

Incentives for Developers

| Serial | Incentives | Explanation | Gazettes |
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| 1 | Income Tax exemption of varying degree for 12 years including 100% exemption for 1 st 10 Years. | 1st 10 years – 100% 11th year – 70% 12th year – 30% | SRO No 227-Law/Income Tax/2015 Date: 08 July, 2015 of Internal Resources Division |
| 2 | Income tax exemption on dividend for 10 years | 100% Exemption | SRO No 299/Law/Income Tax/2105 Date: 8 Oct, 2015 of Internal Resources Division |
| 3 | Income tax exemption on capital gains from transfer of shares for 10 years | 100% Exemption | |
| 4 | Income tax exemption on royalties, technical know-how and technical assistance fees etc for 10 years | 100% Exemption | |
| 5 | Duty free import of goods to be used for the development of Zones (except for MS Rod/Bar, Cement, Pre-fabricated Building, Iron/Steel Sheet) | 100% Exemption | SRO No 208- Law/2015/45/Customs Date: 1 July, 2015 of Internal Resources Division |
| 6 | Land development tax exemption | 100% Exemption | SRO No. 05-Law/2016 Date: 11 Jan, 2016 of Ministry of Land |
| 7 | Exemption from tax sub tax, rate, toll, fees etc imposed under section 65 of Local Government (Union Parishad) Act, 2009 | 100% Exemption | SRO No. 333-Law/2015 Date: 12 Nov, 2015 of Local Government Division |
| 8 | Exemption from tax on transferring immovable property imposed under section 44 of Upazilla Parishad Act, 1998 | 100% Exemption | SRO No. 328-Law/2018 Date: 11 Nov, 2018 of Local Government Division |
| 9 | Exemption of Stamp Duty on registration of loan document with Scheduled Bank | 100% Exemption | SRO No. 7-lw/2016 Date: 12 January, 2016 of Internal Resources Division |
| 10 | Stamp duty is exempted at the time of transferring land in favor of the Consortium, Joint Venture (Private EZ developers) formed for the purpose of setting up the zone. | 100% Exemption | SRO No. 287- Law/2017/08.00.0000.040.22.005.15 Date: 21 Sep, 2017 of Internal Resources Division |
| 11 | Income Tax deducted at source (under section 53H of the Income Tax Ordinance 1984) is exempted at the time of transferring land in favor of the Consortium, Joint Venture (Private EZ developers) formed for the purpose of setting up the zone. | 100% Exemption | SRO No. 120-Law/Income Tax/2018 Date: 26 Apr, 2018 of Internal Resources Division |
| 12 | Registration fees (Registration Act 1908) is exempted at the time of transferring land in favor of the Consortium, Joint Venture (Private EZ developers) formed for the purpose of setting up the zone. | 100% Exemption | Circular No. R-6/1M-11/2017-269 Date: 19 Sep, 2017 |
| 13 | Exemption of stamp duty on the land lease agreement between BEZA & Developers | 100% Exemption | SRO No. 08-Law/2016 Date: 12 Jan, 2016 of Internal Resources Division |
| 14 | Exemption of stamp duty on lease registration | 50% Exemption | SRO No. 06-Law/2016 Date: 12 Jan, 2016 of Internal Resources Division |
| 15 | EZ investors are waived from Board | Completely | SRO No. 108-Law/2016 Date: 21 April, |

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| | of Investment Act, 1989 | Exempted | 2016 of Prime Minister's Office |
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Incentives for Unit Investors

| Serial | Incentives | Explanation | Gazettes |
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| 1 | Income Tax exemption of for 10 years (except edible oil, sugar, flour, cement, iron and iron related products) | Extent -100% (for 1st, 2nd , 3rd year) 4th year – 80% 5th year – 70% 6th year – 60% 7th year – 50% 8th year – 40% 9th year – 30% 10th year – 20% | SRO No 104-Law/Income Tax/2020 Date: 25 March, 2020 of Internal Resources Division |
| 2 | Income tax exemption on dividend for 10 years | 100% Exemption | SRO No 299/Law/Income Tax/2105 Date: 8 Oct, 2015 of Internal Resources Division |
| 3 | Income tax exemption on capital gains from transfer of shares for 10 years | 100% Exemption | |
| 4 | Income tax exemption on royalties, technical know-how and technical assistance fees etc for 10 years | 100% Exemption | |
| 5 | Exemption from Income Tax on the income of expatriate for 3 years | 50% Exemption | SRO No. 298- Law/Income Tax/2015 Date: 8 Oct, 2015 of Internal Resources Division |
| 6 | Exemption from double taxation subject to the existence of double taxation agreement | subject to the double taxation agreement | NBR |
| 7 | Duty free import of capital machinery and construction material (except for MS Rod/Bar, Cement, Pre-fabricated Building, Iron/Steel Sheet) | 100% Exemption | SRO No 209- Law/2015/46/Customs Date:1 July, 2015 of Internal Resources Division <u>List of capital machineries</u> SRO No. 121- Law/2020/72/Customs Date:11 June, 2020 of Internal Resources Division |
| 8 | Warehousing Station | Entire EZ has been declared as warehousing station. | SRO No 211/Law/2015/48/Customs Date:1 July, 2015 of Internal Resources Division Amendment: SRO No 304/Law/2017/77/Customs Date: 22 Oct, 2017 of Internal Resources Division |
| 9 | Home Consumption & Other Bond Facilities, Warehouse Operator | All the unit investors in EZs are entitled to this facility | <ol style="list-style-type: none"> 1. SRO No 211/Law/2015/48/Customs Date: 1 July, 2015 of Internal Resources Division Amendment: SRO No 304/Law/2017/77/Customs Date: 22 Oct, 2017 of Internal Resources Division 2. SRO No 181/Law/2008/2209/Customs Date: 26 June, 2008 of National Board of Revenue Amendment: SRO No. 203-Law/2017/48/Customs Date: 20 |

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| | | | <p>June,2017 of National Board of Revenue</p> <p>Amendment: SRO No. 136-Law/2020/87/Customs Date: 03 June,2020 of National Board of Revenue</p> <p>Amendment: SRO No. 194-Law/2020/104/Customs Date: 30 June,2020 of National Board of Revenue</p> <p>3. Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue</p> <p>Amendment: 288/2017/Customs/529 Date: 21 Dec, 2017 of National Board of Revenue</p> <p>Amendment: 195/2018/Customs/197 Date: 6 May, 2018 of National Board of Revenue</p> |
| 10 | Dedicated Customs Procedure(Economic Zone) | All the industries in EZs are eligible | <p>Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue</p> <p>Amendment: 288/2017/Customs/529 Date: 21 Dec, 2017 of National Board of Revenue</p> <p>Amendment: 195/2018/Customs/197 Date: 6 May, 2018 of National Board of Revenue</p> |
| 11 | 20% sale of finished product to Domestic Tariff Area (DTA) | 20% of the export volume of last fiscal year | <p>Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue</p> <p>Amendment: 288/2017/Customs/529 21 Date: Dec, 2017 of National Board of Revenue</p> |
| 12 | Sub-contracting with DTA allowed | 100% Allowed | <p>Amendment: 195/2018/Customs/197 Date:6 May, 2018 of National Board of Revenue</p> |
| 13 | Exemption of Customs Duty, Regulatory Duty, VAT, Supplementary Duty for import of vehicles (up to 2000 cc, one sedan car and one microbus/pick up van/ double cabin pick up) | 100% Exemption | <p>SRO No. 210- Law/2015/47/Customs Date: 1 July, 2015 of Internal Resources Division</p> <p>Amendment: SRO No. 312-Law/2015/57/Customs Date: 28 Oct, 2015 of Internal Resources Division</p> |
| 14 | Duty exemption on export | 100% Exemption | 1 st Schedule of The Customs Act,1969 |
| 15 | Exemption from VAT on Utility services related to production of goods | 100% Exemption | SRO No. 190-Law/2019/47-VAT Date: 13 June, 2019 of Internal Resources division |

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| 16 | Land development tax exemption | 100% Exemption | SRO No. 05-Law/2016 Date: 11 Jan, 2016 of Ministry of Land |
| 17 | Exemption of stamp duty on lease registration | 50% Exemption | SRO No. 06-Law/2016 Date: 12 Jan, 2016 of Internal Resources division |
| 18 | Exemption from tax sub tax, rate, toll, fees etc imposed under section 65 of Local Government (Union Parishad) Act, 2009 | 100% Exemption | SRO No. 333-Law/2015 Date: 12 Nov, 2015 of Local Government Division |
| 19 | Exemption from tax on transferring immovable property imposed under section 44 of Upazilla Parishad Act, 1998 | 100% Exemption | SRO No. 328-Law/2018 Date: 11 Nov, 2018 of Local Government Division |
| 20 | EZ investors are waived from Board of Investment Act, 1989 | Completely | SRO No. 108-Law/2016 Date: 21 April, 2016 of Prime Minister's Office |
| 21 | Regulatory framework of foreign exchange transactions of enterprises operating in EZs. | Completely | FE Circular No. 21 of 11 May 2017 incorporated at chapter 20 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 of Bangladesh Bank |
| 22 | Foreign investment in Bangladesh including EZs | No restrictions except few sectors | As per appendix-4 of Industrial Policy-2016 |
| 23 | Ceiling of FDI | No ceiling of foreign contents | <ul style="list-style-type: none"> • Industrial Policy- 2016 of Ministry of Industries • FE Circular No. 21/2017 of Bangladesh Bank |
| 24 | Repatriation of dividend earned against the investment | 100% | <ul style="list-style-type: none"> ○ No permission from Bangladesh Bank (paragraph 31, chapter 10 of GFET, paragraph 9 of FE Circular No. 21/2017 and paragraph 9, chapter 20 of GFET by Bangladesh Bank) ○ Dividend can be credited in foreign currency accounts maintained by foreign investors in Bangladesh (FE Circular No. 26 of 7 July 2020 of Bangladesh Bank) |
| 25 | Repatriation of sales proceeds of investment | 100% | <ul style="list-style-type: none"> ○ Detailed instructions outlined at FEID Circular No. 01 of 6 May 2018 of Bangladesh Bank ○ Relaxation vide FEID Circular Letter 01 of 18 June 2020 of Bangladesh Bank in the following counts: <ul style="list-style-type: none"> (a) No permission from Bangladesh Bank is required for remittance of sales proceeds of shares regardless of amount provided that fair value is determined through net asset value approach on the basis of latest audited financial statements, and the financial statements contain no revalued assets. (b) No permission from Bangladesh Bank is required to repatriate sales proceeds of shares up to Tk 10.00 million without valuation reports. (c) Sales proceeds exceeding Tk 10 million upto Tk 100 million may be remitted abroad based on the fair value determined on the basis of appropriate |

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| | | | valuation methods. |
| 26 | Loan from external sources | 100% | Paragraph 8 of FE Circular No. 21/2017 and paragraph 8, chapter 20 of GFET of Bangladesh Bank |
| 27 | Repatriation of Royalty, Technical Know-how & Technical Assistance Fees | <ul style="list-style-type: none"> • For new project, not exceeding 6% of the cost of the imported machinery • For ongoing concerns, not exceeding 6% of the previous year's sales as declared in the income tax return | Paragraph 11 of FE Circular No. 21/2017 and paragraph 11, chapter 20 of GFET of Bangladesh Bank |
| 28 | Telephonic Transfer (TT) | No limit | Paragraph 7 of FE Circular No. 21/2017 of Bangladesh Bank |
| 29 | FC Accounts for EZ enterprises | Extent - Full | Paragraph 4 of FE Circular No. 21/2017 and paragraph 4, chapter 20 of GFET of Bangladesh Bank |
| 30 | FC Accounts for foreign nationals working in EZ enterprises | Extent - Full | Paragraph 1, chapter 13 of GFET of Bangladesh Bank |
| 31 | Remitting income of foreign nationals working in EZs | 75 % of current income | <ul style="list-style-type: none"> ○ Paragraph 12 of FE Circular No. 21/2017 and paragraph 12, chapter 20 of GFET of Bangladesh Bank ○ FE Circular No. 24 of 23 June 2020 of Bangladesh Bank |
| 32 | Industries operating in Domestic Processing Area (DPA) of EZs can meet their foreign payment obligation on account of Royalty, Technical Know-how & Technical Assistance Fees from their Taka Account | | FE Circular No. 41 of 04 October, 2020 |
| 33 | Market exploration assistance for Type C industries operating in EZs against export of <ul style="list-style-type: none"> - Sandals and bags made of synthetic & fabrics - Agro processing goods | 4% Cash Incentive on the condition of a minimum value addition of 30% | Paragraph 9 of FE Circular No. 35, dated 22 September 2019 of Bangladesh Bank |
| 34 | Backward Linkages of raw materials to sell for export-oriented industries | 100% | Paragraph 06 of FE Circular No. 21/2017 of Bangladesh Bank |
| 35 | Formation of Joint Venture Industries | | FE Circular No. 21/2017 of Bangladesh Bank |
| 36 | Special cash incentives against export of textile goods including readymade garments | | FE Circular No. 01, dated 07 January 2020 of Bangladesh Bank |
| 37 | Issuance of work permit to foreigners is allowed | Up to 5% of total officers/employees of an industrial unit | Notification No. 03.068.004.09.00.00.016.2018-664 (7 Nov, 2018) |
| 38 | Resident visa | For investment of US\$75000 or above | Industrial Policy- 2016 of Ministry of |

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| | | | Industries |
| 39 | Citizenship | For investment of US\$ 1,000,000 or above | Industrial Policy- 2016 of Ministry of Industries |

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