	S024.20	Furniture distributor	7.5%	✓
42	S025	WASA	15.0%	
43	S026	Goldsmith, Silversmith, Jewelers	5.0%	
44	S027	Insurance Company	15.0%	
45	S028	Courier & Express Mail Service	15.0%	✓
46	S029	Astrologer	15.0%	
47	S030	Beauty Parlor	15.0%	
48	S031	Repair & servicing of taxable goods	10.0%	✓
49	S032	Consultancy & Supervisory Firms	15.0%	✓
50	S033	Leaseholder	15.0%	✓
51	S034	Audit & Accounting Firms	15.0%	✓
52	S035	Shipping Agent	15.0%	
53	S036.1	AC Bus Service	15.0%	
54	S036.2	AC Launch Service	10.0%	
55	S036.3	AC Railway Service	15.0%	
56	S037	Procurement Providers	7.5%	✓
57	S038	Arrangement of cultural program in coordination with Foreign Artists	15.0%	
58	S039.1	Satellite Cable Operator	15.0%	
59	S039.2	Satellite Channel Distributor	15.0%	

Sl.	Service Code	Particulars	Rate	Withholding Requirement?
60	S040	Security Services	10.0%	✓
61	S041	Marriage Media	15.0%	
62	S042	Automated Sawmill	10.0%	
63	S043	Supplier of Programs to Television and Online Media	15.0%	✓
64	S044	Services by BRTA	15.0%	
65	S045	Legal Advisors	15.0%	✓
66	S046	Health and Fitness Centre	15.0%	
67	S047	Sports Organizer	10.0%	
68	S048	Transport Contractors: of petroleum products	5.0%	✓
69	S048	Transport Contractors: others	10.0%	✓
70	S049	Rent-a-Car	15.0%	✓
71	S050.1	Architect, Interior Designer/ Decorator	15.0%	✓
72	S050.2	Graphic Designer	15.0%	✓
73	S051	Engineering firm	15.0%	✓
74	S052	Rental of a sound and lighting system	15.0%	✓
75	S053	Director's fee for attending the Board meeting	10.0%	✓
76	S054	Broadcasting advertisements through satellite	15.0%	✓

Sl.	Service Code	Particulars	Rate	Withholding Requirement?
77	S055	Land seller	0.0%	
78	S056	Banking and non-banking service providers	15.0%	
79	S057	Electricity Distributor	5.0%	
80	S058	Rental of a chartered plane and a helicopter	15.0%	✓
81	S059	Glass-sheet plating company	15.0%	
82	S060	Buyer of auctioned goods	7.5%	✓
83	S061	Credit Card Provider	15.0%	
84	S062	Money Exchange	15.0%	
85	S063	Tailoring Shop & Tailors	10.0%	
86	S064.1	Amusement Park and theme park	7.5%	
87	S064.2	Picnic Spot, Shooting Spot, and tourist spot	15.0%	
88	S065	Cleaning or Maintenance Service Providers of the Building's Floor and Yards	10.0%	✓
89	S066	Seller of Lottery	10.0%	✓
90	S067	Immigration advisor	15.0%	✓
91	S068	Coaching Center	15.0%	
92	S069	English Medium School	5.0%	
93	S070.1	Private University	0.0%	



Sl.	Service Code	Particulars	Rate	Withholding Requirement?
94	S070.2	Private Medical & Engineering College	0.0%	
95	S071	Event Management	15.0%	✓
96	S072	Human Resource Management	15.0%	✓
97	S073	Manpower Exporter	0.0%	
98	S074	Rent of the place	15.0%	
99	S075	Stock & Security Broker	0.0%	
100	S076	Social & sports club	10.0%	
101	S077	Tour Operator	0.0%	
102	S078	Sale centre of own-brand garments/clothes	7.5%	
103	S078	Sale centre of brand garments/clothes (except its own)	7.5%	
104	S080	Ride Sharing Service	5.0%	
105	S099.1	ITES - Information Technology Enabled Services	5.0%	✓
106	S099.2	Other miscellaneous services	15.0%	✓
107	S099.3	Sponsorship services	15.0%	✓
108	S099.4	Meditation service	0.0%	
109	S099.5	Credit Rating Agency	7.5%	✓
110	S099.6	Sale of Goods through Online/e-commerce	5.0%	

## 8. Customs and Import Duties

- **Customs Duty:** under the Customs Act (1964), is regarded as a type of indirect tax where the real burden of paying duty can be passed on to customers in the supply chain. The Customs Department of Bangladesh collects customs duty from imported goods.

Goods imported into Bangladesh are subject to customs duties. The precise duty rate depends on the nature of the goods. The Bangladesh Customs Tariff Schedule prescribes the applicable rates, which are reviewed regularly. Customs duties are collected, regardless of the point of entry, on all goods crossing the border, at a rate that varies from 0% to 35%, except for those specially exempted from customs duties by law or relevant regulatory orders. Customs duty is imposed on the assessed value/customs value at the applicable rate prescribed in the Bangladesh Customs Tariff Schedule.

The assessable value ("**AV**") is determined by the actual price, i.e., the price paid at the time and place of importation, with the addition of (a) freight paid, (b) landing charge/local cost, and (c) insurance expenditure.

Freight cost should exceed 20% of the Free-on-Board ("**FOB**") value and, if it cannot be determined, should be 20% of the FOB value. Insurance cost should be 1% of FOB value if it remains undetermined, and the landing charge is 1% of FOB, freight, and insurance cost.

## Calculation of AV:

Particulars
Cost (FOB)
Plus: Freight (20% of FOB)
Plus: Insurance (1% of FOB)
Plus: Landing charge $[1\% \times (\text{cost} + \text{freight} + \text{insurance})]$
<b>Total</b>

The importer is responsible for arranging for the examination and release of the imported cargo. Additionally, depending on the nature of the imports and regardless of value, the importers may need to obtain a permit to facilitate the clearance of the imports.

- **Supplementary Duty:** Luxury goods, non-essential and socially desirable goods, and certain other goods and services are subject to supplementary duty in Bangladesh. Supplementary duty at the rates prescribed in the Second Schedule of the VAT & SD Act (2012) shall be imposed on such goods and services supplied, imported, or provided in Bangladesh.
- **Regulatory Duty:** is levied at 0% to 5% in addition to the customs duties levied at such rates as are prescribed in the Customs Tariff Schedule

## 9. Tax Administration

### Tax Return Processing

After a self-assessed or revised return is filed, the Deputy Commissioner of Taxes ("**DCT**") processes it. They may adjust it for any mathematical errors or inconsistent claims based on submitted documents. Tax payable is recalculated accordingly, credit is given for advance and withheld tax, and any resulting balance is determined.

If discrepancies arise between processed figures and what the taxpayer originally declared, the DCT will issue a written notice outlining the differences and allow the taxpayer an opportunity to submit explanations or a revised return, and to settle any additional tax due.

After reviewing the response, if the DCT is satisfied that the revised return and payments reconcile the differences, the revised return will be accepted. Otherwise, a formal demand notice will be issued, and this must happen within six months of the initial notice.

The statute of limitation for tax return processing is two years from the end of the relevant assessment year in which the tax return is submitted.

### Tax Audits

Self-assessed tax returns may be selected for audit by the NBR or authorized officers. Once selected, an audit team, inquiry team, and curator are appointed, and the taxpayer is notified within seven working days.

The inquiry team reviews the taxpayer's financial and third-party records and submits a report within 60 days (extendable by another 60). The audit team

then reviews legal compliance, performs field inspections, and sends a draft report to the taxpayer for response.

Within 300 days, a final audit report is submitted to the curator, who recommends either concluding the audit (if no issues arise) or initiating further action. The Commissioner reviews this and issues a decision within seven days.

If the taxpayer files a revised return reflecting the audit findings and pays any dues, the audit is concluded. Otherwise, tax may be assessed under Section 183 or 184.

Returns showing at least 15% higher income than the previous year are generally exempt from audit unless exceptions apply (e.g., banks, unsubstantiated loans, or refund claims).

## **Tax Assessment**

The DCT may determine tax in certain situations, such as if the return is treated as a regular return, if audit results require it, or if tax determination is necessary under other provisions.

If the return was submitted on time, taxes were paid in full, the income reported is not less than the previous year's assessed income, and no refund is involved, the DCT can finalize the assessment without meeting with the taxpayer.

However, if further evidence is required, a notice will be issued, requiring the taxpayer to appear or submit documents. If the taxpayer fails to respond, the DCT may proceed with a "best judgment assessment", which is a one-sided assessment.

The DCT must give a hearing opportunity before rejecting any claim or disallowing any expense. A written order of assessment must be issued and communicated to the taxpayer within 30 days.

The taxpayer can decide to either settle the tax demand or challenge it through the appellate forum, starting with an appeal to the appeals commissioner. For an unfavorable verdict on the appeal, taxpayers can pursue a second round of appeal to the tax tribunal. If the taxpayer is still dissatisfied with the verdict of the tax tribunal, they can move to the High Court Division of the Supreme Court of Bangladesh. Such appeals can only be pursued on law points and not factual ones.

At any point in the appellate forum, taxpayers have the option to amicably settle a matter through Alternative Dispute Resolution (ADR). A verdict following an ADR is non-appealable.

### **Statute of Limitations**

Tax authorities can reopen a matter after an assessment has been completed for a maximum period of up to six years from the end of the relevant assessment year. Such limitations do not apply if a taxpayer has concealed any assets, in which case the tax department will consider that the assets were acquired within the six-year period during which they can reassess the taxpayer.

### **Anti-avoidance Rules**

The ITA addresses the misuse of tax arrangements that result in improper tax benefits, such as avoiding, deferring, or reducing tax liability, or bypassing tax deduction or collection obligations. An “arrangement” includes any agreement or transaction, whether legally enforceable or not. If such arrangements lack a genuine commercial purpose and are primarily aimed at securing tax advantages, they may be considered an abuse of the tax system.

If, during any proceeding, the DCT finds that a taxpayer has gained tax benefits through such abuse, the DCT may adjust the return by increasing income, revising liabilities, withdrawing allowances or rebates, or otherwise reversing the benefit. This action requires issuing a notice to the taxpayer

outlining the concerns and proposed measures, and offering a hearing with at least 30 days' notice. Following the hearing, and with approval from the Commissioner of Taxes, the DCT must issue an adjustment order within 30 days. The adjustment then becomes effective for all tax purposes.

## 10. Tax Treaties

Bangladesh has entered into Double Taxation Agreements (DTAs) with 43 countries to promote cross-border trade and investment by mitigating the risk of double taxation. In addition to preventing double taxation, these treaties often provide for reduced rates of withholding tax on dividends, interest, royalties, and technical service fees, and include provisions for the exchange of information and dispute resolution through mutual agreement procedures.

The countries with which Bangladesh has DTAs in force include: Bahrain, Belarus, Belgium, Bhutan, Canada, China, Czech Republic, Denmark, France, Germany, Hong Kong, India, Indonesia, Iran, Italy, Japan, Kuwait, Malaysia, Maldives, Mauritius, Morocco, Myanmar, Nepal, Netherlands, Norway, Oman, Pakistan, Philippines, Poland, Qatar, Romania, Saudi Arabia, Singapore, South Korea, Sri Lanka, Sweden, Switzerland, Thailand, Turkey, UAE, UK, USA, and Vietnam.

DTA relief is not automatic in Bangladesh, an application must be made to the NBR for approval. Along with the application for approval, various supporting documents must be submitted, including documents related to the income and a certificate of residency in the foreign jurisdiction, for NBR's review.



# 11. DFDL Tax Services

## **Tax Advisory**

- Tax planning for inbound and outbound investments
- Tax treaty planning
- M&A and Tax due diligence
- Tax review of contracts and transactions
- Assistance in obtaining tax rulings
- General tax advisory

## **Tax Compliance**

- Corporate tax compliance reviews
- Preparation and review of tax returns
- Personal income tax compliance, review, and related expatriate tax services

## **Tax Controversy**

- Assistance with tax audits and tax disputes

## **Public Sector Advocacy**

- Government consultancy
- Tax policy advocacy

## Transfer Pricing

- Transfer pricing design and advisory
- Transfer pricing documentation
- Transfer Pricing audit support and defense strategies
- Advanced Pricing Agreement ("**APA**") and Mutual Agreement Procedure ("**MAP**")

## 12. Our People

At DFDL, our most valuable assets are our people. We are dedicated to hiring, developing, and retaining experienced and efficient advisers. Key people who comprise our Bangladesh Team are:



**JACK SHEEHAN**

*Partner and Head of Regional Tax Practice*

**[jack.sheehan@dfdl.com](mailto:jack.sheehan@dfdl.com)**

Jack is a Partner and Head of Regional Tax Practice at DFDL. He has extensive experience in advising clients on tax matters in Asia. Jack provides advice on international tax planning, tax structuring, M&A, and transfer pricing.

Jack is listed as highly regarded by the International Tax Review and a leading individual for tax by the Legal 500.

Jack is regularly featured as a speaker and writer on tax in Asia and has given lectures on Asian and international tax at several leading bodies, including the International Fiscal Association ("IFA"), the International Bureau of Fiscal Documentation ("IBFD"), the World Bank, and leading universities across Europe and Asia.

Jack holds a master's in Tax Law from the University of Oxford and is a Fellow of the Association of Chartered Certified Accountants.

**SHAHWAR NIZAM***Partner, Managing Director, Bangladesh***[shahwar.nizam@dfd.com](mailto:shahwar.nizam@dfd.com)**

Shahwar is a Partner and serves as the Managing Director of DFDL Bangladesh. He is one of the highly regarded lawyers in Dhaka and has more than 20 years of expertise in the corporate and finance fields. While working in Bangladesh, Singapore, and the UK, he provided advice to major local and international enterprises, financial institutions, and law firms on a variety of banking and international finance, project finance, corporate finance, mergers and acquisitions, and general corporate matters. He also has significant experience in international arbitration and litigation matters. Shahwar has a wealth of experience in the energy, infrastructure, finance, telecom, technology, retail, and distribution industries.

Shahwar actively promotes Bangladesh investment opportunities to the largest financial investors overseas, particularly in the energy, infrastructure, and technology sectors. He has played a key role in advising and instructing foreign investors making their initial investments in Bangladesh. Shahwar oversees the Law Firm Referral Program of DFDL, which is one of the firm's key client programs.

Shahwar is frequently called to talk on the topics of energy and infrastructure at seminars. He is also recognized as a leading lawyer in Projects and Energy, and Corporate and Finance by leading legal directories.

Shahwar is qualified to practice at the bar of England & Wales after completing Pupillage at Erskine Chambers, London. He is also qualified in Bangladesh and is a member of the Dhaka Bar Association. He graduated from Sheffield University (UK) and holds an LL.M. (University of London, UK).

**FARHAN KABIR***Senior Tax Adviser***farhan.kabir@dfdl.com**

Farhan is a Senior Tax Adviser at DFDL Bangladesh. He is experienced in advising on corporate and international tax matters, including mergers and acquisitions, tax due diligence, transfer pricing, and tax incentives in Bangladesh.

Farhan has advised multinational clients on international tax structures for Bangladesh and represented several clients in tax assessments before the National Board of Revenue (NBR), the governing body for taxes in Bangladesh.

He holds a Bachelor's degree in applied accounting from Oxford Brookes University and is a member of the Association of Chartered Certified Accountants (ACCA).

# DFDL Tax Guide Bangladesh

*Written by experts from DFDL with information on:*

Bangladesh Regulatory System • Setting up Business in Bangladesh • Accounting/Financial Reporting • Foreign Investment Law • Special Economic Zones • Compliance Requirements • Taxation • and more.

## About Us

DFDL is the leading international law firm specialized in emerging markets with pan-regional legal and tax expertise developed throughout the Mekong region (Cambodia, Lao PDR, Thailand, Myanmar, Vietnam), Singapore, Bangladesh, Indonesia, and other developing markets, with a dedicated focus on other Southeast Asian jurisdictions, South Asia, and the Middle East.

With a team of over 150 foreign and local advisers working closely together within a fast-growing network of 12 offices, including affiliated firms, in Asia, we provide personalized and cost-effective legal, tax, and consulting services and solutions with expertise in:

- Aviation Antitrust and Competition
- Aviation and Logistics
- Banking and Finance
- Compliance and Investigations
- Corporate Advisory
- Corporate, Mergers and Acquisitions

- Dispute Resolution
- Employment
- Energy, Natural Resources, and Infrastructure
- Investment Funds
- Real Estate and Hospitality
- Restructuring
- Tax and Transfer Pricing
- Technology, Media and Telecoms

Founded in 1994, DFDL has acquired an outstanding reputation for providing seamlessly integrated and solution-oriented legal and tax services to establish, structure, and protect our clients' business interests. DFDL is also actively involved, in tandem with local jurisdiction stakeholders, in developing our emerging markets' legal and regulatory environment.

Our team of local and internationally trained legal advisers offers a full range of services to local and international clients with activities in Thailand, Southeast Asia, and beyond. We can advise on all aspects of Bangladesh law.

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