

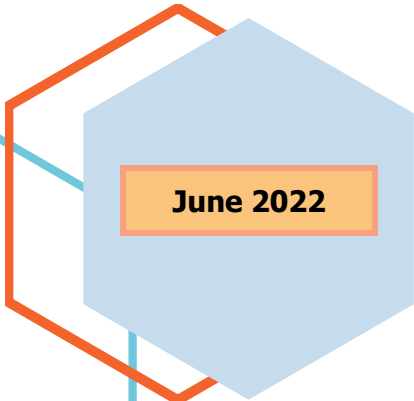
Summary of important changes introduced by the Finance Bill, 2022 of Bangladesh



ACNABIN
Chartered Accountants



bakertilly
NETWORK MEMBER



June 2022



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Preface

This represents a brief summary of important changes introduced by the Finance Bill, 2022 of Bangladesh, both in the fields of **Direct and Indirect Taxes**. As would be evident from the summary, some of the existing provisions of law have been proposed to be amended or rationalized. Our aim is to acquaint our clients and prospective investors, home and abroad, with the latest proposal of amendments regarding the provisions of the said laws.



Summary of Budget for the FY: 2022-2023

২০২২-২৩
অর্থবছরের
প্রস্তাবিত
বাজেট

জিডিপি প্রবৃদ্ধি
৭.৫%

মূল্যস্ফীতি
৫.৬%

বাজেটের আকার
৳ ৬,৭৮,০৬৪ কোটি

উন্নয়ন ব্যয়
৳ ২,৪৬,০৬৬ কোটি

পরিচালন ব্যয়
৳ ৪,৩১,৯৯৮ কোটি

ঘাটতি
(জিডিপি ৫.৫%)
৳ ২,৪৫,০৬৪ কোটি

ব্যাকস্বর্ণ
৳ ১,০৬,৩৩৪ কোটি

বৈদেশিক ঋণ ও অনুদান
৳ ৯৮,৭২৯ কোটি

সঞ্চয়পত্র ও অন্যান্য ঋণ
৳ ৪০,০০১ কোটি

মোট রাজস্ব
৳ ৪,৩৩,০০০ কোটি

এনবিআরের লক্ষ্যমাত্রা
৳ ৩,৭০,০০০ কোটি

অন্যান্য **১.৪০%**


সম্পূর্ণক শুল্ক **১৫.৮০%**

ভ্যাট **৩৮.২০%**

আয়কর **৩২.৭০%**

আমদানি শুল্ক **১১.৯০%**

এনবিআর-বহির্ভূত আয়
৳ ৬৩,০০০ কোটি

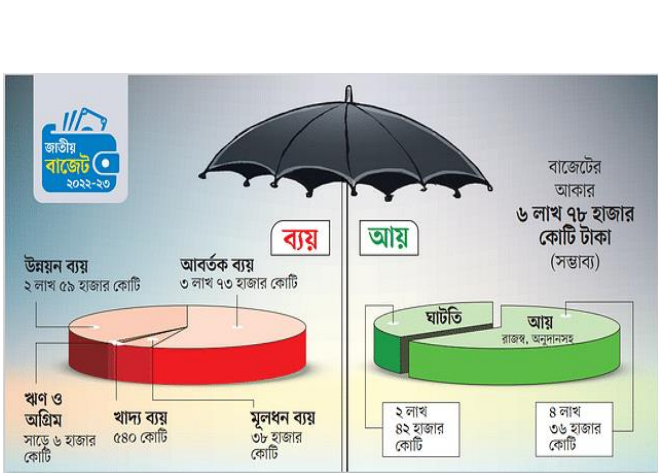
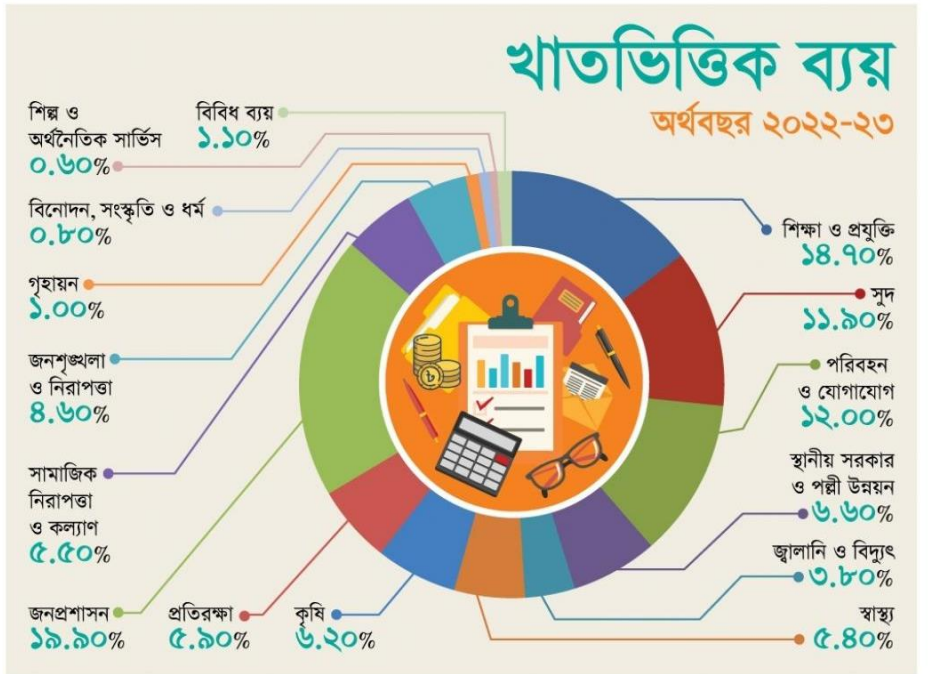
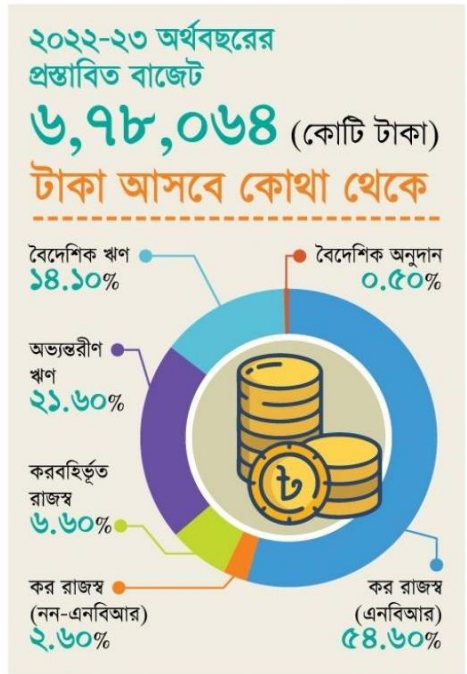


জাতীয় সংসদে গতকাল ২০২২-২৩ অর্থবছরের বাজেট পেশ করেন অর্থমন্ত্রী আ হ ম মুস্তফা কামাল

বাজেট হাইলাইটস

- চলতি বছর ৯ পণ্য আমদানিতে অতিরিক্ত ব্যয় হবে ৳ ২ বিলিয়ন ডলার
- কিছু ক্ষেত্র ব্যতীত সবার জন্য রিটার্ন দাখিল বাধ্যতামূলক করা হবে
- রেমিট্যান্সে আড়াই শতাংশ প্রণোদনা বহাল
- ব্যাকে পাঁচ কোটি টাকার বেশি থাকলে আবগারি শুল্ক ৫০ হাজার টাকা

- ট্রেনে এসির পাশাপাশি প্রথম শ্রেণির টিকিটে ১৫ শতাংশ ভ্যাট
- পুঁজিবাজারে কালাটাকা বিনিয়োগের সুযোগ বন্ধ
- সারে ভর্তুকি দেয়া হবে ১৬ হাজার কোটি টাকা
- করের আওতায় আসছে হোটেল, রিসোর্ট ও কমিউনিটি সেন্টার
- পোশাক রপ্তানিতে এক শতাংশ অতিরিক্ত প্রণোদনা অব্যাহত
- কভিড মোকাবিলায় খোক বরাদ্দ ৫০০০ কোটি টাকা
- দুর্যোগে ক্ষতিগ্রস্তদের জন্য বিশেষ বরাদ্দ ৫০০০ কোটি টাকা
- ল্যাপটপ আমদানিতে ১৫ শতাংশ ভ্যাট আরোপ
- স্বাস্থ্যের মৌলিক গবেষণায় ১০০ কোটি টাকা বরাদ্দ



Sources: Daily newspapers of 10 June 2022

1. PERSONAL TAX



1.1 Tax rate for individuals, Hindu undivided families and partnership firms:

1.1.1 Rates of income tax:

No change has been proposed to the existing range of income in general and applicable rates of income tax thereon of resident individual assessee (including non-resident Bangladeshi), Hindu undivided family and Partnership firm:

Comparison between existing and new range of income and tax rates thereon			
Existing range of income for AY 2021-2022	Existing tax rate for AY 2021-2022	Proposed range of income for AY 2022-2023	Proposed tax rate for AY 2022-2023
Up to Tk. 3,00,000	Nil	Up to Tk. 3,00,000	Nil
Next Tk. 1,00,000	5%	Next Tk. 1,00,000	5%
Next Tk. 3,00,000	10%	Next Tk. 3,00,000	10%
Next Tk. 4,00,000	15%	Next Tk. 4,00,000	15%
Next Tk. 5,00,000	20%	Next Tk. 5,00,000	20%
Remaining amount	25%	Remaining amount	25%

1.1.2 Tax free limit:

Tax-free limit of income has been proposed to keep unchanged:

Tax-free limit of income	Existing for AY 2021-2022	Proposed for AY 2022-2023
General assessee (Other than those mentioned below)	Tk. 3,00,000	Tk. 3,00,000
Male individuals aged 65 years or more and all female individuals	Tk. 3,50,000	Tk. 3,50,000
Transgender individual	Tk. 3,50,000	Tk. 3,50,000
Handicapped individual	Tk. 4,50,000	Tk. 4,50,000
Gazetted war wounded freedom fighter	Tk. 4,75,000	Tk. 4,75,000
Any one of parents or legal guardians of a disabled child	Additional Tk. 50,000 of the above applicable tax-free limit for each disabled child.	

1.1.3 Minimum tax:

No change has been proposed for minimum tax of on an assessee being individual. The applicable minimum tax is as follows:

Sl. No.	Location of taxpayer	Minimum tax
1	Dhaka North City Corporation, Dhaka South City Corporation and Chattogram City Corporation	Tk. 5,000
2	Other City Corporations	Tk. 4,000
3	Areas other than City Corporation	Tk. 3,000

1.1.4 Surcharge:

Rates of surcharge for individual assessees, having net wealth exceeding certain limit, was proposed to keep unchanged:

Existing for AY 2021-2022		Proposed for AY 2022-2023	
Total net wealth	Rate	Total net wealth	Rate
Up to Tk. 3 crore	Nil	Up to Tk. 3 crore	Nil
Over Tk. 3 crore up to Tk. 10 crore	10%	Over Tk. 3 crore up to Tk. 10 crore	10%
Assessee having more than 01 motor vehicles in his/her own name		Assessee having more than 01 motor vehicles in his/her own name	

Existing for AY 2021-2022		Proposed for AY 2022-2023	
Total net wealth	Rate	Total net wealth	Rate
or having at least 8,000 square feet of house property in any city corporation area		or having at least 8,000 square feet of house property in any city corporation area	
Over Tk. 10 crore up to Tk. 20 crore	20%	Over Tk. 10 crore up to Tk. 20 crore	20%
Over Tk. 20 crore up to Tk. 50 crore	30%	Over Tk. 20 crore up to Tk. 50 crore	30%
Over Tk. 50 crore	35%	Over Tk. 50 crore	35%

1.1.5 Tax rate for non-resident individual:

Rate of income tax for a non-resident individual assessee (except non-resident Bangladeshi) has been proposed to be same as that of previous year, which is 30% on total taxable income.

1.2.1 Ease of restriction proposed for the individual assessee:

- By amending the definition of 'tax day', an individual assessee who has not submitted return before will be able to submit his/her income tax return within 30 June following the end of the income year without attracting any penalty (u/s 124)/50% additional interest (u/s 73)/delay interest (u/s 73A). In the earlier, the deadline for filing the income tax return irrespective for a new assessee was 30 November following the end of the income year [Clause (62A) of section 2];
- A loan or gift received from son or daughter will not be considered as income from other sources if a banking channel or formal channel is involved in the process [Section 19(21)];
- Instead of 10% or 15% of investment rebate depending on the total income being above or below Tk. 15 lakh respectively, all individual assesseees will be eligible to claim 15% investment rebate on the eligible amount [Section 44(2)];
- 50% income of an individual, Hindu undivided family and partnership firm from export will be exempted from tax. This benefit will be effective up to 30 June 2028. [SRO 158-Law/Income Tax/2022 dated 01 June 2022].

1.2.2 Risks/restrictions proposed for the individual assessee:

- Income from other sources by way of cancellation of indebtedness will be applicable for the individual assessee [Section 19(11)];
- Maximum eligible amount for calculating investment rebate will be reduced to 20% of total income in place of 25%. Moreover, an assessee who fails to submit income tax return as required under section 75, will be entitled to claim investment rebate only 7.5% on the eligible amount. [Section 44(2)];
- Liability of directors for unrecoverable tax of private companies will be extended up to any company which has discontinued business for 03 successive years [Section 100].

2. CORPORATE TAX



2.1 For corporate bodies and business entities:

2.1.1 Rates of income tax:

i. In a few cases, reduction in rates of corporate income tax has been proposed:

Description	Existing rates for AY 2021-2022	Proposed rates for AY 2022-2023	*Applicable tax rates if fails to meet the condition
Publicly traded company that issues shares worth more than 10% of its paid-up capital through Initial Public Offering (IPO)	22.5%	20%	22.5%
Publicly traded company that issues shares worth 10% or less than 10% of its paid-up capital through Initial Public Offering (IPO)	22.5%	22.5%	25%
Non-publicly traded company	30%	27.5%	30%
One Person Company (OPC)	25%	22.5%	25%
Publicly traded bank, insurance and financial institution (except merchant bank)	37.5%	37.5%	Condition not applicable
Non-publicly traded bank, insurance and financial institution (except merchant bank)	40%	40%	Condition not applicable
Merchant bank	37.5%	37.5%	Condition not applicable
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% + 2.5% (surcharge)	45% + 2.5% (surcharge)	Condition not applicable
Publicly traded mobile operator company (at least 10% share of paid-up capital transferred through stock exchange of which minimum 5% must be through pre-initial public offering)	40%	40%	Condition not applicable
Non-publicly traded mobile operator company	45%	45%	Condition not applicable
Association of persons	30%	27.5%	30%
Artificial juridical person and other taxable entities	30%	27.5%	30%
Private University, private medical college, private dental college, private engineering college or private college solely dedicated to imparting education on ICT	15%	15%	Condition not applicable
*Condition: All receipts and income must be transacted through bank transfer and all expenses and investments over Tk. 12 lakh must be made through bank transfer.			

ii. If an assessee, being an appointing authority, appoints minimum 10% handicapped individuals of total employees or more than 25 in number, then the amount representing 5% of tax liability of the employer or 75% of the salary paid to such handicapped employees, whichever is lower, will be allowed as tax rebate.

- iii. If any employer appoints transgenders equivalent to at least 10% of total employees or more than 25 in number, then the amount representing 5% of tax liability of the employer or 75% of the salary paid to transgender employees, whichever is lower, would be allowed as tax rebate.

2.1.2 Proposals for ease of doing business:

- i. Restrictions for receiving any loan, advance or deposit of any kind over Tk. 5,00,000 through bank transfer will not be applicable for deposits received by a bank, financial institution, organization registered with Micro Credit Regulatory Authority or NGO Affairs Bureau [Section 16(21)];
- ii. The admissible limit of perquisite paid to an employee extended up to Tk. 10,00,000 in place of Tk. 5,50,000 [Clause (e) of Section 30];
- iii. Amalgamated companies will have the right to carry forward the accumulated loss and the unabsorbed depreciation of the amalgamating companies [Section 42(8)];
- iv. Special benefits for startup companies introduced by:
 - defining start-up companies,
 - relaxing restrictions under sections 30, 30B, 75,
 - allowing carry forward of loss up to 09 assessment years,
 - reducing minimum tax on gross receipt to 0.1% from 0.6% [Section 111A];
- v. Amortization of pre-commencement expenditure up to 05 years will be allowed [Para 10B of 3rd Schedule].

2.1.3 Exemptions/reduction of tax rate allowed/extended:

- i. Business income of an ocean-going ship being Bangladeshi flag carrier for the period from 1st July 2022 to 30th June 2030, if the income is received in foreign currency and brought into Bangladesh as per existing laws [Para 61 of 6th Schedule, Part A];
- ii. Income from poultry, hatchery and fisheries will avail reduced tax rates (up to Tk. 10 lac exempted, next Tk. 10 lac @ 5%, next Tk. 10 lac @ 10%, rest of the income @ 15%). These rates of tax have been unified for poultry and fisheries business, effective from 01 July 2022 [SRO no. 157-Law/Income Tax/2022 dated 01 June 2022].

Please note that SRO no. 254-Law/Income Tax/2015 dated 16 August 2015 (Reduced tax rates for income from poultry farm) and SRO no. 255/Law/Income Tax/2015 dated 16 August 2015 (Reduced tax rates for income from poultry, hatchery & fisheries) have been deleted;

- iii. Subject to compliance with a few conditions, income of an assessee (except individual, firm and Hindu undivided family) from export will be taxed @ 12% or in the case of a factory which is Leadership in Energy and Environmental Design (LEED) certified, the tax rate on income from export will be 10%. This benefit will be effective up to 30 June 2028. [SRO no. 158-Law/Income Tax/2022 dated 01 June 2022].

Please note that SRO no. 255-Law/Income Tax/2017 dated 01 August 2017 (Reduced tax rate for export-oriented garments) has been deleted;

- iv. Subject to compliance with a few conditions, companies engaged in textiles business may avail the benefit of reduced tax rate @ 15% on income from the said business up to 30 June 2025 [SRO no. 159-Law/Income Tax/2022 dated 01 June 2022].

Please note that SRO no. 193-Law/Income Tax/2015 dated 30 June 2015 (Reduced tax rate for textiles business) has been deleted.

2.1.4 Proposals in respect of disallowances for business income:

- i. Up to 5% of total income carried to any special reserve created by financial institution deleted from the list of allowable expenditures [Clause (v) of Section 29(1) deleted];
- ii. Any contribution made to Workers' Profit Participation Fund under Labor Act, 2006 will not be admissible business expenditure and be taxed at regular rate [Clause (q) of section 30].

2.1.5 Tax benefit withdrawn/restriction imposed:

- i. Capital gain arising from the transfer of Government securities will be taxable now [Deletion of section 32(7)];
- ii. Instead of only the companies registered under Companies Act, 1994; all the deemed companies (including liaison office, branch office etc.) under the definition of 'Company' [as per clause (20) of section 2] have to comply with the provision of section 35 [Section 35(3)];
- iii. New restrictions imposed for claiming exemption from tax or reduced rate of tax; e.g. have to comply with all provisions of Chapter VII of the Ordinance, receive all receipts (income of which is exempted or taxed at reduced rate) through bank transfer (except for individual assessee whose gross receipt does not exceed Tk. 01 crore or income is derived from agriculture or farming) [Section 44(5)];
- iv. Tax deducted at source u/s 52Q (on income by serving non-residents), and advance tax given u/s 53Q (for motor vehicles plying commercially) and 53R (for inland ships) added in the list of income that will attract minimum tax [Section 82C];
- v. For the purpose of tax recovery, the DCT may write to disconnect the supply of gas, electricity, water or any other service within 21 days from the receipt of such notice [Section 143].

2.1.6 Amendments in the deductions of tax:

- i. Hotel, resort, community center and transport agency having annual turnover exceeding Tk. 01 crore and Artificial juridical person will be considered as deducting authorities [Section 52];
- ii. Rates of deduction of income tax for supply of books (except to Government bodies), trading goods and industrial raw materials have been fixed to 3%, 5% and 4% respectively [Section 52, Rule 16];
- iii. Rates of deduction of tax at source vide section 52AA amended. Instead of two different rates on the basis of volume of transaction (above or below Tk. 25 lakh), a single rate, irrespective of volume, is proposed [Section 52AA];
- iv. No deduction of tax for receipts in foreign currency on account of business income derived by an ocean-going ship being Bangladeshi flag carrier, exempted from income tax vide para 61 of the 6th Schedule, Part A [Section 52Q];
- v. Rate of tax deduction at source from export proceeds raised from 0.5% to 1% [Section 53BB];
- vi. Rate of tax deduction at source from bank interest of a company will be 20% [Section 53F];
- vii. Rent of water body, not being Government property, will be subject to tax deduction at source [Section 53];

- viii. By cancelling respective SROs for advance tax on motor vehicles plying commercially and inland ships, new sections inserted [Sections 53Q & 53R];
- ix. 10% tax deduction on payment for bandwidth to non-residents introduced and tax deduction on any other payments to non-residents reduced to 20% from 30% [Section 56];
- x. Stricter penalty introduced for the failure to comply with the provisions of Chapter VII [Section 57].

2.2 Proposed amendments/insertions in the definitions:

2.2.1 Amendments:

- i. The definition of 'amalgamation' amended by separately addressing the amalgamated Bangladeshi and Foreign company [Clause (2) of section 2];
- ii. Charitable organizations will require obtaining approval from the National Board of Revenue [Clause (16) of section 2];
- iii. The definition of 'tax day' amended for the benefit of individual assessee who has not submitted return of income before [Clause (62A) of section 2].

2.2.2 Insertions:

- i. Instead of section-wise definition of 'bank transfer', it will be introduced in the list of general definitions under section 2 [Clause (12A) of section 2];
- ii. In line with the definition of 'export' in the VAT law, it will also be defined in the tax law which includes deemed export and export of service [Clause (28A) of section 2];
- iii. By deleting the section-wise definition of 'scientific research', the new definition of 'research and development' introduced in the list of general definitions [Clause (54A) of section 2];
- iv. The definition of 'supply of goods' newly introduced [Clause (61A) of section 2].

2.3 Special tax treatment in respect of undisclosed offshore assets:

Following the deletion of sections 19AAAA (Special tax treatment for investment in securities) and 19AAAAA (Special tax treatment for undisclosed property, cash etc.), a new section has been proposed for the special tax treatment of undisclosed assets located outside Bangladesh.

No question will be raised as to the source of undisclosed asset located outside Bangladesh if an assessee pays tax at prescribed rate before the submission of return of income applicable for the assessment year 2022-2023 [Section 19F].

Serial No.	Description of the Asset	Rate of tax
1	Any immovable asset located outside Bangladesh without repatriation to Bangladesh	15% of fair market value of assets
2	Any movable asset including cash or cash equivalents, bank accounts, securities and financial instruments without repatriation to Bangladesh	10%
3	Any cash or cash equivalents, bank deposits, bank notes, bank accounts, convertible securities and financial instruments repatriated to Bangladesh	7%

2.4 Clarifications:

- i. Any transfer of capital asset in a scheme of amalgamation will come under the purview of computation of capital gain. However, any consideration, other than the shares of the amalgamated company, received by shareholders the amalgamating companies, will be subject to applicable tax [Section 32(5A)];
- ii. Any lessor will not be eligible to claim depreciation on the leased-out machinery, plant, vehicle or furniture. Previously this restriction was for leasing companies only [Para 3 of 3rd Schedule].

2.5 Mandatory submission of income tax return:

- i. MPO listed educational institution who has English version curriculum;
- ii. Funds except recognized provident fund, approved gratuity fund, pension fund or approved superannuation fund;
- iii. Non-resident entity other than a non-resident individual having no fixed base in Bangladesh.

2.6 Disclosure of global assets and liabilities:

All resident Bangladeshi individual assesseees will be required to furnish the statements of assets and liabilities in respect of all local and global assets and liabilities of the person or the spouse, minor children and dependents of that person.

2.7 Others:

- i. Requirement of showing/submitted e-TIN replaced with the proof of submission of return and the scope extended [Section 184A];
- ii. Effect of the decision of the ADR will have to be given within 30 days from the date of the communication of the Order [Section 94];
- iii. No authority (except the Courts and the tax authority under section 3 and Chapter XIX) will be able to question any assessment made under Chapter IX of the Ordinance [Section 94B];
- iv. Format of the Statement of tax deducted from salaries amended [Rule 21];
- v. Offshore Indirect Transfer Rules, 2022 introduced [SRO 156-Law/Income Tax/2022 dated 01 June 2022].

3. VALUE ADDED TAX & SUPPLEMENTARY DUTY



3.1 Change in definitions:

Service has been proposed to be considered as input for traders [Section 2(18a)].

3.2 VAT registration:

- i. VAT registration for branch office, liaison office or project office of foreign companies & Mushak Agent made mandatory [Section 4(2)];
- ii. Central VAT registration can be taken for companies having one or more places of production and supply of related products upon maintaining books of accounts, tax payment etc. through automated software [Section 5].

3.3 Supply of zero-rated services:

Service to international transport and loading/unloading service to international ships are proposed to be excluded from zero-rated VAT [Section 24(11)].

3.4 Input tax credit:

- i. The restriction for claiming input tax rebate for any transaction over Tk. 1,00,000 not made through banking channel has been withdrawn for sale and purchase of inputs within the organizations under same ownership [Clause (a) of section 46(1)];
- ii. Input tax credit for goods under possession of contract manufacturer can be taken by original manufacturer [Clause (d) of Section 46(1)];
- iii. If the consideration (sale price) of the supply is lower than the purchase price of the inputs, then input tax rebate can be claimed only up to the consideration (sale price) [Clause o of Section 46(1)];
- iv. Invoice issued by mobile banking service providers against payment of electricity bill considered as VAT Challan [Clause (f) of Section 46(3)].

3.5 Tax withheld at source:

- i. If the supply is made by a VAT non-registered entity, the withholding entity will be responsible to pay applicable VAT thereon by its own [Section 49(2)];
- ii. Clarification has been proposed that there will be no applicability of VAT on sub-contractor [Section 49(5)];
- iii. Deducted VAT shall be deposited to government treasury within 7 days following the month in which the payment to the supplier will be made [SRO 179].

3.6 Decreasing adjustment:

Decreasing adjustment can be taken within the relevant month in which the payment is received and following 03 months [Section 50 (2)].

3.7 Refund or adjustment of taxes paid in excess:

Refund can be claimed if any VAT is paid by an unregistered person by mistake [Section 72].

3.8 Penalty:

- i. An entity which failed to file VAT return during its dormant period of business is relieved from any penalty that arose for not filling the returns for the said period [Section 85 (2A)];

- ii. Penalty for non-compliance in filing VAT or turnover tax return within the prescribed time period reduced to BDT 5,000 from BDT 10,000;
- iii. In the following cases, penalty reduced to “not less than half but not more than the avoided amount of VAT”:
 - Non-compliance or irregularities for not making inclusion of the output tax in the return;
 - Irregularities for taking more input tax credit than the amount entitled;
 - Irregularities relating to making an increase of a decreasing adjustment or making a decrease of an increasing adjustment in the return;
 - Irregularities for willingly evading or attempting to evade assessment and payment of taxes;
- iv. Penalty amounting BDT 1,00,000 proposed for suppliers of exempted goods/services if they do not comply with sections 51, 53,54,64 and 107.

3.9 Appeal, Tribunal & High Court:

- i. For calculating 20%/10% (whichever applicable) tax on the demanded amount before filing appeal to the Appellate Commissioner, Appellate Tribunal and Honorable High Court Division; penalty imposed will be excluded [Section 121(2)];
- ii. Additional 60 days may be allowed by the Appellate Tribunal if the appellant fails to file appeal within stipulated 90 days for any valid reason [Section 122].

3.10 Imposition of interest on payable tax:

Imposition of interest on VAT payable cannot exceed 24 months [Section 127 (1)].

3.11 Changes in 1st Schedule, Part-1 (list of exempted goods):

H.S Code	Particulars	Insertion/deletion/Replacement
0305.10.90	Dry & salted fish	Deletion
0309.10.90	Fish powder (up to 2.5 Kg except packaged)	Insertion
0410.10.90 0410.90.90	Food Item produced from live stock	Replacement
2508.40.90	Soil	Replacement

3.12 Changes in 1st Schedule, Part-2 (List of exempted services):

- i. VAT is exempted on brail printed for visually impaired person;
- ii. VAT will be charged on first class non-AC railway service.

3.13 Changes in 3rd Schedule (reduced rate of VAT):

Sl. No.	HS Code/ Service Code	Description	Table/ Para	Existing rate	Amended rate
1	HS 19.05	Cake (Per Kg exceeding TK. 250, previously was per Kg exceeding TK. 150)	Table 1, Part A	5%	5%
2	HS 48.18	Hand towel, paper towel, clinical bed sheet		5%	5%



Sl. No.	HS Code/ Service Code	Description	Table/ Para	Existing rate	Amended rate
3	S001	Restaurants in Hotel exceeding 3 star and having bar	Table 1, Part B	10%	15%
	S001	Other AC/Non-AC Restaurant		10%/5%	5%
4	S036.20	AC Water transport (Change in the definition of service)	Table 3, Part B	10%	10%
5	HS Code 54.02 to 54.10 & 55.12 to 55.16	Manmade fibre	Table 4, Part A	Tk. 6 per Kg	Tk. 3 per Kg
6	HS Code 72.13 to 72.16	MS Product		Tk. 1,200, TK. 1,000, Tk. 1,000, Tk. 2,000 per ton (based on category)	Tk. 1,400, TK. 1,200, Tk. 1,200, Tk. 2,200 (In every case TK. 200 has been increased)
7		Wholesaler	Para 4	4%	1.5%

3.14 Exemption/reduction of VAT/SD:

Sl. No.	SRO No.	SRO Date	Particulars	Status
1.	161-AIN/2022/174-Mushak	01-06-2022	Amendment of VAT & SD Rules 2016	Amendment
2.	162-AIN/2022/175-Mushak	01-06-2022	Excise duty	Amendment of SRO 143-AIN/2020/104-Excise
3.	163-AIN/2022/176-Mushak	01-06-2022	VAT exemption on different stages	Amendment of SRO 141-AIN/2021/138-Mushak
4.	164-AIN/2022/177-Mushak	01-06-2022	VAT exemption for refrigerator and freezer & compressor manufacturing	Amendment of SRO 174-AIN/2019/31-Mushak
5.	165-AIN/2022/178-Mushak	01-06-2022	VAT exemption on local Automobiles manufacturing	New
6.	166-AIN/2022/179-Mushak	01-06-2022	VAT exemption of Active Pharmaceutical ingredients (API)	Amendment of SRO 178-AIN/2019/35-Mushak
7.	167-AIN/2022/180-Mushak	01-06-2022	VAT exemption on Polypropylene Staple Fiber Production Line	Amendment of SRO 179-



Sl. No.	SRO No.	SRO Date	Particulars	Status
				AIN/2019/36-Mushak
8.	168-AIN/2022/181-Mushak	01-06-2022	Fair market price	Amendment of SRO 180-AIN/2019/37-Mushak
9.	169-AIN/2022/182-Mushak	01-06-2022	Instruction for using Cigarette Band Role	Amendment of SRO 181-AIN/2019/38-Mushak
10.	170-AIN/2022/183-Mushak	01-06-2022	Fixation of retail price of cigarette and tobacco products	Amendment of SRO 147-AIN/2020/108-Mushak
11.	171-AIN/2022/184-Mushak	01-06-2022	Exemption of SD on cigarette and Biri	Amendment of SRO 155-AIN/2020/116-Mushak
12.	172-AIN/2022/185-Mushak	01-06-2022	Definition of service	Amendment of SRO 186-AIN/2019/43-Mushak
13.	173-AIN/2022/186-Mushak	01-06-2022	Procedure for collection of VAT from Brick manufacturers	Amendment of SRO 195-AIN/2019/52-Mushak
14.	174-AIN/2022/187-Mushak	01-06-2022	Central registration and payment of VAT	Amendment of SRO 263-AIN/2019/79-Mushak
15.	175-AIN/2022/188-Mushak	01-06-2022	VAT rate for MS products at trading stage	Amendment of SRO 320-AIN/2019/82-Mushak
16.	176-AIN/2022/189-Mushak	01-06-2022	Time extension of SRO up to 30 June 2023 for exemption of VAT exceeding 5% on Containers for compressed or liquefied gas (LPG Cylinder)	Amendment of SRO 259-AIN/2020/122-Mushak
17.	177-AIN/2022/190-Mushak	01-06-2022	VAT exemption of manufacturer of computer and computer accessories	Amendment of SRO 150-AIN/2021/147-Mushak
18.	178-AIN/2022/191-Mushak	01-06-2022	Exemption of AT on different products and organizations	Amendment of SRO 151-AIN/2021/148-Mushak



Sl. No.	SRO No.	SRO Date	Particulars	Status
19.	179-AIN/2022/192-Mushak	01-06-2022	VAT deduction at sources	Amendment of SRO 240-AIN/2021/163-Mushak
20.	180-AIN/2022/193-Mushak	01-06-2022	VAT exemption on local manufacturer of three-wheeler	New
21.	181-AIN/2022/194-Mushak	01-06-2022	VAT exemption on local battery manufacturer	New

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4. CUSTOMS DUTY



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4.1 Insertion of new sections for ease of operation and maintaining confidentiality:

- i. The operation of any bonded warehouse may be performed electronically subject to some conditions, restrictions and procedures [Section 119B];
- ii. Information of all trade and passenger gathered by the Customs for clearance purpose would be confidential and is restricted for use except for some specific cases [Section 204B].

4.2 Punishment for offences:

Penalties for committing offences have been proposed to be Tk. 200,000 instead of Tk. 50,000 and Tk. 500,000 instead of Tk. 200,000 for some specific items mentioned in the table of section 156(1).

4.3 Increase of Customs Duty (CD):

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0106.31.00	Birds of prey	5	25
2	0106.32.00	Psittaciformes (including parrots, parakeets, Macaws and Cockatoos)	5	25
3	0106.33.00	Ostriches; emus (<i>Dromaius novaehollandiae</i>)	5	25
4	0106.39.00	Other	5	25
5	2507.00.19	Other	5	15
6	2507.00.90	Other	5	15
7	2508.40.19	Other	5	15
8	2508.40.90	Other	5	15
9	2706.00.11	Crude tar Imported by Industrial IRC holder VAT compliant tar manufacturing industry	5	15
10	2706.00.19	Other Crude tar	5	15
11	4010.11.00	Reinforced only with metal	1	5
12	4010.12.00	Reinforced only with textile materials	1	5
13	4010.19.00	Other	1	5
14	5910.00.00	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material.	1	5
15	7217.10.00	Not plated or coated, whether or not polished	5	10
16	7217.30.00	Plated or coated with other base metals	5	10
17	7305.11.00	Longitudinally submerged arc welded	15	25
18	7305.12.00	Other, longitudinally welded	15	25
19	7305.19.00	Other	15	25
20	7305.20.00	Casing of a kind used in drilling for oil or gas	15	25
21	8311.30.00	Coated rods and cored wire, of base metal, for soldering, brazing or welding by flame	10	15
22	8311.90.00	Other	10	15
23	8421.21.20	Domestic type water purifying apparatus/machine	1	10
24	8428.10.00	Lifts and skip hoists	1	5
25	8442.50.20	Printing plates	1	10



Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
26	8470.50.00	Cash registers	0	10
27	8501.10.10	Fan motor fitted with revolving mechanism not exceeding 37.5 W	10	15
28	8501.10.90	Other motor not exceeding 37.5 W	10	15
29	8501.20.91	Other Universal AC/DC motor of an output exceeding 37.5 W but not exceeding 750 W	10	15
30	8501.31.00	Other DC motors of an output not exceeding 750 W	10	15
31	8501.40.10	AC motor single phase of an output not exceeding 750 W	10	15
32	8501.51.00	Other AC motor multiphase of an output not exceeding 750 W	10	15
33	8504.40.10	Mobile and other battery charger (less than 10 VA)	15	25
34	8541.43.00	Solar modules or panels	0	1
35	9028.90.10	Parts of kilowatt hour meter	10	15
36	9613.90.00	Parts of lighter	15	25

4.4 Decrease of Customs Duty (CD):

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0801.31.90	Other Cashew nuts in shell	25	1
2	0801.32.90	Other Cashew nuts Shelled	25	5
3	0905.10.10	Vanilla Neither crushed or ground wrapped/canned up to 2.5 kg	25	15
4	0905.10.90	Vanilla Neither crushed or ground other	25	15
5	1109.00.00	Wheat Gluten, whether or not dried	25	15
6	1703.10.00	Cane molasses	15	10
7	2905.11.10	Methanol HPLC	15	10
8	3808.92.99	Fungicides, Nes excluding in bulk	25	10
9	3824.99.60	Other desiccant	25	10
10	4011.30.00	New pneumatic tyres, of rubber of a kind used on aircraft	5	1
11	7309.00.10	Silo imported by Industrial IRC holder VAT compliant food manufacturing industry	10	5
12	8418.69.96	Chiller imported by Industrial IRC holder VAT compliant cold storage	25	10
13	8421.21.95	Sewage treatment plant (STP)	25	5
14	8506.60.10	Air-zinc battery for hearing aid	25	5
15	8511.10.10	Sparking plug used for exclusively aircraft and helicopter engine	10	1
16	9406.10.00	Pre-fabricated buildings of wood	25	15



4.5 Impose/increase of Supplementary Duty (SD):

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0406.10.00	Cheese and Curd	0	20
2	0406.20.00			
3	0406.30.00			
4	0406.40.00			
5	0406.90.00			
6	2101.11.00	Extracts, essences and concentrates	0	20
7	2101.12.00	Preparations with a basis of extracts essences or concentrates or with a basis of coffee	0	20
8	2101.20.00	Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	0	20
9	2101.30.00	Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	0	20
10	4823.69.90	Paper Cup, Plate, Bowl	0	20
11	6117.80.90	Other made up clothing accessories, knitted or crocheted	0	45
12	7307.11.00	GI Fittings	0	20
13	7307.19.00			
14	7307.99.90			
15	7318.11.00	Coach screws	0	20
16	7318.12.00	Other wood screws	0	20
17	7318.13.00	Screw hooks and screw rings	0	20
18	7318.14.00	Self-tapping screws	0	20
19	7318.15.10	Other screws and bolts flus type tower bolt imported by Industrial IRC holder VAT compliant fire resistant door manufacturers	0	20
20	7607.20.99	Aluminum Foil (Backed by others)	0	20
21	8544.70.00	Optical fiber cables	0	10
22	8711.30.10 8711.30.90	Motorcycles' cylinder capacity from 251 cc to 500 cc (with four-stroke engine)	0	100
23	8711.30.20	Motorcycles' cylinder capacity from 251 cc to 500 cc (with two-stroke engine)	0	250
24	8711.40.10 8711.40.90	Motorcycles' cylinder capacity from 501 cc to 800 cc (with four-stroke engine)	0	100
25	8711.40.20	Motorcycles' cylinder capacity from 501 cc to 800 cc (with two-stroke engine)	0	250
26	8711.50.10 8711.50.90	Motorcycles' cylinder capacity above 800 cc (with four-stroke engine)	0	100
27	8711.50.20	Motorcycles' cylinder capacity above 800 cc (with two-stroke engine)	0	250
28	9401.91.00 9401.99.00	Parts of seats	0	10



Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
29	9405.11.00	Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thorough fares: Designed for use solely with light-emitting diode (LED) light sources	45	60
30	9405.19.00	Other electric lighting fittings	45	60
31	9613.10.00	Pocket lighters, gas fueled, nonrefillable	0	10
32	9613.20.00	Pocket lighters, gas fueled, refillable	0	10
33	9613.80.00	Other lighters	0	10

4.5.1 Rates of Supplementary Duty (SD) have been rearranged under the heading of 87.03 for motor cars having cylinder capacity above 2000 cc:

Description	Existing Rate (%)	Proposed Rate (%)
Wholly made motor cars and other motor vehicles, including station wagons (except hybrid motor car, ambulance and motor car run by electric battery):		
Cylinder capacity from 2001 cc to 3000 cc	200	250
Cylinder capacity from 3001 cc to 4000 cc	350	500
Cylinder capacity above 4000 cc	500	500
CKD motor cars, motor vehicles, station wagons including jeep car:		
Cylinder capacity from 2001 cc to 3000 cc	100	150
Cylinder capacity from 3001 cc to 4000 cc	300	350
Cylinder capacity above 4000 cc	350	500
Wholly made hybrid motor cars and other motor vehicles, including station wagons:		
Cylinder capacity up to 1800 cc (except microbus)	20	20
Cylinder capacity from 1801 cc to 2000 cc (except microbus)	45	45
Cylinder capacity from 2001 cc to 2500 cc (except microbus)	45	60
Cylinder capacity from 2501 cc to 3000 cc (except microbus)	60	100
Cylinder capacity from 3001 cc to 4000 cc (except microbus)	100	150
Cylinder capacity above 4000 cc (except microbus)	300	350
Cylinder capacity up to 1800 cc of microbus	0	0
Cylinder capacity from 1801 cc to 2000 cc of microbus	30	30
Cylinder capacity above 2001 cc of microbus	45	60

4.5.2 Supplementary Duty (SD) rate of motorcycle for which cylinder capacity is above 250 cc:

Description	Proposed Rate (%)
Cylinder capacity from 251 cc to 500 cc (in CBU with four-stroke engine)	100
Cylinder capacity from 501 cc to 800 cc (in CBU with four-stroke engine)	100
Cylinder capacity above 800 cc (in CBU with four-stroke engine)	100
Cylinder capacity from 50 cc to above 800 cc (in CBU/CKD with Two-stroke engine)	250



4.6 Decrease of Regulatory Duty (RD):

Sl. No.	Heading	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
1	28.11	2811.21.00	Carbon dioxide	15	5

4.7 VAT exempted at import stage:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0801.31.90	Other Cashew nuts in shell	15	0
2	0801.32.90	Other Cashew nuts Shelled	15	0
3	8713.90.00	Wheel chair	15	0
4	9608.99.10	Ball points for ball point pen	15	0

4.8 VAT imposed at import stage:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8443.32.10	Computer printer	0	15
2	8443.99.10	Toner cartridge/Inkjet cartridge for computer printer	0	15
3	8471.30.00	Portable automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display	0	15

4.9 Exemption of AT and AIT at import stage:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8713.90.00	Wheel chair	5	0

THE END

Contact Us



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