

**Summary  
of  
Important Changes  
Introduced by  
the Finance Bill, 2023  
of Bangladesh**



**ACNABIN**  
*Chartered Accountants*

 **bakertilly**  
NETWORK MEMBER

# Summary of Important Changes Introduced by the Finance Bill, 2023 of Bangladesh



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## About ACNABIN

ACNABIN was formed in February 1985, with a mission to continually add value by helping clients succeed. The firm is in public practice for more than 38 years. The then largest partnership firm was founded with a vision to build an institution which would foster an environment for leadership, continuous growth, learning and collaborations. Over the past, the firm has become one of the leading and most reputable chartered accountancy firms in Bangladesh with global affiliations. At present, ACNABIN has nine partners whose expertise in audit, accounting, review, business consulting, business process outsourcing, technology solutions and taxation has established the firm as a multidisciplinary organization. All the partners have many years of experience of working both at home and abroad and with international consultants and organizations operating locally and globally. ACNABIN is regarded as one of the top firms of chartered accountants in the country context and has significant exposure in the relative market.



## Preface

This represents a brief summary of important changes introduced by the Finance Bill, 2023 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.



## Budget Structure

Particulars	BDT in Crore			
	Proposed Budget FY 2023-2024	Revised Budget FY 2022-2023	Change (%)	Budget FY 2022-2023
Total Budget size	7,61,785	6,60,507	15.33%	6,78,064
GDP size	50,06,782	44,39,273	12.78%	44,49,959
Inflation rate	6% (expected)	7.5%		
Operating expenditure	4,75,281	4,14,283	14.72%	4,11,406
Development expenditure	2,77,582	2,41,607	14.89%	2,59,617
Others	8,922	4,617	93.24%	7,041
<b>Total expenditure</b>	<b>7,61,785</b>	<b>6,60,507</b>	<b>15.33%</b>	<b>6,78,064</b>
Tax revenue:	4,50,000	3,88,000	15.98%	3,88,000
NBR Tax	4,30,000	3,70,000	16.22%	3,70,000
Non-NBR Tax	20,000	18,000	11.11%	18,000
Non-Tax revenue	50,000	45,000	11.11%	45,000
<b>Total revenue</b>	<b>5,00,000</b>	<b>4,33,000</b>	<b>15.47%</b>	<b>4,33,000</b>
<b>Deficit</b>	<b>2,61,785</b>	<b>2,27,507</b>	<b>15.07%</b>	<b>2,45,064</b>

Source: Budget Speech and Ministry of Finance

## Budget Structure

### Comparison of NBR collection:

Particulars	FY 2023-2024 (Target)	FY 2022-2023 (Revised)
VAT	38.1%	38.2%
Import Duty	10.7%	11.9%
Income Tax	35.6%	32.7%
Supplementary Duty	14.1%	15.8%
Others	1.4%	1.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Source:** Ministry of Finance

# PERSONAL INCOME TAX



**Tax free income thresholds of individual (including non-resident Bangladeshi), partnership firm and Hindu undivided family have been increased:**

<b>Tax exempted income for</b>	<b>AY 2022-2023 (BDT)</b>	<b>Proposed for AY 2023-2024 (BDT)</b>	<b>Increased (BDT)</b>
General tax payers	3,00,000	3,50,000	50,000
Women & Senior Citizen above 65 years age	3,50,000	4,00,000	50,000
Physically challenged persons	4,50,000	4,75,000	25,000
War-wounded gazette freedom fighters	4,75,000	5,00,000	25,000
Third gender tax payers	3,50,000	4,75,000	1,25,000
The Income tax free threshold for parents or legal guardians of physically challenged child or dependent will be increased by BDT 50,000 for each child/dependent.			

## Tax rates for individual (including non-resident Bangladeshi), partnership firm and Hindu undivided family:

AY 2022-2023		Proposed for AY 2023-2024	
Level of income	Rates of tax	Level of income	Rates of tax
Up to Tk. 3,00,000	Nil	Up to Tk. 3,50,000	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%
On balance	25%	On balance	25%

The raised level of tax-free income may result in excess payment of tax through deduction for salaried employees having lower income.

### Tax rate for non-resident individual has been proposed to be unchanged:

- 30% (except non-resident Bangladeshi)

## Minimum tax payable by individuals:

Area of residence	Minimum tax (BDT)
Dhaka North City Corporation	5,000
Dhaka South City Corporation	5,000
Chattogram City Corporation	5,000
Any other City Corporation	4,000
Other area	3,000

## Tax payable for individual (including non-resident Bangladeshi), partnership firm and Hindu undivided family whose income is below tax-free limit:

Assessees, who are required to **submit income tax returns** under section 75, have been proposed to pay **Tk. 2,000 as income tax**, irrespective that their income **does not exceed tax free income threshold**.

## Net wealth attracting surcharge has been proposed to be increased to Tk. 4 crore:

AY 2022-2023		Proposed for AY 2023-2024	
Total net wealth	Rate	Total net wealth	Rate
<b>Up to Tk. 3 crore</b>	Nil	<b>Up to Tk. 4 crore</b>	Nil
Over Tk. 3 crore up to Tk. 10 crore Assessee having more than 01 motor vehicles in his/her own name or having at least 8,000 square feet of house property <i>in any city corporation area</i>	10%	Over Tk. 4 crore up to Tk. 10 crore Assessee having more than 01 motor vehicles in his/her own name or having at least 8,000 square feet of house property	10%
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%

# CORPORATE INCOME TAX



## No change has been proposed in the rates of corporate income tax:

Description	Existing tax rates for AY 2022-2023		Proposed tax rates for AY 2023-2024
	Tax rate	On failure to comply with conditions*	
Publicly traded company that issues shares worth more than 10% of its paid-up capital through Initial Public Offering (IPO)	20%	22.5%	Unchanged
Publicly traded company that issues shares worth 10% or less than 10% of its paid-up capital through Initial Public Offering (IPO)	22.5%	25%	Unchanged
Non-publicly traded company	27.5%	30%	Unchanged
One Person Company (OPC)	22.5%	25%	Unchanged
Publicly traded bank, insurance and financial institution (except merchant bank)	37.5%	Condition not applicable	Unchanged
Non-publicly traded bank, insurance and financial institution (except merchant bank)	40%	Condition not applicable	Unchanged

## No change has been proposed in the rates of corporate income tax:

Description	Existing tax rates for AY 2022-2023		Proposed tax rates for AY 2023-2024
	Tax rate	On failure to comply with conditions*	
Merchant bank	37.5%	Condition not applicable	Unchanged
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% + 2.5% (surcharge)	Condition not applicable	Unchanged
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%	Condition not applicable	Unchanged
Non-publicly traded mobile operator company	45%	Condition not applicable	Unchanged
Trust, Fund, Association of persons, Artificial juridical person and other taxable entities	27.5%	30%	Unchanged

## No change has been proposed in the rates of corporate income tax:

Description	Existing tax rates for AY 2022-2023		Proposed tax rates for AY 2023-2024
	Tax rate	On failure to comply with conditions*	
Cooperative Society, registered under Cooperative Society Act, 2001	15%	Condition not applicable	Unchanged
Private university, private medical college, private dental college, private engineering college or private college solely dedicated to imparting education on ICT	15%	Condition not applicable	Unchanged
<p><b>*Condition:</b> All receipts and income must be transacted through <b>bank transfer</b> and every single transaction above Tk. 5 lakh and all expenses and investments over Tk. 36 lakh must be made through bank transfer.</p>			
Description	Tax rates		
Subject to compliance with a few conditions, companies engaged in textiles business	15%		
Reduced tax on income from export:			
(a) Individual, firm and Hindu Undivided Family	50% exempted		
(b) Other Tax payers	12%		
(c) Other Tax payers with LEED Certified Factory	10%		

## Environmental surcharges proposed on more than one vehicle, to be effective from 01 July 2023:

Sl.	Description of motor vehicle	Rate of environmental surcharge (BDT) for each vehicle	Impact
1	Up to 1500 cc / 75 kW	25,000	Government will earn more revenue.  This surcharge will not be refunded nor be adjusted with any other tax liability.
2	More than 1500 cc / 75 kW but up to 2000 cc or 100 kW	50,000	
3	More than 2000 cc or 100 kW but up to 2500 cc or 125 kW	75,000	
4	More than 2500 cc or 125 kW but up to 3000 cc or 150 kW	1,50,000	
5	More than 3000 cc or 150 kW but up to 3500 cc or 175 kW	2,00,000	
6	More than 3500 cc or 175 kW	3,50,000	

Here, motor vehicle excludes bus, minibus, coaster, prime mover, truck, lorry, tank lorry, pick-up van, human hauler, autorickshaw and motor cycle.

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments	Impact
Supply of tobacco leaves & tobacco products including cigarettes, bidi, zarda, gul	Rates of TDS are 3%, 5% & 7% based on base amount	TDS will be straight 10%	Increased tax burden on supply of tobacco leaves & products
Supply of Extra High Voltage Power Cable 33KV to 500KV by local manufacturers having own Vertical Continuous Vulcanization line	Rates of TDS are 3%, 5% & 7% based on the base amount	TDS will be straight 3%	Tax burden decreased on supply of power cables

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments	Impact
Import of Manganese ores/concentrates (HS Code 2602.00.00)	AIT at import stage is 3%	AIT at import stage will be 2%	AIT reduction for Manganese ores/concentrates
Other unwrought forms (HS Code 7108.12.00) replaced with Gold dores imported by industrial IRC holder VAT compliant gold refinery (HS Code 7108.12.10) and Other (HS Code 7108.12.90)	AIT at import stage is 5%	AIT at import stage will be 0%	AIT reduction on import of gold dores by Gold Refineries
Property transfer	Maximum rate of tax is 4% of deed value or Tk. 10,80,000; whichever is higher	Maximum rate of tax will be 8% of deed value or Tk. 20,00,000; whichever is higher	Increased tax burden on property transfer

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments	Impact
Monthly TDS statements	To be submitted within 20th day of the following month	Requirements for monthly separate TDS statements (including salary), separate yearly statements of dividend and interest (other than interest on securities) will be withdrawn.  These statements will be merged with the monthly return of withholding taxes.	Cost of business will be reduced.
Statements of Dividend and Interest (other than interest from Securities)	To be submitted within 31 August each year		
Form of Return of Withholding Taxes	To be submitted twice on half yearly basis		

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments	Impact
Valuation of perquisites, certain limits of exemptions of tax concerning house rent allowance, conveyance allowance, medical allowance, free or concessional passage for travel and other benefits under the head salary for employees	There are certain exemptions under the head income from salary	These have been proposed to be deleted from 01 July 2023.	As per the proposed Income Tax Act, 2023, Tk. 4,50,000 or 2/3 <sup>rd</sup> of the income from salary, whichever is lower, will be exempted from tax.
Tax Return Preparer (TRP)	No existing provision	Tax Return Preparer (TRP) Rule has been introduced for the preparation of tax returns of new assesseees in exchange of incentive from the NBR.	Facilitating bringing new taxpayers under tax net.

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments	Impact
Interest on foreign loan taken by Government or local authority or for industrial undertaking	Exemption of income tax	Withdrawal of tax exemption	TDS will have to be made on interest on foreign loans.
Income of Mutual Fund and Unit Fund of Investment Corporation of Bangladesh (ICB)	Exemption of income tax	Withdrawal of tax exemption	Return to the unit fund and mutual fund holders of ICB will be decreased.
Income of issuer of Mutual Fund	Exemption of income tax	Withdrawal of tax exemption	Return to the mutual fund holders will be decreased.
Income of the autonomous bodies (except capital gain) engaged in public services (e.g. WASA, BRTA, BSEC, BTRC, BEZA, BEPZA etc.)	Tax rate is 25%	Tax rate will be 30%	Autonomous bodies will have to pay additional tax (regular rate of tax).

## Other important changes through SROs:

Particulars	Present provision	Proposed amendments
Reduced tax on income from export	(a) Individual, firm and Hindu Undivided Family- 50% of income exempted; (b) Other Tax payers- 12%; (c) Other Tax payers with LEED Certified Factory- 10%	Same benefits exist. However, taxpayer will be ineligible to claim this exemption, if he is eligible to a reduced tax benefit under any other provision or SRO.

## Proposed amendments in Travel Tax Act, 2003:

Scope of travel tax has been proposed to be widened, including domestic travel. A comparison between the current rates and proposed rates of travel tax is given below:

Mode of travel and destination	Current rate of travel tax (BDT)	Proposed rate of travel tax (BDT)	Impact
Travelling by air to North America, South America, Europe, Africa, Australia, New Zealand, China, Japan, Hong Kong, North Korea, Vietnam, Laos, Cambodia, Taiwan	4,000	6,000	Cost of 'Travel by air' and 'Travel to abroad' will increase
Travel by air to SAARC countries	1,200	2,000	
Travel by air to any other country	3,000	4,000	
Travel by air within Bangladesh	N/A	200	
Travel by Road to any country	500	1,000	
Travel by waterways to any country'	800	1,000	
However, the aforementioned rates of proposed travel tax will be half for travelers from 05 to 12 years of age.			

## Exemptions of travel tax allowed to:

- ❖ Traveler aged up to 05 years;
- ❖ Traveler to Saudi Arabia for the purpose of Hajj;
- ❖ Blind or cancer patients or disabled persons using stretchers;
- ❖ Officials of United Nations and their family members;
- ❖ Members with diplomatic status of the diplomatic missions in Bangladesh and their family members;
- ❖ Employees of World Bank, German Technical Organization, JICA, working in Bangladesh and their family members;
- ❖ On duty crew of aircraft;
- ❖ VISA free transit passengers who will not stay in Bangladesh for more than 72 hours;
- ❖ Bangladeshi citizen working in any airline who is travelling abroad at free or concessional fare.

**Important changes proposed by the Finance Bill  
2023 in the VAT & SD Act, 2012  
&  
Implications of contemporary VAT SROs & GOs**



**BUDGET**

2023-24



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# Implications of important changes proposed in the VAT & SD Act, 2012



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**Section  
2 (18Ka)**

**Definition of  
Input**

Purchase of vehicles has been excluded from the scope of input.

In the [erstwhile provision](#), input VAT credit was available on purchase of vehicles. Now this benefit has been withdrawn.



**Implication**

Input Tax credit (2022-23)

VAT paid on purchase of vehicle is eligible for credit

Input Tax credit (2023-24)

VAT paid on purchase of vehicle is **not** eligible for credit

# Implications of important changes proposed in the VAT & SD Act, 2012

Section  
2 (20)

Definition of  
Output tax

Supplementary duty has been included in the scope of output VAT.

In the erstwhile provision, output tax only meant for VAT payable on supplies and import of service by a registered person. Now supplementary duty applicable on supplies is also to be considered as output tax.



**Implication**

Output Tax (2022-23)

VAT on import of service and supplies

Output Tax (2023-24)

VAT on import of service and supplies  
and SD on supplies

# Implications of important changes proposed in the VAT & SD Act, 2012



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## Section 2 (29)

### Definition of Tax fraction

Tax Fraction means  $R/(100+R)$

Linguistic ambiguity has been removed.

## Section 2 (63)

### Definition of Representative

VAT consultant has been included in the definition of representative

# Implications of important changes proposed in the VAT & SD Act, 2012



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**Section  
2 (82)**

**Definition of  
Export**

Precondition to be defined as 'Export' has been updated. Now, it is mandatory to supply outside Bangladesh in exchange of foreign currency to attract the definition of export.

*In the erstwhile provision*, to be defined as 'Export', it was not mandatory to supply outside Bangladesh in exchange of foreign currency.



**Implication**

Export (2022-23)

Export means supply outside Bangladesh in exchange of local and foreign currency and deemed export.

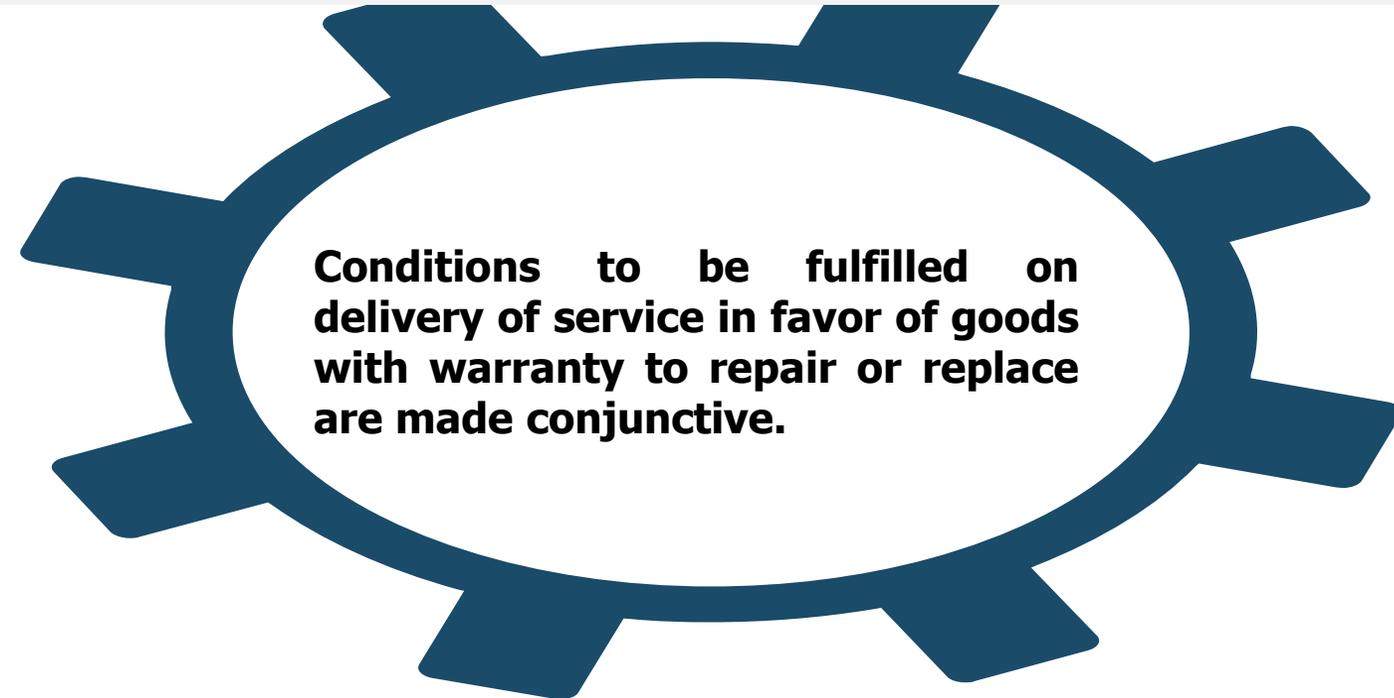
Export (2023-24)

Export means supply outside Bangladesh in exchange of foreign currency only and deemed export.

# Implications of important changes proposed in the VAT & SD Act, 2012



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## Implication

In the erstwhile law, the conditions were disjunctive. Now, both the conditions are to be fulfilled to avail zero rate.

# Implications of important changes proposed in the VAT & SD Act, 2012



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**Section  
46(1)**

**Input tax credit**

In the case of import of service, separate disclosure of output tax in compliance with Section 20 of the Act has been made mandatory to avail input tax credit on VAT paid for import of service.



**Implication**

Failure to comply with the provision would result in cancellation of input tax credit

# Implications of important changes proposed in the VAT & SD Act, 2012

**Section  
46(3) and Rule  
13 of VAT and  
SD Rules, 2016**

**Input tax credit**

In the case of payment of electricity bill, invoice issued by a digital payment gateway service provider in accordance prescribed conditions and manner will be considered as tax invoice.



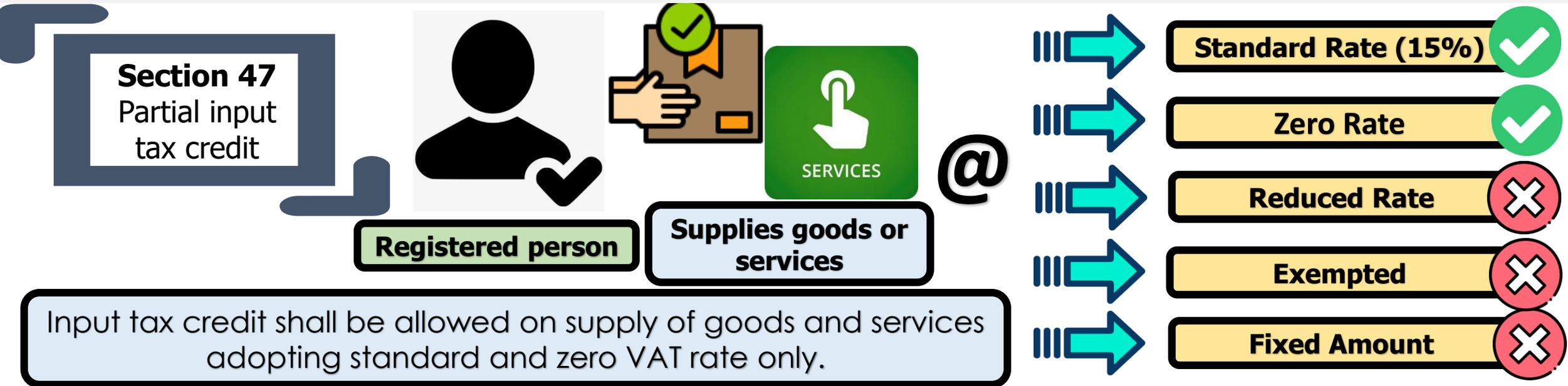
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**Implication**

Input tax credit can be availed on payment of electricity bill by any payment gateway service provider subject to availability of tax invoice in prescribed manner.

# Implications of important changes proposed in the VAT & SD Act, 2012



Eligible input tax credit =  $I \times T / A$ .

T means value of supplies by a registered person that can avail input tax credit in accordance with Section 46.

In the erstwhile law, T meant value of all taxable supplies whether eligible for credit or not.

The proposed phrasing is expected to remove ambiguities, if any, in application of the formula for availing partial input tax credit

# Implications of important changes proposed in the VAT & SD Act, 2012



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**Section 69(1)**  
Refund of negative  
balance without carrying  
forward

Clause (d)

In the case of export of goods, provision has been made to allow cash refund of supplementary duty paid at the time of import of inputs if the supplementary duty so paid is eligible for decreasing adjustment and the exporter does not supply any supplementary duty imposable goods in the local market.

The VAT Commissioner's discretion regarding verification of the nature of economic activities of the taxpayer regarding regular generation of excess input tax credit has been removed.

# Implications of important changes proposed in the VAT & SD Act, 2012

New sub-section inserted

**Section 73(2A)**  
Tax determination

Provisions have been introduced to include the issue of imposition of penalty under Section 85 of the ACT for failure or irregularity or any element of tax evasion in the primary show-cause notice of tax determination. The penalty may be finalized on the basis of such notice along with determination of tax liability under Section 73.



**Implication**

- ✓ Separate notice for initiating proceedings under Section 73 and Section 85 is no longer required.

# Implications of important changes in the VAT & SD Act, 2012 (Cont'd)



## Delegation of power for raising VAT demand has been reorganized

**Section 86  
Financial  
limit for  
adjudication  
by VAT  
officers**

Officer	Existing monetary limit of VAT officer	Proposed monetary limit of VAT officer	Change
Commissioner	Exceeding BDT 04 (four) million	Exceeding BDT 10 (ten) million	Additional delegation of power to sub-ordinates
Additional Commissioner (ADC)	Not exceeding BDT 04 (four) million	Not exceeding BDT 10 (ten) million	Incremental power to ADC
Joint Commissioner (JC)	Not exceeding BDT 03 (three) million	Not exceeding BDT 05 (five) million	Incremental power to JC
Deputy Commissioner (DC)	Not exceeding BDT 02 (two) million	Not exceeding BDT 03 (three) million	Incremental power to DC
Assistant Commissioner (AC)	Not exceeding BDT 01 (one) million	Not exceeding BDT 02 (two) million	Incremental power to AC
Revenue Officer (RO)	Not exceeding BDT 04 (four) hundred thousand	Not exceeding BDT 05 (five) hundred thousand	Incremental power to RO

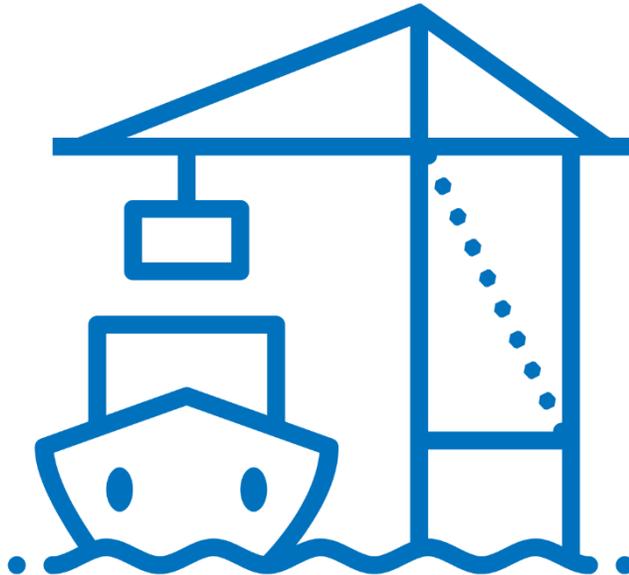
# Change introduced in the First Schedule of the VAT & SD Act, 2012, Part-2 (List of exempted services)



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Stevedoring service was exempt from VAT by the 1<sup>st</sup> Schedule of the VAT & SD Act, 2012.

The VAT exemption benefit on stevedoring service has been withdrawn.



# Important changes introduced in the Second Schedule of the VAT & SD Act, 2012



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**In some cases supplementary duty has been newly imposed and in some cases increased**

Heading	H.S Code	Description of Goods	Table/ Para	Type	Stage	Old SD Rate	New SD Rate	Imposed/ Increased
28.08	All HS Code	Fruit, nuts and other edible parts of plants ,otherwise prepared or preserved ,whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	Table-1	Goods	Import	0%	20%	Imposed
24.04	All HS Code	Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body	Table-1	Goods	Import	100%	150%	Increased
48.13	4813.10.90 4813.20.90 4813.90.90	Cigarette paper other importer	Table-1	Goods	Import	100%	150%	Increased

# Important changes introduced in the Second Schedule of the VAT & SD Act, 2012



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**In some cases supplementary duty has been newly imposed and in some cases increased**

Heading	H.S Code	Description of Goods	Table/ Para	Type	Stage	Old SD Rate	New SD Rate	Introduced /Increased
85.16	8516.50.00	Microwave Ovens	Table-1	Goods	Import	0%	20%	Imposed
85.43	8543.90.10	Parts of electronic cigarettes and similar personal electric vaporising devices	Table-1	Goods	Import	0%	100%	Imposed
85.44	8544.70.00	Optical fibre cables	Table-1	Goods	Import	0%	10%	Imposed
73.07	7307.11.00 7307.19.00 7307.99.90	GI Fittings	Table-1	Goods	Import	0%	20%	Imposed
32.08 – 32.10	Related HS Code	Paint (Primers)	Table-2	Goods	Supply	5%	5%	SD is imposed on primer in addition to paint

# Important changes introduced in the Third Schedule of the VAT & SD Act, 2012



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**In some cases reduced VAT rates have been newly introduced, reorganized, increased and decreased**

Heading	H.S Code	Description of Goods	Table/ Para	Old rate	New rate	Introduced/ Increased
19.05	Concerned H.S. Code	Hand made biscuits (Per Kg exceeding price of BDT 150)	Table-1, Para-A	5%	✗	Structure for imposing reduced VAT rates has been restructured
		Hand made biscuits (Per Kg exceeding price of BDT 200)	Table-1, Para-A	✗	5%	
		Cake (Per Kg exceeding price of BDT 250)	Table-1, Para-A	5%	✗	
		Cake (Per Kg exceeding price of BDT 300)	Table-1, Pare-A	✗	5%	
39.24	Concerned H.S. Code	All types of tableware, kitchenware, household appliances, Hygienic and toilet articles including any similar products made of plastic (except tiffin boxes and water bottles)	Table-1, Para-1	5%	✗	VAT rate is increased from 5% to 7.5%
			Table-2, Para-1	✗	7.5%	

# Important changes introduced in the Third Schedule of the VAT & SD Act, 2012



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**In some cases reduced VAT rates have been newly introduced, reorganized, increased and decreased**

Heading	H.S Code	Description of Goods	Table/ Para	Old rate	New rate	Introduced/ Increased
48.18	Concerned H.S. Code	i. Kitchen towel (24-26 GSM)	Table-1, Para-A	5%	✗	VAT rate is increased from 5% to 7.5%
			Table-2, Para-A	✗	7.5%	
		ii. Toilet tissue (18-24 GSM)	Table-1, Para-A	5%	✗	
			Table-2, Para-A	✗	7.5%	
		iii. Napkin tissue (20-24 GSM)	Table-1, Para-A	5%		
			Table-2, Para-A	✗	7.5%	
		iv. Facial tissue/ pocket tissue (12-16 GSM)	Table-1, Para-A	5%	✗	
			Table-2, Para-A	✗	7.5%	
		v. Hand towel/paper towel/clinical bed sheet	Table-1, Para-A	5%	✗	
			Table-2, Para-A	✗	7.5%	

# Important changes introduced in the Third Schedule of the VAT & SD Act, 2012

**In some cases reduced VAT rates have been newly introduced, reorganized, increased and decreased**

Heading	H.S Code	Description of Goods	Table/ Para	Old rate	New rate	Introduced/Increased/ Decreased
54.02 – 54.10 55.12 – 55.16	Related HS Code	Products made with artificial fibers	Table-1, Para-A	5%	5%	Restriction on availability of reduced rate on some fabrics made of artificial fiber has been removed
76.15	Related H.S. Code	Aluminum, kitchen made out of aluminum or other household appliances, sanitary ware and spare parts	Table-1, Para-A	5%	✗	VAT rate is increased from 5% to 7.5%
			Table-2, Pare-A	✗	7.5%	
90.04	Related H.S. Code	Sunglasses (Plastic framed)	Table-1, Para-A	5%	✗	VAT rate is increased from 5% to 7.5%
		Sunglasses (Metal framed)	Table-2, Para-A	✗	7.5%	
S022.00	S022.00	Sweet shop	Table-2, Para-B	-	7.5%	VAT rate is reduced from 15% to 7.5%

# Important changes introduced in the Third Schedule of the VAT & SD Act, 2012



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Immediate  
effect

According to Section 4(1) read with the declaration contained in the Seventh Schedule of the Finance Bill, 2023, changes in the First, Second and Third Schedules of the VAT & SD Act, 2012 will have immediate effect.

# Implications of important changes introduced in the VAT & SD Rules, 2016



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## Changing business address

### Replacing the sub-clause (a) of clause (ka) of Rule: 13 (2)

#### Erstwhile

All dues, if any, are to be informed to the applicant after determination.

#### Present

Updated information of already prevailing VAT dues, if any, are to be informed to the applicant.



## Implication

- ✓ Easing the process of changing business address; and
- ✓ Tax officials are not required to audit and determine VAT liability of the taxpayer before allowing approval to changed business address.

# Implications of important changes in the VAT & SD Rules, 2016



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## Rule 29

**Adjustment for  
not making  
payment  
through banking  
channel**

Payment through mobile banking system has also been allowed as a legitimate way of payment. Hence, no increasing adjustment is to be done for payment through mobile banking system



## Implication

Clarification to resolve field level disputes regarding payment through banking channel.

# Implications of important changes introduced in the VAT & SD Rules, 2016



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## Adjustment of supplementary duty in the case of export (Rule: 45)

### Change

- Now, there is no need to attach Proceed Realization Certificate (PRC) for the purpose of filing application to the Commissioner to avail decreasing adjustment.
- However, PRC is required to be submitted at the time of allowing approval by the Commissioner.
- The Commissioner shall give a decision within 15 days of application or within 15 days of submission of PRC.

### Implication

- ✓ PRC may not be available at the time of filing application. Now it can be submitted at the time of verification of the application for refund;
- ✓ This would ease the process of getting approval of decreasing adjustment for supplementary duty paid on inputs used against exported goods.

# Implications of important changes in the VAT & SD Rules, 2016



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## Amendment of return (Rule: 49(1)(ka))



**Change**



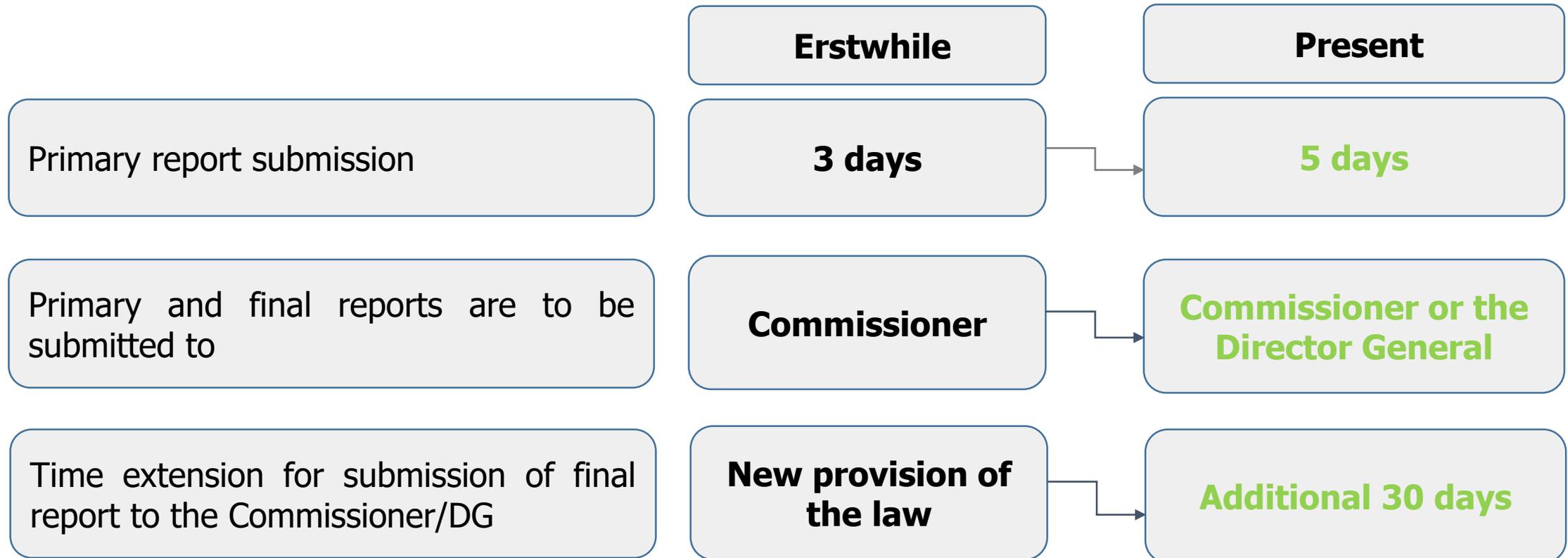
**Implication**

Return cannot be amended for any reason other than mathematical or clerical error e.g. scope of submission of amended return for failure to claim input tax credit or decreasing adjustment within the specified time period has been restricted.

Input tax credit or decreasing adjustment is to be availed within the specified time period. Otherwise, it will lapse

# Implications of important changes in the VAT & SD Rules, 2016

## Seizure of records, documents, goods or goods carrying vehicle (Rule: 61)



### Implication

- ✓ VAT authorities will have extended time for submission of final report;
- ✓ The quality of reports will increase and scope of dispute will decrease.

# Implications of important changes in the VAT & SD Rules, 2016



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## Method of determination of tax and imposition of penalty (Rule: 65)

- The proceedings for determination of tax u/s 73 of the Act and imposition of penalty u/s 85 of the Act can be started concurrently.
- For failures and non-compliances not specified in Section 85, a VAT officer having designation not less than Assistant Commissioner shall issue a show cause notice and in this case penalty shall be a minimum BDT 10,000 and a maximum BDT 100,000.
- A notice in Mushak 12.12 following provision of Section 73(2) of the VAT & SD Act, 2012 can be issued requiring additional information.
- Final order for tax determination and imposition of penalty will be issued in Mushak 12.13 following provision of Section 73(2) of the VAT & SD Act, 2012.
- If no reply is received against show cause notice, a relevant officer shall determine and impose a penalty based on collected documents.



## Implication

- ✓ Authority does not need to wait for the result u/s 73 to start proceedings u/s 85 for imposing penalties for failure to compliance with the law; and
- ✓ The complication and time to determine tax and penalty is reduced.

# New VAT exemption at various stages (SRO No. 136-AIN/2023/213-VAT dated 21 May 2023)

Heading No	HS Code	Description of goods/services	Stage
27.09	2709.00.00	Petroleum oils and oils obtained from bituminous minerals, crude.	<b>Import stage</b>
27.10	2710.12.11	Motor spirit of H.B.O.C Type	
	2710.12.19	Other motor spirits, including aviation spirit	
	2710.12.20	Spirit type jet fuel	
	2710.12.31	White spirit	
	2710.12.32	Naphtha	
	2710.12.41	J.P.1 kerosene type jet fuels	
	2710.12.42	J.P.4 kerosene type jet fuels	
	2710.12.43	Other kerosene type jet fuels	
	2710.12.49	Other kerosene	
	2710.12.61	Light diesel oils	
	2710.12.62	High speed diesel oils	
	2710.19.11	Furnace oils	

# New VAT exemption at various stages (SRO No. 136-AIN/2023/213-VAT dated 21 May 2023)

Heading No	HS Code	Description of goods/services	Stage
34.02	3402.42.10	Alcohol Ethoxylates (AEO) imported by Industrial IRC holder VAT compliant Sodium Lauryl Ether Sulphate (SLES) manufacturing industries	<b>Import stage</b>
38.17	3817.00.10	Linear Alkyl Benzene (LAB) imported by Industrial IRC holder VAT compliant LABSA manufacturing industries	
84.11	8411.11.00	Turbo-jets Of a thrust not exceeding 25 kN	
	8411.12.00	Turbo-jets Of a thrust exceeding 25 kN	
86.09	8609.00.10	Insulated or refer container	
	8609.00.90	Other container	
23.06	2306.50.00	Coconut/Copra Waste	<b>Production stage</b>
54.02 – 54.10 55.12 – 55.16	Related HS Code	Products made with artificial fibers - a. Cut and wasted pieces of fabric (not more than one meter) b. Fabric supplied to Bangladesh Standards and Testing Institution as free sample ( not more than three square meters) c. Taps and Braids	

**Exclusion** from VAT exemption at various stages  
**(SRO No. 136-AIN/2023/213-VAT dated 21 May 2023)**



Heading No	HS Code	Description of goods/services	Stage
08.01	0801.31.90	Other cashew nuts shelled	<b>Import stage</b>
27.13	2713.20.10	Petroleum Bitumen In Drum	
	2713.20.90	Petroleum Bitumen In Bulk	
85.23	8523.29.12	Database; operating systems; development tool productivity, communication or collaboration software for automatic data processing machines	
	8523.49.21		
	8523.80.10		
08.04	0804.10.19	Dates fresh or dried (up to 2.5kg except packaged or canned)	<b>Import and production stage</b>
	0804.10.29		
96.08	9608.10.00	Ballpoint pen	<b>Production stage</b>
85.23	All HS Code	Software	

According to SRO No 154-Ain/2023/231-VAT dated 21 May 2023, the VAT rate on software at production stage is 5% and software customization at service stage is also 5%.

# Changes in the scope and definition of Services



Service Code	Service Category	Changes	Implications
S099.60	Sale of goods online	<p>Online sale of goods” means an online retail sale or marketplace, where -</p> <p>(1) 'Online retail sale' means the purchase and sale of goods or services through the use of electronic networks which have previously been purchased from any manufacturer or service provider or trader on payment of VAT and the said purchased goods shall be supplied by the online retailer on payment of VAT subject to the condition that the said online retailer would not have any physical sales center of his own.</p> <p>(2) 'Marketplace' means a digital commerce platform in which information relating to goods or services is posted by one or more sellers and supplied through the said platform, i.e., in this case, the platform operator would not buy or sell any goods and will not have any sales center.</p>	<p>Bifurcation and further clarification of the scope of “Sale of goods online” under Service Code S099.60.</p>

SRO No 143-Ain/2023/220-VAT dated 21 May 2023

# Amendment in the Central Registration and Payment of Tax Rules 2019



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Any person



Identical or Similar Goods or Services or Both



More than One Production Places

, Or



Commercial Importers, Traders or Service Renderers



Identical or Similar Goods or Services or Both



One or More Places

Central Registration should be obtained in the address of the place where accounts are maintained centrally

**SRO No. 145-AIN/2023/222-VAT dated 21 May 2023**

# Amendment in the Central Registration and Payment of Tax Rules 2019



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## Payment of tax under central registration where goods is exempt at manufacturing stage but not at trading stage

In case central registration is obtained in the name of a production unit and self owned and controlled sales center, or depo or warehouse are registered centrally and the registered production unit(s) produces any goods exempt from VAT at production stage but not at trading stage, in that case VAT shall be payable at trading stage at the time of delivery of goods from self owned and controlled sales center.

# VAT exemption facility for Mobile Phone manufacturing industry has been revised



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VAT @ 2% is imposed on production of mobile phone subject to fulfillment of conditions mentioned in table-1 of SRO No 229-Ain/2019/65-VAT dated 30 June 2019.

VAT rate is increased from 3% to 5% for assembly of mobile phone. Availability of the new rate is subject to fulfillment of the conditions mentioned in table-2 of SRO No 229-Ain/2019/65-VAT dated 30 June 2019.

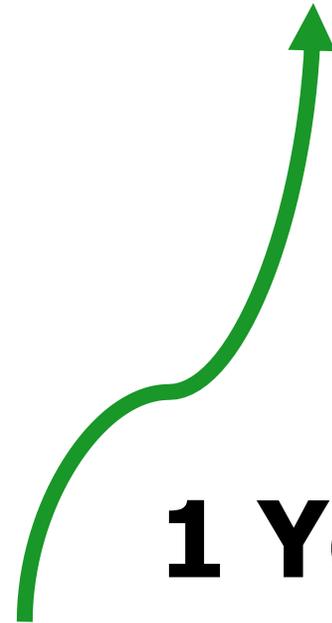
VAT rate is increased from 5% to 7.5% for assembly of mobile phone. This scheme is applicable for the assemblers who will be able to fulfill the conditions mentioned in table-3 of SRO No 229-Ain/2019/65-VAT dated 30 June 2019.

**SRO No 147-Ain/2023/224-VAT dated 21 May 2023**

# The timeline of VAT exemption on production of LPG Cylinder has been extended for one year

Heading No	Product
73.11	LPG Cylinder

The timeline for VAT exemption benefit on production of LPG Cylinder is extended for one year. Previously the exemption was for VAT payable exceeding 5%.



**1 Year**

However, the exemption benefit is now for VAT payable exceeding 7.5%. VAT has thus been increased by 2.5% at the manufacturing stage

# The timeline of VAT exemption on polypropylene staple fiber at manufacturing stage has been extended for one year



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Heading No	Product
53.03	Polypropylene staple fiber

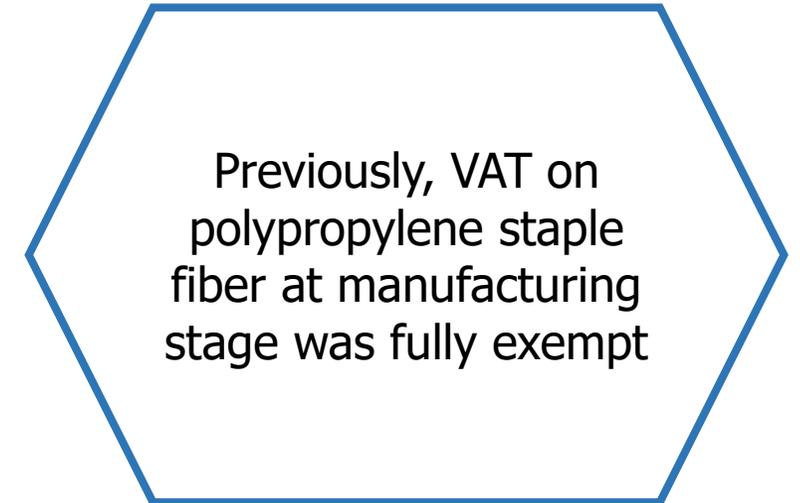


**The timeline for VAT exemption benefit on polypropylene staple fiber is extended:**

The time period of VAT exemption (VAT exceeding **5%** at manufacturing stage) has been extended for **one year** for polypropylene staple fiber



**1 Year**



SRO No. 138-AIN/2023/215-VAT dated 21 May 2023

## The timeline of VAT exemption on procurement of raw materials/spare parts and manufacturing of some goods has been extended



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SL No.	Description of goods	Previous exemption period	Extended exemption period	Period extended	SRO No
01	Raw material for Sanitary Napkin, Diaper	30 June 2023	30 June 2024	One year	SRO No 146-Ain/2023/223-VAT dated 21 May 2023
02	Washing Machines, Microwave, and Electronic Oven	30 June 2023	30 June 2025	Two year	SRO No 149-Ain/2023/226-VAT dated 21 May 2023
03	Blender, Juicer, Mixer, Grinder, Multi Cooker, and Rice Cooker	30 June 2023	30 June 2025	Two year	SRO No 150-Ain/2023/227-VAT dated 21 May 2023
04	Computer and Computer Accessories	30 June 2023	30 June 2026	Three year	SRO No 151-Ain/2023/228-VAT dated 21 May 2023
05	Linear Alkyl Benzene Sulfuric Acid (LABSA), Sodium Lauryl Ether Sulfate (SLES)	30 June 2023	30 June 2024	One year	SRO No 153-Ain/2023/230-VAT dated 21 May 2023
06	Refrigerator and freezer	30 June 2023	30 June 2024	One year	SRO No 137-Ain/2023/214-VAT dated 21 May 2023

# Exemption from Advance Tax (AT) at import stage



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H.S. Code	Descriptions of goods	Old rate	New rate
2709.00.00	Petroleum oils and oils obtained from bituminous minerals, crude.	5%	0%
2710.12.11	Motor spirit of H.B.O.C Type	5%	0%
2710.12.19	Other motor spirits, including aviation spirit	5%	0%
2710.12.20	Spirit type jet fuel	5%	0%
2710.12.31	White spirit	5%	0%
2710.12.32	Naphtha	5%	0%
2710.12.41	J.P.1 kerosene type jet fuels	5%	0%
2710.12.42	J.P.4 kerosene type jet fuels	5%	0%
2710.12.43	Other kerosene type jet fuels	5%	0%
2710.12.49	Other kerosene	5%	0%
2710.12.61	Light diesel oils	5%	0%

**SRO No 152-Ain/2023/229-VAT 21 May 2023 and other related SROs**



# Exemption of Advance Tax (AT) at import stage



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H.S. Code	Descriptions of goods	Old rate	New rate
2710.12.62	High speed diesel oils	5%	0%
2710.19.11	Furnace oils	5%	0%
8609.00.10	Insulated or refer container	5%	0%
8609.00.90	Other container	5%	0%

**SRO No 152-Ain/2023/229-VAT 21 May 2023 and other related SROs**

# Exemption from imposition of Advance Tax (AT) at import stage on certain items has been cancelled



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H.S. Code	Descriptions of goods	Old rate	New rate
3824.99.92	Master batch not containing pigments	0%	5%
8503.00.91	Stator with winding wire	0%	5%
8503.00.92	Stator without winding wire	0%	5%
8503.00.99	Other	0%	5%
8543.90.10	Electronic Cigarettes And Similar Personal electric vaporizing devices	0%	5%

# Newly introduced VAT exemption facility at import stage



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S.R.O	Stage	H.S. Code	Descriptions of goods	Benefit
<b>SRO No 156-Law/2023-233-VAT dated 21 May 2023</b>	<b>Import</b>	2905.31.10	Ethylene glycol (ethanediol) imported by industrial IRC holder VAT compliant PET chips manufacturing industry.	<b>VAT in excess of 5% shall be exempt</b>
		2917.36.10	Terephthalic acid imported by Industrial IRC holder VAT compliant PET chips manufacturing industry.	
		7219.11.10	Hot-rolled, in coils of a thickness exceeding 10 mm imported by industrial IRC holder Vat compliant cold rolled stainless steel in coils manufacturing industry.	
		7219.12.10	Hot-rolled, in coils of a thickness of 4.75 mm or more but not exceeding 10 mm imported by industrial IRC holder Vat compliant cold rolled stainless steel in coils manufacturing industry.	
		7219.13.10	Hot-rolled, in coils of a thickness of 3 mm or more but less than 4.75 mm imported by industrial IRC holder Vat compliant cold rolled stainless steel in coils manufacturing industry.	
		7219.14.10	Hot-rolled, in coils of a thickness of less than 3 mm imported by industrial IRC holder Vat compliant cold rolled stainless steel in coils manufacturing industry.	

# Newly introduced VAT exemption at manufacturing stage

S.R.O No.	Stage	H.S. Code	Description	Benefit
<b>SRO NO 155-Law/2023-232-VAT dated 21 May 2023</b>	<b>Manufacturing</b>	<b>8544.70.00</b>	<b>Optical Fiber</b>	<b>VAT in excess of 5% shall be exempt</b>



## Increase in Maximum Retail Price (MRP) of packets of cigarettes containing ten sticks and change in SD rate



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Previous MRP	New MRP	Previous SD rate	New SD rate	Change
BDT 40 and beyond	BDT 45 and beyond	57%	58%	Change in MRP and SD rate
BDT 65 and beyond	BDT 67 and beyond	65%	65%	Change in MRP only
BDT 111 and beyond	BDT 113 and beyond	65%	65%	Change in MRP only
BDT 142 and beyond	BDT 150 and beyond	65%	65%	Change in MRP only

SRO No 141-  
Act/2020/218-Mushak  
dated 21 May 2023

Cigarette  
manufacturers will not  
be allowed to fix a  
price beyond that  
fixed by this SRO

# Mandatory VAT registration irrespective of turnover



Any super shop or shopping mall irrespective of their location across the country



Any institution located in any district town or city corporation area engaged in the trading of goods mentioned in Table 03 of GO no-17/VAT/2019 dated 17 July 2019

**General Order  
No  
02/VAT/2023  
dated 21 May  
2023**

## Manufacturers of the following goods

Heading No.	HS code	Description of Goods
73.21	Applicable H. S. code	Cooking Appliances
73.23	Applicable H. S. code	Kitchen Appliances



## Contract Manufacturer

If a contract manufacturer produced goods by using inputs owned by him, he is required to issue Mushak-4.3 (i.e. input-output coefficient) to the VAT Divisional Officer concerned before manufacturing or supplying the goods to the brand owner.

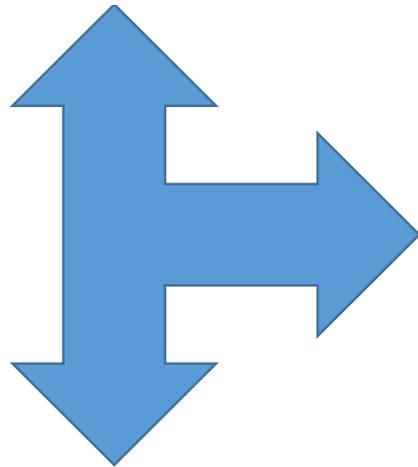
If a contract manufacturer produced goods by using inputs provided by the brand owner, he is also required to issue Mushak-4.3 (i.e. input-output coefficient) to the VAT Divisional Officer concerned. In this case, the contract manufacturer has to mention the consideration receivable for each unit of production in the coefficient.

**General Order No-03/VAT/2023 dated 21 May 2023)**

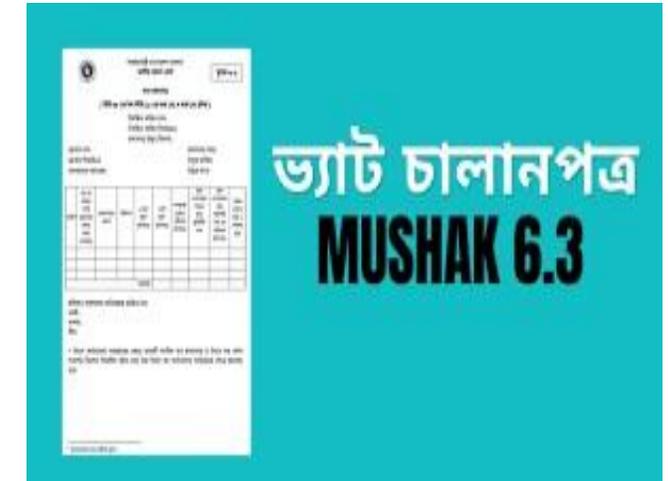
# The electricity bill issued by the MFS or Digital Payment Gateway Services providers shall be considered as Mushak-6.3



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Invoice issued by **Mobile Financial Service** and **Digital Payment Gateway Service** providers for payment of electricity bill shall be considered as Mushak 6.3/Tax invoice.



GO No. 04/VAT/2023 dated 21 May 2023

# CUSTOMS



## Amendment in sections for ease of operation:

- ❖ Definition of “bill of entry” now includes “Ex-bond bill of entry” [Section 2].
- ❖ For the clearance of home consumption goods, submission of ex-bond bill of entry has been made mandatory [Section 104].
- ❖ A register shall be kept for all bonds entered into for Customs-duties on warehoused goods. Details of goods purchased from local market or imported has to be registered mandatorily by the owner of a warehouse bonded warehouse or a special bonded warehouse [Section 114].
- ❖ Additional District Judge will be member. Earlier it was District Judge [Section 194].

## Goods on which the import duty (CD) has been increased:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0801.32.90	Cashew nuts: Shelled Other	5%	15%
2	0804.10.11	Fresh Dates: Wrapped/canned upto 2.5 kg	0%	25%
3	0804.10.19	Fresh Dates: Other	0%	25%
4	8543.90.10	Electric Cigarettes and similar personal electric vaporising devices	5%	25%
5	3920.20.20	Non-printed cast polypropylene film	10%	15%
6	3920.20.90	Other	10%	15%
7	6805.10.00	Natural or artificial abrasive powder or grain, on a base of textile material	10%	15%
8	6805.20.00	Natural or artificial abrasive powder or grain, on a base of paper, of paperboard	10%	15%
9	6805.30.00	Natural or artificial abrasive powder or grain, on a base of other materials	10%	15%
10	8428.10.00	Lifts and skip hoists	5%	15%
11	8428.40.00	Escalators and moving walkways	1%	15%
12	8503.00.91	Electric motor parts with winding wire	1%	15%

**Goods on which the import duty (CD) has been increased:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
13	8523.29.12	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools	5%	25%
14	8523.49.21	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools	5%	25%
15	8523.51.21	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools	5%	25%

## Goods on which the import duty (CD) has been increased:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
16	8523.80.10	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet	5%	25%
17	8537.10.20	Electric panel	1%	10%
18	8609.00.10	Insulated or refer container	5%	15%
19	8609.00.90	Other container	10%	15%
20	8714.93.11	Free-wheel sprocket-wheels of bicycle	10%	15%
21	8714.93.19	Other	10%	15%
22	9003.90.00	Parts	5%	25%
23	9406.90.10	Sandwich panel with or without cold room facility	1%	5%

## Goods on which the import duty (CD) decreased:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0801.32.90	Cashew nuts: Shelled Other	5%	15%

## Goods on which VAT levied:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0801.32.90	Cashew nuts: Shelled Other	0%	15%
2	0804.10.19	Fresh Dates: Other	0%	15%
3	0804.10.29	Dried Dates: Other	0%	15%
4	1006.30.91	Non fortified Basmati rice	0%	15%
5	3824.99.92	Master batch not containing pigments	0%	15%
6	8428.40.00	Escalators and moving walkways	0%	15%

## Goods on which VAT levied:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
7	8503.00.91	Stator with winding wire	0%	15%
8	8503.00.92	Stator without winding wire	0%	15%
9	8523.29.12	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools.	0%	15%
10	8523.49.21	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools	0%	15%

## Goods on which VAT levied:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
11	8523.80.10	Database; operating systems; development tools; security software used for only data or information protection; word processing, spreadsheet, internet collaboration and presentation tools	0%	15%
12	8537.10.20	Electric panel	0%	15%
13	9406.90.10	Sandwich panel with or without cold room facility	0%	15%

**Goods on which Supplementary Duty has been levied/reduced/increased/withdrawn:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	20.08 (All H.S. Codes)	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.	0%	20%
2	24.04 (All H.S. Codes)	Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body.	0%, 100%	150%

**Goods on which Supplementary Duty has been levied/reduced/increased/withdrawn:**

<b>Sl. No.</b>	<b>H.S. Code</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
(1)	(2)	(3)	(4)	(5)
3	4813.10.90	Cigarette paper Other importer	100%	150%
4	4813.20.90	Cigarette paper Other importer	100%	150%
5	4813.90.90	Cigarette paper Other importer	100%	150%
6	8543.90.10	Parts of Electric Cigarettes and similar personal electric vaporising devices	0%	100%
7	8516.50.00	Microwave ovens	0%	20%

**Products on which Regulatory Duty has been imposed or reduced/increased:**

<b>Sl. No.</b>	<b>Heading</b>	<b>H.S. Code</b>		<b>RD Rate</b>	<b>RD Rate</b>
(1)	(2)	(3)	(4)	(5)	(6)
1	24.04	All H.S. Codes	Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body.	100%	150%

## Products on which Regulatory Duty has been imposed or reduced/increased:

Sl. No.	Heading	H.S. Code		RD Rate	RD Rate
(1)	(2)	(3)	(4)	(5)	(6)
2	34.01	All H.S. Codes	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap; paper wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.	3%	20%
3	35.06	3506.91.10	Elastic/construction glue imported by Industrial IRC holder VAT compliant hygienic products manufacturing industry.	3%	15%
4	35.06	3506.91.10	other	3%	15%

## Goods on which are exempted from VAT at the import stage:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8411.11.00	Turbo-jets Of a thrust not exceeding 25 kN	15%	0%
2	8411.12.00	Turbo-jets Of a thrust exceeding 25 kN	15%	0%
3	8609.00.10	Insulated or refer container	15%	0%
4	8609.00.90	Other container	15%	0%

## VAT has been reduced at the import level of the goods:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	2905.31.10	Ethylene glycol (ethanediol) imported by Industrial IRC holder VAT compliant PET chips manufacturing industry	15%	5%
2	2917.36.10	Terephthalic acid imported by Industrial IRC holder VAT compliant PET chips manufacturing industry	15%	5%
3	7219.11.10	Hot-rolled, in coils Of a thickness exceeding 10 mm imported by Industrial IRC holder VAT compliant cold rolled stainless steel in coils manufacturing industry	15%	5%

## VAT has been reduced at the import level of the goods:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
4	7219.12.10	Hot-rolled, in coils Of a thickness of 4.75 mm or more but not exceeding 10 mm imported by Industrial IRC holder VAT compliant cold rolled stainless steel in coils manufacturing industry.	15%	5%
5	7219.13.10	Hot-rolled, in coils Of a thickness of 3 mm or more but less than 4.75 mm imported by Industrial IRC holder VAT compliant cold rolled stainless steel in coils manufacturing industry.	15%	5%

## VAT has been reduced at the import level of the goods:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
6	7219.14.10	Hot-rolled, in coils Of a thickness of less than 3 mm imported by Industrial IRC holder VAT compliant cold rolled stainless steel in coils manufacturing industry	15%	5%

## Products for which AT is exempted at import level:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8609.00.10	Insulated or refer container	5%	0%
2	8609.00.90	Other container	5%	0%

## Products on which AT is levied at the import stage:

Sl. No.	H.S. Code	Description
(1)	(2)	(3)
1	3824.99.92	Master batch not containing pigments
2	8503.00.91	Stator with winding wire
3	8503.00.92	Stator without winding wire
4	8503.00.99	Other
5	8543.90.10	Electronic Cigarettes and similar personal electric vaporising devices

## HS Code/Description of materials for which amendment has been made:

Sl. No.	H.S. Code	Description	Heading as per BCT (Revised)	Description as per BCT (Revised)
(1)	(2)	(3)	(4)	(5)
1.	8403.90.00	Infra-red flame detector	8531.80.00	Infra-red flame detector
2.	8403.90.00	Ultra violet flame detector	8531.80.00	Ultra violet flame detector
3.	8443.99.90	Squeegee	9603.90.00	Squeegee
4.	8448.20.90	Flap Control	8537.10.90 & 8537.20.90	Flap Control
5.	8448.20.90	Light Barrier	8538.90.90	Light Barrier

## HS Code/Description of materials for which amendment has been made:

Sl. No.	H.S. Code	Description	Heading as per BCT (Revised)	Description as per BCT (Revised)
(1)	(2)	(3)	(4)	(5)
6.	8448.39.00	Absolut-Encoder	8543.70.90	Absolut-Encoder
7.	8448.39.00	Control Level	9032.89.00	Control Level
8.	8448.39.00	Detector	8543.70.90	Detector
9.	8448.39.00	Drive Unit	8543.70.90	Drive Unit
10.	8448.39.00	Photo Cell	8541.49.00	Photo Cell
11.	8448.49.00	Sensor	9026.80.00	Sensor
12.	8448.59.00	Photo Sensor Circuit	8542.39.90	Photo Sensor Circuit
13.	8451.90.00	Encoder	8543.70.90	Encoder

## Change/amendment of description of HS codes:

Sl. No.	H.S. Code	Existing Description	Changed Description
(1)	(2)	(3)	(4)
1	4202.1	Travelling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard or wholly or mainly covered with such materials or with paper:	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels and similar containers:

## Change/amendment of description of HS codes:

Sl. No.	H.S. Code	Existing Description	Changed Description
(1)	(2)	(3)	(4)
2	4811.90.11	Imported by Industrial IRC holder VAT compliant Ceramic/Melamine/ Transfers (decalcomania) manufacturing industry.	Imported by Industrial I RC holder VAT compliant Ceramic/Melamine/ Transfers (decalcomania)/ Opal glassware manufacturing industry
3	4908.10.10	Transfers (decalcomanias) imported by Industrial IRC holder VAT compliant ceramic or melamine Industry	Transfers (decalcomanias) imported by Industrial IRC holder VAT compliant ceramic or melamine or Opal glassware Industry

## Change/amendment of description of HS codes:

Sl. No.	H.S. Code	Existing Description	Changed Description
(1)	(2)	(3)	(4)
4	7606.11.10	Imported by Industrial IRC holder VAT compliant LED Lamp or electric fan manufacturing Industry	Imported by Industrial IRC holder VAT compliant electric fan manufacturing industry
5	8437.80.10	Rice huller and wheat crusher	Rice huller and Rice/wheat crusher

## All the H.S. Codes that have been split:

Sl. No.	Existing H.S. Code	Splited H.S. Code	Description
(1)	(2)	(3)	(4)
1.	8503.00.90	8503.00.91	Stator with winding wire
		8503.00.92	Stator without winding wire
		8503.00.99	Other
2.	8543.90.00	8543.90.10	Electric Cigarattes and similar personal electric vaporising devices
		8543.90.90	Other
3.	8714.93.10	8714.93.11	Free wheel sprocket wheels of bicycle
		8714.93.19	Other

## All H.S. Codes that have been merged:

Sl. No.	Existing H.S. Code	Merge H.S. Code
(1)	(2)	(3)
1.	3903.30.10	3903.30.00
	3903.30.90	
2.	3907.40.10	3907.40.00
	3907.40.90	
3.	3907.99.10	3907.99.00
	3907.99.90	
4.	7601.20.10	7601.20.00
	7601.20.90	
5.	7606.92.10	7606.92.00
	7606.92.90	

## All H.S. Codes that have been merged:

Sl. No.	Existing H.S. Code	Merge H.S. Code
(1)	(2)	(3)
6.	8539.90.31	8539.90.30
	8539.90.39	
7.	9405.91.10	9405.91.00
	9405.91.90	
8.	9405.92.10	9405.92.00
	9405.92.90	
9.	9405.99.10	9405.99.00
	9405.99.90	

## H.S. Code newly created:

Sl. No.	New H.S. Code	Description
(1)	(2)	(3)
1.	3824.99.92	Master batch not containing pigments

## H.S. Code Merged:

Sl. No.	Existing H.S. Code	Merge H.S. Code
(1)	(2)	(3)
1	3903.30.10	3903.30.00
	3903.30.90	
2	3907.40.10	3907.40.00
	3907.40.90	
3	3907.99.10	3907.99.00
	3907.99.90	
4	7601.20.10	7601.20.00
	7601.20.90	
5	7606.92.10	7606.92.00

## List of Deleted & Replaced SROs:

- SRO no. 136-Aain/2022/84/Customs, dated 01 June 2022 (**rebate on import of capital machinery or inputs by residential hotel of international standard**) **deleted** by **SRO no. 105-Aain/2022/149/Customs**, dated 21 May 2023, effective from 01 June 2023
- **Pilgrims Baggage (Import) Rules, 1977, deleted** by SRO no. 133- Aain/2023/177/Customs, dated 21 May 2023, effective from 01 June 2023
- SRO no. 133-Aain/2017/19/Customs, dated 01 June 2017 (**import of inputs by local manufacturer of industrial mold or die**) **deleted & replaced** by **SRO no. 121-Aain/2023/165/Customs**, dated 21 May 2023, effective from 01 June 2023
- SRO no. 222-Aain/2022/130/Customs, dated 28 June 2022 (**imposing & exemption of Regulatory Duty**) **deleted & replaced** by **SRO no. 126- Aain/2023/170/Customs**, dated 21 May 2023, effective from 01 June 2023
- Passenger (Non-tourist) Baggage (Import) Rules, 2016, **deleted & replaced** by **SRO no. 132-Aain/2023/176/Customs**, dated 21 May 2023, naming Passenger (Non-tourist) Baggage (Import) Rules, 2023

## List of Deleted & Replaced SROs:

- SRO no. 203-Aain/2022/111/Customs, dated 28 June 2022 (**minimum value for determining customs duty**) **deleted & replaced** by **SRO no. 134-Aain/2023/178/Customs**, dated 21 May 2023, effective from 01 June 2023

## List of Amended SROs: Effective from 01 June 2023

- SRO no. 118-Aain/2022/66/Customs, dated 01 June 2022 (**import of capital machinery at reduced rate**) amended by **SRO no. 106-Aain/2023/150/Customs**, dated 21 May 2023
- SRO no. 119-Aain/2022/67/Customs, dated 01 June 2022 (**exemption of CD & SD on import of raw materials by industrial IRC holder VAT compliant manufacturing industry**) amended by **SRO no. 107-Aain/2023/149/Customs**, dated 21 May 2023
- SRO no. 124-Aain/2021/13/Customs, dated 24 May 2021 (**import of capital machinery, parts & inputs by industrial unit located in Economic Zone**) amended by **SRO no. 108-Aain/2023/152/Customs**, dated 21 May 2023

## List of Amended SROs: Effective from 01 June 2023

- SRO no. 127-Aain/2021/16/Customs, dated 24 May 2021 (**import of machinery & parts by cellular phone manufacturer**) amended by **SRO no. 109-Aain/2023/152/Customs**, dated 21 May 2023
- SRO no. 121-Aain/2021/10/Customs, dated 24 May 2021 (**import of inputs by cancer drugs manufacturer**) amended by **SRO no. 110-Aain/2023/154/Customs**, dated 21 May 2023
- SRO no. 122-Aain/2014/2486/Customs, dated 05 June 2014 (**import of inputs by local pharmaceutical industry**) amended by **SRO no. 111-Aain/2023/155/Customs**, dated 21 May 2023
- SRO no. 116-Aain/2021/05/Customs, dated 24 May 2021 (**import of machinery & parts by locally computer manufacturer**) amended by **SRO no. 112-Aain/2023/156/Customs**, dated 21 May 2023
- SRO no. 123-Aain/2022/71/Customs, dated 01 June 2022 (**import of computer & computer equipment**) amended by **SRO no. 113-Aain/2023/157/Customs**, dated 21 May 2023

## List of Amended SROs: Effective from 01 June 2023

- SRO no. 56-Aain/2017/71/Customs, dated 14 March 2017 (**import of capital machinery by company located in EPZ**) amended by **SRO no. 114-Aain/2023/158/Customs**, dated 21 May 2023
- SRO no. 201-Aain/2022/109/Customs, dated 28 June 2022 (**import of raw material for production of LED/Energy savings lamp**) amended by **SRO no. 115-Aain/2023/159/Customs**, dated 21 May 2023
- SRO no. 128-Aain/2020/79/Customs, dated 03 June 2020 (**import of raw materials by dairy/poultry feed manufacturer**) amended by **SRO no. 116-Aain/2023/160/Customs**, dated 21 May 2023
- SRO no. 120-Aain/2021/09/Customs, dated 24 May 2021 (**import of textile machinery & equipment**) amended by **SRO no. 117-Aain/2023/161/Customs**, dated 21 May 2023
- SRO no. 70-Aain/2020/60/Customs, dated 04 March 2020 (**import of machinery & equipment by power generation plant**) amended by **SRO no. 118-Aain/2023/162/Customs**, dated 21 May 2023

## List of Amended SROs: Effective from 01 June 2023

- SRO no. 139-Aain/2022/87/Customs, dated 01 June 2022 (**import of machinery & parts by locally motor cycle manufacturer**) amended by **SRO no. 119-Aain/2023/163/Customs**, dated 21 May 2023
- SRO no. 122-Aain/2021/11/Customs, dated 24 May 2021 (**import of raw material by locally manufacturer of LPG cylinder and auto tank**) amended by **SRO no. 122-Aain/2023/166/Customs**, dated 21 May 2023
- SRO no. 157-Aain/2019/26/Customs, dated 30 May 2019 (**import of inputs by locally manufacturer of lift**) amended by **SRO no. 123-Aain/2023/167/Customs**, dated 21 May 2023
- SRO no. 199-Aain/2022/107/Customs, dated 28 June 2022 (**import of inputs by locally manufacturer of refrigerator**) amended by **SRO no. 124-Aain/2023/168/Customs**, dated 21 May 2023
- SRO no. 142-Aain/2022/90/Customs, dated 01 June 2022 (**import of inputs by amusement park**) amended by **SRO no. 125-Aain/2023/169/Customs**, dated 21 May 2023

## List of Amended SROs: Effective from 01 June 2023

- SRO no. 122-Aain/2022/70/Customs, dated 01 June 2022 (**import of inputs by locally manufacturer of pre-fabricated building structure**) amended by **SRO no. 127-Aain/2023/171/Customs**, dated 21 May 2023
- SRO no. 200-Aain/2022/108/Customs, dated 28 June 2022 (**import of inputs by locally manufacturer of AC**) amended by **SRO no. 128-Aain/2023/172/Customs**, dated 21 May 2023
- SRO no. 125-Aain/2021/14/Customs, dated 24 May 2021 (**import of raw materials by locally manufacturer of washing machine**) amended by **SRO no. 129-Aain/2023/173/Customs**, dated 21 May 2023
- SRO no. 202-Aain/2022/110/Customs, dated 28 June 2022 (**import of raw materials for locally production of ATM & CC camera**) amended by **SRO no. 130-Aain/2023/174/Customs**, dated 21 May 2023
- SRO no. 373-Aain/2019/52/Customs, dated 28 November 2019 (**import of coal for generation of electricity**) amended by **SRO no. 131 Aain/2023/175/Customs**, dated 21 May 2023



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