Income Tax Act, 2023

Authentic English Text (NBR)

আয়কর আইন, ২০২৩-এর ইংরেজি পাঠ, জাতীয় রাজস্ব বোর্ড কর্তৃক প্রকাশিত।

Published	Bangladesh Gazette, Extraordinary, 16 October 2025 — S.R.O. No. 404-Law/2025 (NBR notification dated 8 October 2025), under section 345 of the Act
Covers	The Act with amendments up to the Finance Act, 2024 (FY 2024-25 text). Later changes (2025 ordinances, Finance Act 2026) are in the Bangla track-change PDFs at smartaccountantbd.com/tax/income-tax-act-2023/
Note	If the Bangla and English texts differ, the Bangla text prevails (section 345(2)).
Source	nbr.gov.bd, unchanged

সরকারি পাঠ, অপরিবর্তিত। প্রচ্ছদ ও জলছাপ: **Md Sajid Hossain Shimanto**, সিএ ফাইনালিস্ট (ICAB) · smartaccountantbd.com
তারিখ: ২২ নভেম্বর ২০২৬

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রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ গেজেট

অতিরিক্ত সংখ্যা

কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, অক্টোবর ১৬, ২০২৫

Government of the People's Republic of Bangladesh

National Board of Revenue

NOTIFICATION

Dated: 08 October, 2025

S.R.O No-404-Law/2025.—In the exercise of the powers conferred by section 345 of the Income Tax Act, 2023, the Government is pleased to publish the following English Text of the Act to be called the Authentic English Text of the Act:

(Authentic English Text of the Original Bangla Text)

*The Income Tax Act, 2023

Act No. XII of 2023

**An Act to make a new law upon repealing the Income-tax Ordinance, 1984 by updating and in a time befitting manner

WHEREAS all the Ordinances promulgated by Martial Law Proclamation between the period from 24th March, 1982 to 11th November, 1986 have ceased to have effect due to omission of paragraph 19 of the Fourth Schedule to the Constitution of the People's Republic of Bangladesh regarding ratification and confirmation of the said Ordinances by the Constitution (Fifteenth Amendment) Act, 2011 (Act No. XIV of 2011) and the Constitution (Seventh Amendment) Act, 1986 (Act No. 1 of 1986) validating the Martial Law being declared void in the judgment pronounced by the Appellate Division of the Supreme Court of Bangladesh declaring the Martial Law unconstitutional in civil petition for Leave to appeal No. 48/2011; and

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মূল্য : টাকা ২৪০.০০

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WHEREAS some of those Ordinances are kept in force by the Act No. VII of 2013; and

WHEREAS the Government has decided to make new laws in Bangla by way of necessary amendment and modification of such Ordinances as may be considered necessary after reviewing the necessity and relevancy of such Ordinances and soliciting opinions thereon from all stakeholders and relevant Ministries or Divisions; and

WHEREAS it is necessary to make a new law by updating and in time befitting manner expanding the scope of taxation of income tax, advance income tax, tax at source, minimum tax, surcharge and any other form of taxation, establishing financial discipline and other ancillary matters; and

WHEREAS in the light of the above-mentioned decision of the Government, it is expedient and necessary to repeal and re-enact the Income-tax Ordinance, 1984 (Ordinance No. XXXVI of 1984) in a befitting manner;

THEREFORE, it is hereby enacted as follows:—

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* Throughout the Act the words “the Finance Company”, “to the Finance Company”, “in the Finance Company” and “of the Finance Company” were substituted respectively for the words “Financial Institution”, “ to the Financial Institution”, “in the Financial Institution” and “ of the Financial Institution” by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

** Throughout the Act the words, commas, figures and brackets “Customs Act, 2023 (Act No. LVII of 2023) were substituted for the words, commas, figures and brackets “Customs Act, 1969 (Act No. IV of 1969) by section 14(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

PART I

PRELIMINARY

1. Short title and commencement.— (1) This Act may be called the Income-tax Act, 2023.

(1) It shall come into force at once.

2. Definitions.— In this Act, unless there is anything repugnant in the subject or context,—

(1) **"written down value"** means the written down value as defined in Part 1 of the Third Schedule;

(2) **"Additional Commissioner of Taxes (Appeals)"** means the Additional Commissioner of Taxes (Appeals) and Joint Commissioner of Taxes (Appeals) as referred to in section 4;

(3) **"Extra Assistant Commissioner of Taxes"** means the Extra Assistant Commissioner of Taxes referred to in section 4;

(4) **"non-resident"** means a person who is not a resident;

(5) **"approved gratuity fund"** means a gratuity fund approved by the [1][Commissioner of Taxes] under the provisions of Part 2 of the Second Schedule;

(6) **"approved superannuation fund or pension fund"** means any superannuation fund or pension fund approved by the [2][Commissioner of Taxes] under the provisions of Part 1 of the Second Schedule;

[1] The words "Commissioner of Taxes" were substituted for the word "Board" by section 15(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "Commissioner of Taxes" were substituted for the word "Board" by section 15(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(7) **"partner"** has the same meaning as defined in the Partnership Act, 1932 (Act No. IX of 1932), and includes a person who, being a minor, has been admitted to the partnership through receiving share of profit from the partnership;

(8) **"partnership"** has the same meaning as defined in the Partnership Act, 1932 (Act No. IX of 1932);

(9) **"legal representative"** means a legal representative as defined in clause (11) of section 2 of the Code of Civil Procedure, 1908 (Act No. V of 1908);

(10) **"relative",** in relation to an individual, means the husband or wife, son, daughter, brother, sister or any lineal ascendant or descendant of that individual;

[1][***]

(12) **"Appellate Tribunal"** means the Taxes Appellate Tribunal established under section 13;

(13) **"income"** includes—

(a) any income, receipts, profits or gains, from whatever source derived, which is chargeable to tax under any provision of this Act;

(b) any amount which is subject to collection or deduction of tax at source under any provision of this Act;

(c) any loss of income, profits or gains specified in sub-clause (a);

(d) profits or gains derived from any insurance business carried on by a mutual insurance association computed in accordance with paragraph 8 of the Fourth Schedule;

(e) any sum deemed or considered to be income, or any income accruing or arising or received, or deemed to accrue or arise or be received in Bangladesh under any provision of this Act;

(f) any amount, payment or transaction on which a tax is imposed;

[2][(g) acquisition of any asset, which is not—

[1] Clause (11) was omitted by section 15(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Sub-clause (g) was inserted by section 15(d) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(i) natural;

(ii) created by any person himself;

(iii) foreclosure against liability or mortgage;

(iv) acquired by way of inheritance, will, bequest or trust;

(v) acquired by way of exchange or purchase;]

(14) **"income tax"** means any tax or surcharge chargeable or payable under this Act;

(15) **"income year"** means the financial year immediately preceding the assessment year and includes—

(a) the period beginning with the date of setting up of a business and ending with the thirtieth day of June following the date of setting up of such business;

(b) in case of an income newly accrued, the period beginning with the date on which it comes into existence and ending with the thirtieth day of June following the date on which such new income comes into existence;

(c) the period beginning with the first day of July and ending with the date of discontinuance of the business or dissolution of the unincorporated body or liquidation of the company, as the case may be;

(d) the period beginning with the first day of July and ending with the date of retirement or death of a partner of the unincorporated body;

(e) the period immediately following the date of retirement, or death of a participant of the unincorporated body and ending with the date of retirement, or death of another participant or the thirtieth day of June following the date of such retirement, or death, as the case may be;

(f) in the case of bank, insurance or [1][finance company] or any subsidiary thereof, the period of 12 months commencing from the first day of January of the relevant year :

[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Provided that subject to the approval of the Deputy Commissioner of Taxes, a different period of 12 (twelve) months may be deemed as income year for a company which is a subsidiary of a parent company incorporated outside Bangladesh, including a subsidiary of that subsidiary, or a holding company or a branch, representative or liaison office thereof, if such company requires to follow a different financial year for the purpose of consolidation of its accounts with the parent company;

(16) **"tax payable on income"** means a sum chargeable or payable based on the income under this Act;

(17) **"Deputy Commissioner of Taxes"** means a person appointed as a Deputy Commissioner of Taxes under section 4, and includes a person appointed as a Transfer Pricing Officer, an Assistant Commissioner of Taxes, an Extra Assistant Commissioner of Taxes and a Tax Recovery Officer;

(18) **"merger"** means merger as defined in the Eighth Schedule;

(19) **"Commissioner"** means Commissioner of Taxes or Commissioner of Taxes (Large Taxpayer Unit) as referred to in section 4;

(20) **"Commissioner (Appeals)"** means Commissioner of Taxes (Appeals) as referred to in section 4;

(21) **"tax"** means tax payable on income, and includes any additional tax, excess profit tax, penalty, super tax, fine, interest, fee or any other charges leviable or payable under this Act;

(22) **"assessee"** means any person having income chargeable to tax and also includes the following persons, namely:—

(a) a person by whom any tax or other sum of money is payable under this Act;

(b) every such person—

(i) whose income or the income of any other person in respect of which he is assessable; or

(ii) in respect of whom any proceeding has been taken under this Act for the assessment of the amount of refund due to him or to such other person;

(c) any person by whom a minimum tax is payable;

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(d) any person who is required to file a return, submit documents or statement, or provide information;

(e) any person who desires to be assessed and submits his return of income under this Act;

(f) any person who is deemed to be an assessee, or an assessee-in-default, under any provision of this Act;

(g) any person against whom any proceedings under this Act has been taken;

(23) **"Tax Day"** means—

(a) in the case of an assesse other than a company, the 30th (thirtieth) day of November following the end of the income year;

(b) in the case of a company, the 15th (fifteenth) day of the seventh month following the end of the income year or the fifteenth day of September following the end of the income year where the said fifteenth day falls before the fifteenth day of September;

(c) in the case of an assessee, who is an individual and has not submitted return before, the 30th (thirtieth) day of June following the end of the income year;

(d) in the case of an individual assessee residing abroad, the 90th (ninetieth) day from the date of his return to Bangladesh, if such individual—

(i) stays outside Bangladesh on leave for higher education or on deputation or lien for employment; or

(ii) resides outside Bangladesh in possession of a valid visa and permit for the purpose of earning money;

(e) the next working day following such day if the day mentioned in sub-clauses (a) and (b) is a public holiday;

(24) **"assessment year"** means the period of 12 (twelve) months commencing on the 1st day of July every year; and includes any such period which is deemed, under the provisions of this Act, to be assessment year in respect of any income for any period;

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[1][(25) **"employee"** means any employee and also includes the following persons, namely:—

(a) in case of a company, any director or managing director thereof and any such person, who, irrespective of his designation, performs any duties in connection with the management of the company;

(b) in case of any business other than a company, any such person, who, irrespective of his designation, performs any duty in connection with the management of the business;

(c) any such person, who receives salary from the employer, and is guided and controlled by the employer, and performs duties in accordance with the decisions of the employer;

(d) all other persons who receive income from employment under section 32:

Provided that it shall not include any worker of a tea garden and day labourer;]

(26) **"tax exemption"** means a partial or total exemption from any tax arising under this Act by granting the following benefits to a person, namely:—

(a) rebate, tax holiday, exemption;

(b) payment of tax at a reduced rate; or

(c) the exclusion of any income from the computation of total income;

[2][(26A) **"Commissioner of Taxes"** means the Commissioner of Taxes, Director General (Central Intelligence Cell) and Director General (Inspection) referred to in section 4 and appointed or posted under section 5;

(26B) **"assessment"** means any assessment under this Act and also includes reassessment, additional assessment or further assessment;]

(27) **"tax-free limit"** means the limit of total income for which tax rate is zero;

(28) **"taxed dividend"** means the dividend income on which tax has already been paid by the recipient under this Act;

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[1] Clause 25 were substituted by section 15(e) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clauses 26A and 26B were inserted by section 15(f) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(29) **"Cost and Management Accountant"** means a Cost and Management Accountant as defined in the Cost and Management Accountants Act, 2018 (Act No. LXX of 2018);

(30) **"fees for technical services"** means any consideration including any lump sum consideration for rendering of any managerial, technical or consultancy services and also includes any technical services or any other professional services but shall not include the following matters, namely:—

(a) consideration for any construction, assembling machineries, mining or like project undertaken by the recipient; or

(b) consideration which would be income of the recipient classifiable under the head "income from employment";

(31) **"company"** means a company as defined in the Companies Act, 1994 (Act No. XVIII of 1994) and includes—

(a) any liaison office, representative office or branch office of any foreign institution;

(b) any permanent establishment of a foreign entity or person;

(c) any association or body incorporated by or under the laws of a country outside Bangladesh;

(d) any bank, insurance body or [1][finance company];

(e) any industrial and commercial organizations, foundations, societies, cooperative societies and any educational institutions;

(f) any organization registered with the Bureau of NGO Affairs or the Microcredit Regulatory Authority;

(g) any firm, association of persons, joint venture or an association or combination of persons, called by whatever name, if any of such persons is a company as defined in the Companies Act, 1994 (Act No. XVIII of 1994) or a foreign entity;

(h) statutory government authority, local authorities, autonomous bodies;

[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(i) any entity established or constituted by or under any law for the time being in force;

(j) all entities other than individual, firm, association, trust, Hindu undivided family and fund;

(k) any foreign association or body, not incorporated by or under any law, which the Board may, by general or special order, declare to be a company for the purposes of this Act;

(32) **"assessee-in-default"** means—

(a) any person who has failed to pay any tax under this Act; or

(b) any person who is deemed to be an assessee-in-default under this Act;

(33) **"research and development"** means any systematic, investigative and experimental study that involves—

(a) novelty or technical risk;

(b) the field of science or technology;

(c) the object of acquiring new knowledge ; or

(d) the result of the study for the purpose of development of production or materials, equipment, products, agricultural products or process;

but the research and development shall not include the study conducted for following purposes, namely:—

(i) quality control or routine testing of materials, equipment or products;

(ii) research in the field of social science including the arts and humanities;

(iii) the creation or development of financial instruments or financial products;

(iv) market research or sales promotion, routine data collection, efficiency surveys or management studies;

(v) routine modifications or changes to materials, equipment, products, processes or production methods;

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(vi) cosmetic modifications or stylistic changes to materials, equipment, products, processes or production methods; or

(vii) the creation or enhancement of trademarks or goodwill;

(34) **"public servant"** means a public servant as defined in section 21 of the Penal Code, 1860 (Act No. XLV of 1860);

(35) **"employment"** includes—

(a) any post in which the person appointed is entitled to fixed remuneration or remuneration to be fixed from time to time;

(b) any directorship or any position connected with the management of the company;

(c) holding or acting in a position in a government office;

(36) **"Chartered Accountant"** means a Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973);

[1][36A) **"Chartered Secretary"** means a Chartered Secretary as defined in clause (6) of section 2 of the Chartered Secretaries Act, 2010 (Act No. XXV of 2010];

(37) **"trading account"** or **"profit and loss account"** includes income statement and other similar statement of accounts prepared under International Financial Reporting Standards (IFRS);

(38) **"trust"** means a trust constituted under the Trust Act, 1882 (Act No. II of 1882) and also includes a trust as defined in the Specific Relief Act, 1877 (Act No. II of 1877):

Provided that where the trust is constituted as a prerequisite for the formation of a company or fund or for the purpose of managing the company or fund, the said company or fund, as the case may be, shall be a taxable entity and the trust shall not be treated as a taxable entity;

(39) **"Tax Recovery Officer"** means a person appointed to be a Tax Recovery Officer under section 4;

(40) **"demerger"** means a demerger as defined in the Eighth Schedule;

[1] Clause 36A was inserted by section 15(g) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(41) **"Scheduled Bank"** means a Scheduled Bank as defined in the article 2(j) of the Bangladesh Bank Order, 1972 (President's Order No. 127 of 1972);

(42) **"fund"** means any fund created or recognized under any Act or rule for the time being in force;

(43) **"charitable purpose"** means—

(a) relief for the poor, education relief, medical relief; and

(b) the improvement or advancement of any purpose of general public utility;

but the improvement or advancement of any purpose of general public utility shall not be deemed to be a charitable purpose —

(i) unless it is approved by the [1][Commissioner of Taxes]; and

(ii) if it engages in any of the following activities—

(1) any activity in the nature of trade, commerce or business of whatever kind or manner; or

(2) rendering any services in exchange for consideration and the aggregate value of such consideration in any income year exceeds Taka [2][1(one) crore];

(44) **"money borrowed"** includes, in the case of a banking company, money received by way of deposit;

(45) **"resident"**, in respect of any income year, means—

(a) an individual who has been in Bangladesh—

(i) for a period of, or for periods amounting in all to, minimum 183 (one hundred and eighty-three) days or more in that year; or

(ii) for a period of, or periods amounting in all to, 90 (ninety) days or more in that year having previously been in Bangladesh for a period of, or periods amounting in all to,

[1] The words "Commissioner of Taxes" were substituted for the words " National Board of Revenue" by section 15(h) (a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The figure, brackets and words "1 (one) crore" were substituted for the figure, brackets and words "20 (twenty) lakh" by section 15(h) (b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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365 (three hundred and sixty-five) days or more during 4 (four) years preceding that year;

(b) a Hindu undivided family, firm or other association of persons, the control and management of whose affairs is situated wholly in Bangladesh in that year;

(c) a Bangladeshi company or any other company, the control and management of whose affairs is situated wholly in Bangladesh in that year; and

(d) a trust, a fund, an entity or every other artificial juridical person whose creation is under any Act of Bangladesh for the time being in force or the control and management of whose affairs is situated wholly in Bangladesh in that year;

(46) **"prescribed"** means prescribed by rules;

(47) **"employer"** includes a former employer;

(48) **"fair market value"** means the value determined by the Board;

(49) **"goods"** means all tangible movable property other than securities and money;

(50) **"supply of goods"** means—

(a) transfer of the right of goods by way of sale, exchange or otherwise; or

(b) granting of the right to use of goods by way of lease, rent, instalment or by any other means and also includes sale of goods under finance lease;

(51) **"Inspecting Additional Commissioner of Taxes"** means the Inspecting Additional Commissioner of Taxes and Inspecting Joint Commissioner of Taxes referred to in section 4;

(52) **"Inspector"** means Inspector of Taxes as referred to in section 4;

(53) **"Director" or "Manager"** means a director or manager as defined in the Companies Act, 1994 (Act No. XVIII of 1994);

(54) **"Principal Officer"**, in the case of a company, body or any association of persons, includes the following persons, namely:—

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(a) managing director, chief executive officer, chief financial officer, manager, secretary, treasurer, agent or accountant, by whatever designation may be called, or any officer responsible for management of the affairs or of the accounts of the authority, company, body or association; and

(b) any person connected with the management or the administration of company, body or association upon whom the Deputy Commissioner of Taxes has served a notice of his intention to treat him as principal officer thereof;

(55) **"perquisite"** means perquisite as defined under section 32;

(56) **"person with disability"** means an individual registered as person with disability under section 31 of the Rights and Protection of Persons with Disabilities Act, 2013 (Act No. XXXIX of 2013);

(57) **"speculation business"** means business in which a contract for the purchase or sale of any commodity, including stocks and shares, is periodically or ultimately settled otherwise than by the actual delivery or transfer of the commodity or scripts, but does not include business in which—

(a) a contract in respect of raw materials or merchandise is entered into by a person in the course of his manufacturing or mercantile business to guard against loss through future price fluctuations for the purpose of fulfilling his other contracts for the actual delivery of the goods to be manufactured or the merchandise to be sold by him;

(b) a contract in respect of stocks and shares is entered into by a dealer or investor therein to guard against loss in his holdings of stocks and shares through price fluctuations; and

(c) a contract is entered into by a member of a forward market or a stock exchange in the course of any transaction in the nature of jobbing or arbitrage to guard against loss which may arise in the ordinary course of his business as such member;

Explanation.— For the purpose of this clause,—

i. goods shall include shares or stocks;

ii. investment in any securities and purchase and sale of securities on any stock exchange shall not be deemed to be speculation business;

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[1][(57A) "finance company" means finance company as defined in clause (17) of section 2 of the Finance Company Act, 2023 (Act No. LIX of 2023);]

(58) **"firm"** means a firm as defined in the Partnership Act, 1932 (Act No. IX of 1932);

(59) **"year"** means a financial year;

(60) **"market value"**, in respect of agricultural produce, means—

(a) where such produce is ordinarily sold in the market in its raw state or after application to it of any process employed by a cultivator to render it fit to be taken to the market, the value computed according to the average price at which it has been sold during the year previous to that in which the income derived from such produce first becomes assessable; and

(b) where such produce is not ordinarily sold in the market in its raw state, the aggregate of—

(i) the expenses of cultivation;

(ii) the land development tax or rent paid for the lands in which it was grown; and

(iii) such amount as the Deputy Commissioner of Taxes finds, having regard to the circumstances of each case, to represent a reasonable rate of profit on the sale of the produce in question as agricultural produce;

(61) **"Bangladeshi company"** means a company formed and registered under the Companies Act, 1994 (Act No. XVIII of 1994) and includes an entity established or constituted by or under any law for the time being in force in Bangladesh having in either case its registered office in Bangladesh;

(62) **"annual value"**, in relation to any property let out, means—

(a) the sum for which property might reasonably be expected to let from year to year; or

[1] Clause 57A was inserted by section 15(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) where the annual rent in respect thereof is in excess of the sum referred to in sub-clause (a), the amount of the annual rent;

(63) **"sale proceeds"** means—

(a) where the asset is sold, the proceeds thereof or the fair market value of the said asset, whichever is higher;

(b) where the asset is transferred by way of exchange, the fair market value of the asset acquired by such transfer;

(c) where the asset is transferred otherwise than by sale or exchange, the consideration received for such transfer;

(d) where the asset is discarded, demolished, destroyed or lost, the scrap value of the asset, or any amount received or receivable for insurance, salvage or compensation against the asset including the amount recovered through sale;

(e) where the asset is compulsorily acquired under any law for the time being in force in Bangladesh, the compensation paid thereof;

(f) where the asset ceases to be used by the assessee for the purpose of agriculture, the fair market value thereof at the time of such cessation;

(g) where any plant or machinery, after having been used in Bangladesh, is exported or transferred outside Bangladesh, the export value thereof;

(h) where the value of any passenger vehicle with respect to the maximum limit under the Third Schedule, the amount thereof shall be –

A x (B/C), where—

A = proceeds from the sale of the vehicle;

B = the amount specified in the Third Schedule;

C = actual expenditure incurred to acquire the vehicle;

Explanation.—"Sale" shall include exchange or otherwise transfer or compulsory acquisition under any law for the time being in force;

(64) **"foreign company"** means a company which is not a Bangladeshi company;

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(65) **"rules"** means rules made under this Act;

(66) **"scientific research"** means any activity carried on in the field of natural or applied sciences for the extension of knowledge;

(67) **"expenditure on scientific research"** includes donations made to any university, college, technical school or other institution approved by the Board, but shall not include the following expenditure, namely:—

(a) acquisition of any such asset or intangible asset to which depreciation or amortization allowance is applicable;

(b) acquisition of fixed assets; or

(c) any expense incurred for the purpose of determining the existence, location, extent or quality of any natural resource;

(68) **"Board"** means the National Board of Revenue constituted under clause (1) of article 3 of the National Board of Revenue Order, 1972 (President's Order No. 76 of 1972);

(69) **"person"** includes a natural person, a firm, an association of persons, a Hindu undivided family, a trust, a fund and a company;

(70) **"business"** includes—

(a) any trade, commerce or manufacture;

(b) any venture or concern in the nature of trade, commerce or manufacture;

(c) any exchange of goods or services of any profitable or non-profit entity; or

(d) any profession or vocation;

(71) **"bank company"** means any bank company as defined in the Bank-Company Act, 1991 (Act No. XIV of 1991) and includes any statutory organization established or constituted by or under any law for the time being in force which transacts the business of banking in Bangladesh;

(72) **"bank transfer"** includes—

(a) transfer of money by crossed cheque, or any other means approved by the Bangladesh Bank;

(b) transfer of money from one account to another account by mobile financial services;

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(c) any payment of fee, charge, duty-tax or any other amount prescribed by the Government or any government authority to the credit of the Government or any government authority by challan;

(73) **"inventory"**, in the general course of business, means—

(a) anything produced or manufactured;

(b) anything extracted or purchased for the purpose of manufacture, sale or exchange; or

(c) all such materials or supplies used in the process of production or manufacture,

but it shall not include shares or stocks;

(74) **"Director General (Central Intelligence Cell)"** means the Director General (Central Intelligence Cell) referred to in section 4;

(75) **"Director General (Inspection)"** means the Director General (Inspection) referred to in section 4;

(76) **"Director General (Training)"** means the Director General (Training) referred to in section 4;

(77) **"capital asset"** means—

(a) property of any nature or kind held by an assessee;

(b) any business or undertaking, wholly or as a unit;

(c) any stock or share;

but does not include—

i. any stock-in-trade, consumer goods or raw materials held for the purposes of the business of an assessee;

ii. personal effects, that is to say, movable property which includes wearing apparel, jewelry, furniture, fixture or handicraft, equipment and vehicles, which are held exclusively for personal use by the assessee or any member of his family dependent on him and are not used for purposes of the business of the assessee or any member of his family dependent on him.

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(78) **"total income"** means the total amount of income referred to in section 26 computed in the manner laid down in this Act, and includes any income which, under any provision of this Act, is to be included in the total income of an assessee;

(79) **"royalty"** means consideration to be acquired in the following way, including any lump sum consideration but excluding any consideration which is classifiable as income of the recipient under the head "capital gains", namely:—

(a) transfer of all or any rights, including the granting of an approved license, in respect of a patent, industrial design or trademark or any property related to intellectual property;

(b) the imparting of any information concerning the working of, or the use of, a patent, industrial design or trademark, or any property related to intellectual property;

(c) using a patent, industrial design or trademark, or any property related to intellectual property;

(d) the imparting of any information concerning technological, industrial, commercial, or scientific knowledge, experience or skill;

(e) transfer any patent including granting of a license in respect of copyright or film other than considering sale, distribution or exhibition of cinematograph films; or

(f) the rendering of any services in connection with any of the aforesaid activities;

(80) **"export"** means the supply of goods or services from within Bangladesh to outside the geographical limits of Bangladesh and shall include the supply of locally manufactured raw materials and other inputs to export-oriented industries under domestic back-to-back letter of credit;

(81) **"dividend"** includes—

(a) any distribution by a company of accumulated profits, whether capitalized or not, if such distribution entails the release by the company to its shareholders of all or any part of its assets or reserves;

(b) any distribution by a company, to the extent to which the company possesses accumulated profits, whether capitalized or not, to its shareholders of debentures, debenture-stock or deposit certificates in any form;

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(c) any distribution made to the shareholders of a company on its liquidation to the extent to which the distribution is attributable to the accumulated profits of the company immediately before its liquidation, whether capitalized or not;

(d) any distribution by a company to its shareholders on the reduction of its capital, to the extent to which the company possesses accumulated profits, whether such accumulated profits have been capitalized or not;

(e) any profit remitted outside Bangladesh by a company not incorporated in Bangladesh under the Companies Act, 1994 (Act no. XVIII of 1994);

(f) any distribution of profit of a mutual fund, real estate investment trust, exchange traded fund or an alternative investment fund;

(g) any payment by a [1][***] company of any sum, whether as representing a part of the assets of the company or otherwise, by way of advance or loan to shareholders, or any payment by any such company on behalf, or for the individual benefit, of any such shareholder, to the extent to which the company, in either case, possesses accumulated profit;

but does not include—

(i) a distribution made in accordance with sub-clause (c) or sub-clause (d) in respect of any share including preference share for full cash consideration, or redemption of debentures or debenture-stock, where the holder of the share or debenture is not entitled in the event of liquidation to participate in the surplus assets;

(ii) any advance or loan made to a shareholder in the ordinary course of its business, where the lending of money is a substantial part of the business of the company;

(iii) any dividend paid by a company which is set off by the company against the whole or any part of any sum previously paid by it and treated as dividend within the

[1] The word "private" was omitted by section 15(j)(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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meaning of [1][sub-clause (g)] to the extent to which it is so set off;

(iv) any bonus share issued by a company;

Explanation.—The expression **"accumulated profits"** shall include—

(a) in this clause, any reserve made up wholly or partly of any allowance, deduction or exemption admissible under this Act;

(b) in case of sub-clauses (a), (b) and (d), all profits of the company up to the date of such distribution; and

(c) in case of sub-clause (c), all profits of the company up to the date of its liquidation;

(82) **"shareholder"** includes a preference shareholder;

(83) **"Member (Tax)"** means a person appointed as Member (Tax) of the National Board of Revenue;

(84) **"child"**, in relation to any individual, includes a step-child and an adopted child of that individual;

(85) **"co-operative society"** means a co-operative society registered under Co-operative Societies Act, 2001 (Act No. XLVII of 2001) or under any other law for the time being in force governing the registration of co-operative societies;

(86) **"Assistant Commissioner of Taxes"** means a person appointed as an Assistant Commissioner of Taxes under section 4;

(87) **"securities"** includes—

(a) Treasury Bills, Bonds, Savings Instruments, Debenture, Sukuk or Shariah-based issued securities or similar instruments issued by the Government;

(b) shares or stocks issued by any company or legal entity or issuer, instruments issued by way of mortgage or charge or hypothecation, bonds, debentures, derivatives, units of any collective investment scheme including mutual funds or alternative investment funds, sukuk or similar instruments issued based on Shariah, and the purchase right or power of attorney (warrant) to accept the aforesaid document:

[1] The words and brackets "sub-clause (g)" were substituted for the word and brackets "sub-clause (e)" by section 15(j)(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Provided that any currency or note, draft, cheque, bill of exchange, bank acceptance, trade receivables or trade payable shall not include therein;

(88) **"interest"** shall include—

(a) any kind of interest or financial obligation payable against any kind of financial support, such as- loan, borrowing, trade credit, advance, security or guarantee; or

(b) any service fee or any such charge or payment which shall be treated as interest on monetary equivalent,

but it shall not include expenses involved in raising money or capital;

(89) **"service"** means any service, but does not include goods, immovable property and money;

[1][(89A) **"admitted tax liability"** means payable income tax liability computed under section 173, 174 or 181, as the case may be, on the basis of return or revised return filed;]

(90) **"recognized provident fund"** means such provident fund as is approved by the Commissioner under the provisions of Part 3 of the Second Schedule;

(91) **"local authority"** means the City Corporation, Zilla Parishad, Upazila Parishad, Municipality and Union Parishad;

(92) **"permanent establishment"** means, in relation to business income, the fixed place or place of business through which such business of a person is wholly or partly carried on, and shall include—

(a) any place of management;

(b) any branch;

(c) any agency;

(d) any office;

(e) any warehouse;

[1] Clause (89A) was inserted by section 15(k) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(f) any factory;

(g) any workshop;

(h) any mine, oil or gas well, quarry or any other place for exploration, extraction or extraction of natural resources;

(i) any farm or plantation;

(j) any construction site, any construction, installation or addition project or any supervisory activity related thereto;

(k) furnishing of services, including consultancy services, by any person or by any manpower engaged for the purpose by such person, if such activities continue in Bangladesh (in the same work or in any other work connected with the said work); and

(l) any associated entity of a non-resident person or any person commercially dependent on such non-resident person who carries on any activity connected with any sale made by the non-resident person in Bangladesh;

(93) **"transfer"**, in relation to a capital asset, includes the sale, exchange or relinquishment of the asset, or the extinguishment of any right therein, but does not include following matters, namely:—

(a) any transfer of the capital asset under a gift, bequest, will or an irrevocable trust;

(b) any distribution of the assets of a company to its shareholders on its liquidation; and

(c) any distribution of capital assets on the dissolution of a firm or other association of persons or on the partition of a Hindu undivided family.

3. **Overriding effect of the Act.**—(1) Notwithstanding anything contained in any other law for the time being in force, the provisions of this Act shall prevail.

(2) If any other law or any provision thereof is inconsistent with any provision of this Act, that other law or provision of that law shall be deemed to be void to the extent of the inconsistency.

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PART 2

TAX ADMINISTRATION

4. **Income tax authorities**.—For the purposes of this Act, there shall be the following classes of income tax authorities, namely:—

(a) The National Board of Revenue;

(b) Chief Commissioner of Taxes;

(c) Director General (Inspection);

(d) Commissioner of Taxes (Appeals);

(e) Commissioner of Taxes (Large Assessee Unit);

(f) Director General (Training);

(g) Director General (Central Intelligence Cell);

(h) Commissioners of Taxes;

(i) Additional Commissioners of Taxes who may be either Additional Commissioners of Taxes (Appeal), [1][Director (Central Intelligence Cell)], Additional Director General (Training), Additional Director General (Inspection) or Inspecting Additional Commissioner of Taxes;

(j) Joint Commissioner of Taxes who may be either Joint Commissioner of Taxes (Appeal), [2][Joint Director (Central Intelligence Cell)], Director (Training), Director (Inspection) or Inspecting Joint Commissioner of Taxes;

(k) Deputy Commissioners of Taxes [3][or Deputy Directors (Central Intelligence Cell)];

(l) Tax Recovery Officers nominated by the Commissioner of Taxes among the Deputy Commissioners of Taxes within his jurisdiction;

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[1] The words and brackets "Director (Central Intelligence Cell)" were substituted for the words and brackets "Additional Director (Central Intelligence Cell)" by section 16(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words and brackets "Joint Director (Central Intelligence Cell)" were substituted for the words and brackets "Director (Central Intelligence Cell)" by section 16(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words and brackets "Deputy Director (Central Intelligence Cell)" were added by section 16(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(m) Assistant Commissioners of Taxes [1][or Assistance Directors (Central Intelligence Cell)];

(n) Extra Assistant Commissioners of Taxes; and

(o) Inspectors of Taxes.

5. **Appointment of income-tax authorities**.—(1) Subject to applicable laws, rules and regulations, the income-tax authority shall be appointed.

(2) The Board may, subject to the manner prescribed by rules, appoint and post any person as an Income-tax authority.

(3) The Board may, subject to the organogram, appoint such number of staff as may be necessary.

[2][(4) Where an income-tax authority is posted to a higher position immediate to his existing position on current charge, he shall be entitled to exercise all the powers and to perform the functions of such higher position.]

[3][**6. Delegation of powers**. – (1) The Board may, by an order,—

(a) delegate any of its powers to any other income-tax authority subordinate to it;

(b) delegate any powers of an income-tax authority to any other income-tax authority.

(2) The Commissioner of Taxes may, by an order, delegate any of his powers to any other income-tax authority subordinate to him.]

7. **Subordination and control of income-tax authorities.**—The Board may, by order, make provisions relating to the subordination and control of income-tax authorities.

8. **Duties and functions and jurisdiction of income-tax authorities.**—(1) Subject to other provisions of this Act, the Member (Tax) may exercise all the powers and perform functions which the Board may exercise and perform under this Act.

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[1] The words and brackets "Assistant Director (Central Intelligence Cell)" were added by section 16(d) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Sub-section (4) was added by section 17 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Section 6 was substituted by section 18 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) The Director General (Inspection) shall perform the following functions, namely:—

(a) to inspect the execution of proceedings under this Act;

(b) to propose tax policy reforms and identify areas for tax administration improvement on the basis of the inspection;

(c) to submit to the Board, in such a manner as may be directed by the Board, reports incorporating opinions and recommendations; and

(d) to perform such other functions as may be determined by the Board.

(3) The Director General (Central Intelligence Cell) shall perform the following functions, namely:—

(a) to carry out intelligence work for collecting information on assessees;

(b) to analyse information gathered through intelligence work vis-a-vis concerned income tax records;

(c) to detect tax evasions, concealments of income and irregularities referred to in Part 13 and 15;

(d) to carry out investigations to prove tax evasion or concealment of income or any other irregularity relating to taxes and to collect evidence in favour of tax evasion or for recovery of tax with payment of penalty and, subject to applicability, to make recommendations for appropriate prosecution;

(e) to carry out any other function authorized by any other law or assigned by the Board.

(4) The Board may, by order, determine the jurisdiction of the income-tax authority, and, if necessary, re-determine the jurisdiction or change the functions of the income-tax authority or transfer them to any other income-tax authority.

(5) Such transfer as referred to in sub-section (4) shall be made at any stage of normal proceedings and further proceedings shall be taken from the stage at which the transfer was made.

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(6) The Board may, by an order, determine the place of tax assessment of assessees.

9. **Exercise of jurisdiction by successor**.—If, in respect of any proceedings under this Act, an Income-tax Authority is succeeded by another income-tax authority, such income-tax authority shall commence the proceedings from the stage at which it was left unfinished by the predecessor.

10. **Following the directions of the Board**.—All officers and other persons engaged in the performance of any function under this Act shall, in the performance of such functions, follow such orders, directions or instructions as the Board may issue, from time to time:

Provided that no such order, direction or instruction shall be issued so as to interfere with the discretion of the [1][***] Additional Commissioner of Taxes (Appeals), the Commissioner (Appeals) in the exercise of their appellate functions.

11. **Instructions to the Deputy Commissioner of Taxes.**—In the course of any proceedings under this Act, the Deputy Commissioner of Taxes may be assisted, directed or instructed by any income-tax authority to whom he is subordinate or any other person authorized in this behalf by the Board.

12. **Exercise of assessment functions of the Inspecting Additional Commissioner of Taxes.**—(1) The Commissioner, with the prior approval of the Board, may, by general or special order in writing, direct that in respect of all or any proceedings relating to specified cases or classes of cases or to a specified person or classes of persons within his jurisdiction, the powers and functions of any authority under this Act shall be exercised by the immediate superior income-tax authority of that authority.

(2) Any order issued under sub-section (1), any reference to the income-tax authority under this Act or any rule made thereunder shall be deemed to have been made to the immediate superior income-tax authority.

PART 3

TAXES APPELLATE TRIBUNAL

13. **Establishment of Taxes Appellate Tribunal**.—(1) For the purpose of performing the functions of the Appellate Tribunal under this Act, the Government shall establish a Taxes Appellate Tribunal consisting of a President and such other members as the Government may, from time to time, appoint.

(2) A person shall not be appointed as a member of the Taxes Appellate Tribunal unless—

(a) he is or was a member of the Board; or

[1] The word "Joint" was omitted by section 19 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) he is or was a District Judge; or

(c) he is a Commissioner of Taxes; or

(d) he is a tax practitioner within the meaning of section 327 and practiced professionally for not less than 10 (ten) years; or

(e) he is a professional legislative expert having not less than 10 (ten) years' experience in the process of drafting and making financial and tax laws.

(3) The Government shall appoint one of the members of the Appellate Tribunal to be the President thereof, who [1][***] is a member of the Board.

14. **Exercise of power of the Tribunal by Benches**.—(1) Unless the President in any particular case or class of cases otherwise directs, the powers and functions of the Appellate Tribunal shall be exercised by Benches of the Appellate Tribunal, hereinafter referred to as Bench, to be constituted by the President.

(2) A Bench constituted under sub-section (1) shall have not less than 2 (two) members.

(3) At least one member of each Bench constituted under sub-section (1) shall be appointed from among the following persons, namely:

(a) a member of the National Board of Revenue, or

(b) Commissioner of Taxes.

15. **Decisions of Bench**.—(1) Subject to the provisions of sub-sections (2) and (3), the decision of Bench in any case or on any point shall be given in accordance with the opinion of the majority of its members.

(2) Any point on which the members of a Bench are equally divided shall be stated in writing and shall be referred by the President to one or more other members of the Appellate Tribunal for hearing and the point shall be decided according to the majority of the members of the Appellate Tribunal who have heard it including those who first heard it.

(3) Where there are only two members of the Appellate Tribunal and they differ in any case, the Government may appoint an additional member of the Appellate Tribunal for the purpose of hearing the case, and the decision of the case shall be given in accordance with the opinion on the majority of the members of the Appellate Tribunal as constituted with such additional member.

[1] The words "was or" were omitted by section 20 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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16. **Exercise of power by one member**.—Notwithstanding anything contained in section 14, the Government may direct that the powers and functions of the Appellate Tribunal shall be exercised by any one of its members, or by two or more members jointly or severally.

17. **Regulation of procedure**.—Subject to the provisions of this Act, the Appellate Tribunal shall regulate its own procedure and the procedure of its Benches in matters arising out of the discharge of its functions including the places at which a Bench shall hold its sittings.

PART 4

CHARGE OF INCOME TAX

CHAPTER I

BASIS OF CHARGE OF TAX

18. **Charge of income-tax.**—(1) Income-tax shall be charged, levied, paid or collected on the basis of the total income of any person in any income year.

(2) Subject to the provisions of this Act, income-tax shall be charged, levied, paid or collected at the prescribed rate for any assessment year under an Act made by Parliament:

Provided that income tax may be charged, levied, paid or collected at the prescribed rate on income earned in any period other than the income year.

(3) The following taxes shall be charged, levied, paid or collected in accordance with the provisions of this Act, namely:—

(a) tax at source;

(b) advance income tax;

(c) minimum tax; and

(d) any other tax.

(4) Subject to the provisions of this Act, any surcharge or any other charge shall be charged, levied or collected at such rate and in such nature as may be prescribed under an Act made by Parliament.

(5) Notwithstanding anything contained in this section, tax shall be levied at the rate specified in Part 7 and the Seventh Schedule in the following cases—

(a) any income by way of capital gain;

(b) any income by way of dividend; and

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(c) any money received by winning a lottery, crossword puzzle, card game, online game or game of any similar nature.

19. **Charge of additional tax**.—Notwithstanding anything contained in any other provision of this Act, if any person employs or allows, without prior approval of the authority of the Government, any individual not being a Bangladeshi citizen to work at his business or profession at any time during the income year, such person shall be charged additional tax at the rate of 50% (fifty percent) of the tax payable on his income or Taka 5 (five) lakh, whichever is higher in addition to tax payable under this Act.

20. **Charge of tax on the difference of investment, import and export**.—Where, in any income year, it appears from the statements filed by an assessee that the assessee—

(a) carries out any import or export and a discrepancy is observed between the actual transaction value and the declared amount paid or received for the import or export by the assesse; or

(b) makes any investment and the actual amount of money invested is found to be different than the amount of investment declared by the assessee,

in that case, without prejudice to other provisions of this Act, tax shall be payable at the rate of 50% (fifty percent) on the difference mentioned in clause (a) or, as the case may be, on the difference between the amount of money actually invested and the amount of investment declared as mentioned in clause (b).

21. **Penalty for any offshore asset not disclosed in the return**.—(1) Where any person being a resident Bangladeshi is found to be the owner of any offshore asset not disclosed in the return and the assessee fails to offer satisfactory explanation about the nature and source thereof or the explanation offered is, in the opinion of the Deputy Commissioner of Taxes, not satisfactory, in that case, the Deputy Commissioner of Taxes shall charge penalty equal to the fair market value of such offshore asset on the assessee and proceed to recover thereof.

(2) The provisions of sub-section (1) shall not prejudice any liability arising under this Act or any other law in force in Bangladesh.

(3) In the imposition of penalty under sub-section (1), the assessee shall be given a reasonable opportunity of being heard.

(4) The Deputy Commissioner of Taxes shall have the authority to recover the penalty under sub-section (1) by confiscating or selling any asset held by assessee or any other person on behalf of the assessee.

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(5) The Deputy of Commissioner of Taxes shall have the power to conduct an onshore and offshore investigation, where he has reason to believe that an assessee has offshore assets not disclosed in the return.

(6) To prevent holding undisclosed offshore asset in the return and to recover such laundered offshore asset, the Board may—

(a) take such necessary action as it deems fit; or

(b) approve, permit or arrange an inquiry or investigation by any income-tax authority not being below the rank of Deputy Commissioner of Taxes.

22. **Charge of tax on retained earnings, reserves, surplus etc**.—Notwithstanding anything contained in this Act or any other law for the time being in force, if in an assessment year, the total amount transferred to retained earnings or any fund, reserve or surplus, by whatever name may be called, by a company registered under Companies Act, 1994 (Act No. XVIII of 1944) and listed to any stock exchange exceeds 70% (seventy percent) of the net income after tax of the preceding assessment year, tax shall be payable at the rate of 10% (ten percent) on the total amount so transferred in that assessment year.

23. **Charge of tax on stock dividend.**—Notwithstanding anything contained in this Act or any other law for the time being in force, if in an income year, the amount of stock dividend declared or distributed exceeds the amount of cash dividend declared or distributed or stock dividend is declared or distributed without declaring or distributing any cash dividend by a company registered under Companies Act, 1994 (Act No. XVIII of 1994) and listed to any stock exchange, tax shall be payable at the rate of 10% (ten percent) on the whole amount of stock dividend declared or distributed in that income year.

24. **Voluntary disclosure of investment or income by paying special tax etc.**—(1) Where it is provided that the source of such investment shall be deemed to have been explained in accordance with the provisions of this Act on payment of tax at the rate and under the conditions prescribed in the First Schedule of this Act, the said investment shall be deemed to be so explained.

(2) Where a person has been given an opportunity to disclose any undisclosed income under the provisions of this Act, subject to the payment of tax and other applicable amounts prescribed in the First Schedule and subject to the conditions specified in the Schedule, there shall be an opportunity to disclose such income.

25. **Special provisions for computation of tax**.—In cases where special provisions have been made in the Eighth Schedule for the computation of income of any class of persons or for the computation of a specific income, the income shall be computed in such manner.

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CHAPTER II

SCOPE OF INCOME

26. **Scope of the total income**.—(1) Subject to the provisions of this Act, the total income of any income year of any person includes—

(a) in relation to a person who is a resident, all income, from whatever source derived, which—

(i) accrues or arises, or is deemed to have accrued or arisen to him in Bangladesh during that year; or

(ii) accrues or arises to him outside Bangladesh during that year; or

(iii) is received or deemed to have been received in Bangladesh by or on behalf of such person in such year; or

(iv) is received or deemed to have been received outside Bangladesh by or on behalf of such person in such year;

(b) in relation to a person who is a non-resident, all income from whatever source derived, which—

(i) accrues or arises, or is deemed to have accrued or arisen, to him in Bangladesh during that year; or

(ii) is received or deemed to have been received in Bangladesh by or on behalf of such person in such year.

27. **Income deemed to accrue or arise in Bangladesh**.—The following income shall be deemed to accrue or arise in Bangladesh, namely:—

(a) any income which falls under the head "Income from employment", wherever paid if—

(i) it is earned in Bangladesh; or

(ii) it is paid by the Government or a local authority in Bangladesh to a citizen of Bangladesh in the service of such Government or authority;

(b) any income accruing or arising, whether directly or indirectly, through or from—

(i) any permanent establishment in Bangladesh;

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(ii) any property, asset, right or other source of income, including intangible property, in Bangladesh; or

(iii) the transfer of any assets situated in Bangladesh;

(iv) the sale of any goods or services by any electronic means to purchasers in Bangladesh; or

(v) any intangible property used in Bangladesh;

Explanation.— For the purpose of this section—

(a) the shares of any company which is a resident in Bangladesh, whoever holds it, shall be deemed to be property in Bangladesh;

(b) intangible property shall be deemed to be property in Bangladesh if—

(i) intangible property is registered in Bangladesh; or

(ii) owned by a person that is not a resident of Bangladesh but has a permanent establishment in Bangladesh to which the intangible property is attributed;

(c) the transfer of any share in a company that is not a resident of Bangladesh shall be deemed to be the transfer of an asset situated in Bangladesh, wherever such transfer may be made, to the extent that the value of the share transferred is directly or indirectly attributable to the value of any assets in Bangladesh;

(d) any dividend paid outside Bangladesh by a Bangladeshi company;

(e) any income by way of interest, if payable—

(i) by the Government of Bangladesh; or

(ii) by a person who is a resident, except for the following cases where the debt or borrowed money—

(1) received from outside Bangladesh; and

(2) used, for the purpose of a business carried on outside Bangladesh or for the purpose of earning any income from any source outside Bangladesh;

(iii) by a person who is a non-resident where the debt incurred, or moneys borrowed and used for the purposes of a business carried on by such person in Bangladesh or for the purposes of making or earning any income from any source in Bangladesh;

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(f) any income by way of fees for technical services, if payable—

(i) by the Government of Bangladesh; or

(ii) by a person who is a resident, except for the following cases, if such fees—

(1) are payable in respect of services utilized in a business carried on outside Bangladesh; or

(2) are payable for the purposes of making or earning any income from any source outside Bangladesh;

(iii) by a person who is a non-resident where such fees are payable in respect of services utilized in a business carried on by such person in Bangladesh or for the purposes of making or earning any income from any source in Bangladesh;

(g) any income by way of royalty payable—

(i) by the Government of Bangladesh; or

(ii) by a person who is a resident, except where the royalty—

(1) is payable in respect of any right, property or information used or services utilized for the purposes of a business carried outside Bangladesh; or

(2) is payable for the purposes of earning any income in exchange of any right, property or information or services received from any source outside Bangladesh;

(iii) by a person who is a non-resident where the royalty is payable in respect of any right, property or information used or services utilized for the purposes of a business carried on by such person in Bangladesh or for the purposes of making or earning any income from any source in Bangladesh;

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(h) insurance or reinsurance premiums accrued or payable by a resident or non-resident to insure against any risk within Bangladesh.

28. **Income not to be included twice in the scope of total income**.—Where any amount consisting of either the whole or a part of any income of a person has been included in his total income on the basis that it has accrued or arisen, or is deemed to have accrued or arisen, to him in any income year, it shall not be included again in his total income on the ground that it is received or deemed to be received by him in Bangladesh in another income year.

PART V

COMPUTATION OF INCOME

CHAPTER I

TOTAL INCOME

29. **Computation of total income**.—Total income shall be computed by aggregating income from all heads.

30. **Heads of income**.—Save as otherwise provided in this Act, all income shall, for the purpose of charge of income tax and computation of total income, be classified and computed under the following heads of income, namely:—

(a) Income from employment;

(b) Income from rent;

(c) Income from agriculture;

(d) Income from business;

(e) Capital gains;

(f) Income from financial assets;

(g) Income from other sources.

31. **Consolidation of income**.—(1) Save as otherwise provided in this Act, the following income shall be included in the total income of a person, namely:—

(a) if said person is a partner of a firm or a member of an association of persons, his share in the income of the firm or association of persons;

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(b) the income of the husband or wife or minor child, if—

(i) the said spouse or minor child is dependent on him;

(ii) the said person has reasonable control over such income; or

(iii) the said person is willing for such consolidation:

Provided that this provision shall not be applicable when the tax of said spouse or minor child has been assessed separately.

[1][***]

CHAPTER II

INCOME FROM EMPLOYMENT

32. **Income from employment**.—(1) Subject to the provisions of sub-section (2), income from employment shall include the following incomes, namely:—

(a) any monetary receipts, salaries and benefits received or receivable from employment;

(b) income earned from employee share schemes;

(c) untaxed arrear salary; or

(d) any amount or benefit received from a past or future employer.

(2) Income from employment shall not include the following receipts, namely:—

(a) amounts received for medical expenses related to heart, kidney, eye, liver and cancer operations of any such employee who is not a shareholder director; or

(b) any conveyance allowance, traveling allowance and daily allowance received wholly and exclusively incurred in the performance of the duties of employment.

Explanation.— For the purposes of this section,—

(a) **"salary"** means sums of any nature received by an employee from employment and shall include the following items, namely:—

(i) any salary, wages or remuneration;

[1] Sub-section (2) was omitted by section 21 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(ii) any allowance, leave allowance, leave encashment, bonus, fees, commission, overtime;

(iii) advance salary;

(iv) gratuities, annuities, pensions or supplements thereof;

(v) perquisites;

(vi) profit in lieu of salary or wages or receipts in addition to salary or wages;

(b) **"profit in lieu of salary or wages" or "receipt in addition to salary or wages"** shall include—

(i) any compensation received on account of termination of employment, called by whatever name;

(ii) remaining portion excluding employee's contribution to provident fund or any other fund;

(iii) the fair market value of benefits or sums received as a result of modification of the terms and conditions of the employment contract;

(iv) the fair market value of benefits or sums received at the time of joining employment or under any other condition of employment;

(c) **"perquisite"** means any payment or benefit, including incentive bonus, made by the employer to the employee, but shall not include the following payments, namely:—

(i) basic salary, arrears, advance salary, festival allowance, leave encashment and overtime;

(ii) contributions to recognized provident funds, approved pension funds, approved gratuity funds and approved superannuation funds;

(d) **"basic salary"** means the pay which is payable monthly or otherwise on the basis of which other allowances and benefits are determined, but the following allowances or benefits shall not be included in the basic salary, namely:—

(i) all types of allowances, perquisites, annuities, bonuses and benefits; and

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(ii) employer's contributions made by the employer to various funds of the employee;

(e) **"employer"** means the person who employs and pays the wages and salaries or the person who performs the said work on behalf of the employer shall also be deemed to be the employer.

33. **Determination of monetary value of perquisites, allowances and benefits.**—The monetary value of perquisites, allowances and benefits other than perquisites, allowances and benefits payable at monetary value shall be determined as per the table below, namely:—

Table

Seril No	Perquisites, allowances, benefits, etc.	Determined Price
(1)	(2)	(3)
1.	Accommodation benefits	a. The annual cost of accommodation, if the accommodation rent is fully paid by the employer or if the accommodation is provided by the employer; b. In respect of accommodation obtained at reduced rent, the difference between the rent determined under clause (a) and the rent paid.
2.	Benefits for each motor vehicle	(a) 10,000 (ten thousand) Taka monthly for vehicles up to 2500 cc; (b) 25,000 (twenty-five thousand) Taka monthly in case of vehicles above 2500 cc.
3.	Any other perquisites, allowances or benefits	Monetary value or fair market value of perquisites, allowances or benefits.

34. **Determination of income earned from employee share schemes**.—(1) Employee share scheme means any agreement or arrangement under which a company —

(a) may issue shares to any of its employees or employees of any of its associate companies; or

(b) may issue shares to the trustee of a trust and subsequently the trustee may issue such shares to any employee of the said company or any of its associate companies in accordance with the trust deed.

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(2) If shares are received under an employee share scheme, in the year of receipt of shares, the income shall be added to income from employment as per A-B, where—

A = fair market value of the shares on the date of receipt;

B = cost of acquisition of shares.

(3) The cost of acquisition of shares referred to in sub-section (2) shall mean the sum of the following costs, namely:—

(a) if the employee has paid any price to acquire the shares;

(b) if the employee has paid any price for the right or opportunity to acquire shares.

(4) If the right or opportunity to acquire shares under the employee share scheme is sold or transferred by the employee, the income shall be added to the income from employment in accordance with formulae A - B, where—

A = sale or transfer price of the right or opportunity to acquire shares;

B = price paid for the right or opportunity to acquire shares.

[1][CHAPTER III

INCOME FROM RENT

35. **Definitions.**— For the purposes of this chapter,—

(1) **"house property"** means any house property, house or building and shall also include the following assets, namely—

(a) furniture, fixtures, fittings which are an integral part of the said house; and

(b) the land on which the said house is erected:

Provided that it shall not include the following house or building, namely:—

i. any building used completely as go-down, or

ii. any factory building which is rented out as an integral part of plant and machineries;

[1] Chapter III was substituted by section 22 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) **"rent"** means the grant of the right to use property for a specified period of time without relinquishing ownership or title, however shall not include, whether owned or not, rent to any other person, by a scheduled bank, investment bank, any development finance company or mudaraba or leasing company;

(3) **"property"** means house property, land, furniture, fixtures, factory buildings, business premises, machineries, personal vehicles and any other physical assets of capital nature which is rentable.

36. **Income from rent**.—(1) The remaining amount after deducting the total allowable expenses, mentioned in this chapter, from the gross rental value of any property of a person shall be the income from rent of that person from that property.

(2) If any portion of the property of a person is used for the purpose of the person's own business and the income derived therefrom is computable as the income from business of that person, this section shall not apply to the part thereof.

(3) Excepting the cases of hostel, hotel, motel or resort, the nature of rent of any property, regardless of trade, commerce or business of whatever kind, income therefrom shall be computed under the head "Income from rent".

37. **Computation of gross rental value**.—(1) The gross rental value of a house property owned by a person himself in any income year shall be computed according to the following formula, namely: —

A = (B+C+D+E)-F, where—

A = gross rental value;

B = the higher of the following amounts, namely:—

i. rent accrued from the house property, or

ii. annual value of the house property;

C = so much of the adjustment made in the income year in respect of adjustable advance received by way of house rent:

Provided that, any unadjustable advance or security deposit shall not be included therein;

D = any other sum or monetary value of any benefit, excepting salamy or premium, received in respect of use of that house property in the said income year, which is in addition to the sum mentioned in 'B' or 'C';

E = any service charge, repair and maintenance charge or any other sum, called by whatever name, paid by the tenant of the house property;

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F = vacancy allowance admissible subject to production of electricity bill.

(2) The gross rental value of a property other than house property shall be computed according to the following formula, namely: —

A = (B+C+D), where—

A = gross rental value;

B = the higher of the following amounts, namely:—

i. rent accrued from the property, or

ii. annual value of the property;

C = so much of the adjustment made in the income year in respect of adjustable advance received by way of property rent:

Provided that any unadjustable advance or security deposit shall not be included therein;

D = income derived from the use of the property in any other way and any other sum or monetary value of any benefit received in respect of use of property which is in addition to the sum mentioned in 'B' or 'C'.

38. **Allowable deductions in computing rental income**.—(1) For computing income from rent of house property owned by a person himself, the following expenses shall be deductible, namely: —

(a) the premium paid for any insurance against the risk of damage or destruction of any house property;

(b) interest or profit paid on any capital loan taken from any bank or finance company for the acquisition, construction, renovation or reconstruction of the house property;

(c) any tax, fee or other annual charge paid on the house property, which is not a capital charge in nature;

(d) if any interest or profit has been paid to any bank or finance company on any capital loan used for acquisition, construction, repair, re-modelling or reconstruction of the house property during the pre-rental period, such interest or profit shall be deductible in equal instalments for a total of 3 (three) consecutive income years starting from the relevant income year in which the property has been rented out first:

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Provided that interest or profit or any part thereof, if any, of the pre-rental period shall not be deductible after the said period.

(e) the sums mentioned in the table below for expenditure on collection of rent, water and sewerage, electricity, gas, service charge, repair and maintenance charge and any other basic service, namely:—

Serial No.	Type of property	Deductible expenses (As a percentage of the total rental value)
(1)	(2)	(3)
1.	House property used for commercial purpose	30% (thirty percent)
2.	House property used for non-commercial purpose	25% (twenty-five percent);

(f) in case of partial rent of the property, expenses shall be allowable at proportionate rate against the partial rent;

(g) where a property is let out for a part of the income year, the expenditure shall be allowable at the rate proportional to the period for which the property is rented out.

(2) For computing income from rent of a property other than a house property, the expenses shall be deductible subject to the following limits and conditions, namely: —

(a) the deductions allowed under sections 49-55 in computing income from business subject to such limits and conditions;

(b) all deductions other than the allowances under the Third Schedule if made by bank transfer.

39. **Computation of special income from rent**.—(1) If any part of statutory deduction in accordance with clause (e) of sub-section (1) of section 38 is claimed as unspent, that unspent amount shall be deemed to be special income from rent.

(2) Excepting in cases of accounting adjustments, deductions inadmissible under sub-section (2) of section 38 shall be deemed as special income from rent.

(3) Any deduction, set-off or carry forward of losses or allowance under the Third Schedule shall not be allowed against any special income from rent and tax shall be charged on such incomes at regular rate.]

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CHAPTER IV

INCOME FROM AGRICULTURE

40. **Income from agriculture**.—(1) Income earned by a person from activities related to agriculture shall be classified as income from agriculture.

(2) 40% (forty percent) of the proceeds from the sale of tea and rubber, produced and processed by any person, shall be deemed to be business income and 60% (sixty percent) shall be deemed to be income from agriculture.

(3) Definition of agriculture shall include any kind of horticulture, animal husbandry, aviculture, natural use of land, poultry and fish farms, reptile farms, nurseries, any kind of cultivation on land or in water, egg and milk production, timber, grass and shrubs production, fruit, flower and honey production and seed production.

41. **Special agricultural income**.—(1) Without prejudice to the generality of section 40, special agricultural income shall be computed in accordance with the provisions of this section.

(2) If an asset is sold in any income year after being used by the assessee for agricultural purposes under section 40, it shall be computed as follows, namely:—

Serial No.	Sales Proceeds	The amount of money deemed as income
(1)	(2)	(3)
1.	If the sale proceeds exceeds the acquisition value of the asset	The amount equal to A-B shall be deemed as income of the concerned assessee for that income year classifiable under the head 'Capital Gain'; The amount equal to of B-C shall be deemed to be income of the concerned assessee for that income year classifiable under the head 'Income from Agriculture';
2.	If the sale proceeds does not exceed the acquisition value of the asset, but exceeds written down value	The amount equal to A-C shall be deemed as income of the concerned assessee for that income year classifiable under the head 'Income from Agriculture'.

(3) Where any amount received as insurance, salvage or compensation any income year in respect of any asset which having been used by the assessee for agricultural purpose is discarded, demolished or destroyed and the amount of such moneys exceed the written down value of such asset, the said amount shall be included under the head income from agriculture as described below, namely:—

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Serial No.	Sales proceeds	The amount of money deemed as income
(1)	(2)	(3)
1.	If the amount from insurance, salvage or compensation exceeds the acquisition value of the asset	The amount equal to A-B shall be deemed as income of the concerned assessee for that income year classifiable under the head 'Capital Gain'; The amount equal to B-C shall be deemed as income of the concerned assessee for that income year classifiable under the head 'Income from agriculture'.
2.	If the amount for insurance, salvage or compensation amount does not exceed acquisition value of the asset, but exceeds the written down value	The amount equal to A-C shall be deemed as income of the concerned assessee for that income year classifiable under the head 'Income from Agriculture'.

(4) For the purposes of this section,—

A = the sale proceeds of the asset or, as the case may be, the proceeds of insurance, salvage or compensation against the asset,

B = acquisition value of assets, and

C= the written down value of asset after allowing for depreciation under Third Schedule.

(5) As per column (2) of the tables in sub-sections (2) and (3), if the difference between the sale proceeds or, as the case may be, the amount received on account of insurance, salvage or compensation and the written down value of the asset, is negative, the amount shall be deemed to be spent on "Income from Agriculture", and shall be included under the allowable general deduction.

42. **General deductions allowable in computation of income under the head income from agriculture.**—(1) Subject to this Act, in computing the taxable income of a person under the head income from agriculture in any given income year, the amount expended by the assessee in that year, other than capital expenditure or personal expenditure, wholly and exclusively for the purpose of agriculture shall be allowable as a deduction, and the following deductions shall be treated as general deductions, namely:—

(a) any tax, land development tax or rent paid in respect of the land or grounds used for agricultural purposes;

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(b) rent payable for land or grounds used for agricultural purposes, development and maintenance expenses, and cultivation expenses;

(c) interest or profit payable on loans taken for agricultural purposes;

(d) expenses related to repair and maintenance of machinery and equipment used in agriculture and expenses relating to rearing of cattle, processing or transportation for the purpose of cultivation;

(e) insurance premiums payable for compensation of land or grounds or for the purpose of compensation of crops or produce produced from the land or grounds or for the purpose of security in the rearing of cattle;

(f) expenses incurred for protection of agriculture from natural calamities or any other type of damage;

(g) the following expenses subject to the limits prescribed in the Third Schedule—

(i) depreciation of the assets used by the assessee for his agriculture;

(ii) amortization of intangible assets used in his agricultural related activities;

(h) in cases where the animal used in the assessee's agricultural work has died or become permanently disabled, the difference between the actual purchase price of the animal and, as the case may be, the proceeds from the sale of the animal or of its meat;

(i) any expenditure incurred in connection with a foreign tour as a member of any delegation on agriculture sponsored by the Government, which is not capital in nature;

(j) any expenditure incurred on providing training to citizens of Bangladesh on matters related to any such scheme as approved by the Board;

(k) expenditure incurred in conducting scientific research related to agriculture or expenditure incurred in conducting such scientific research whereby the research is conducted in Bangladesh wholly and exclusively for the purpose of agricultural development of the assesse.

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(2) Only the portion of any expenditure which relates to income from agriculture under this section shall be deemed to be allowable expenditure.

43. **Computation of special deductions in case of non-maintenance of books of accounts**.—(1) Where it appears that,—

(a) the assessee is not applying regular accounting procedures;

(b) the assessee is applying any such procedure on the basis of which it appears to the Deputy Commissioner of Taxes that it is not possible to arrive at a conclusion as to the income of the assessee;

(c) the assessee has failed to maintain records of accounts or transactions; or

(d) the accounts or records of transactions maintained by the assessee are not verifiable,

in that case, notwithstanding anything contained in any other section, 60% (sixty percent) of the market value of the agricultural produce shall be deemed to be allowable expenditure.

(2) This section shall not apply in cases where the income from agriculture is derived by the owner of the land through adhi, barga, bhaga or share-basis.

44. **Deduction not admissible in certain cases**.—(1) Deduction claimed under this Chapter shall not be allowed unless the provisions of Part VII are complied with in all such cases where deduction or collection of tax at source is applicable.

(2) The provisions set out in section 55 shall apply as though the provisions were related to this Chapter.

CHAPTER V

INCOME FROM BUSINESS

45. **Income from business**.—The following incomes of the assessee shall be classified as income from business, namely:—

(a) any profit and gain of a business carried on, or deemed to be carried on, by the assessee at any time during the income year;

(b) any income derived from any trade or professional association or other association of like nature on account of specific services performed for its members;

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(c) the fair market value of any benefit arising out of or in continuation of a person's past, present or potential future business relationship, whether convertible into money or not;

(d) any management fee derived from any management company, including mudaraba management companies;

(e) any amount due to the lessor bank, insurance or finance company institution against leasing to any other person of any asset owned by himself or another;

(f) realised gain from currency exchange subject to the Third Schedule;

(g) any income received during the income year from a discontinued business.

46. **Special areas of income from business**.—(1) Without prejudice to the provisions of section 45, the provision of this section shall, in special cases, apply to the computation of income from business.

(2) If any asset used in the business of the assessee for which the income is being computed is sold in any income year, the income from such sale proceeds shall be as follows, namely:—

SL. No	Sale Proceeds	Amount of Income
(1)	(2)	(3)
1.	If the sale proceeds exceed the acquisition cost of the asset	The amount equal to A-B shall be deemed as income under the head of 'Capital gains' of the concerned assessee in the said income year; The amount equal to B-C shall be deemed as income under the head 'Income from business' of the concerned assessee in the said income year.
2.	If the sale proceeds does not exceed the acquisition cost of the asset, but exceeds the written down value	The amount equal to A-C shall be deemed as income under the head 'income from business' of the concerned assessee in the said income year.

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(3) Where any amount received as insurance, salvage or compensation in any income year in respect of any asset which having been used by the assessee for business purpose is discarded, demolished or destroyed and the amount of such moneys exceed the written down value of the asset, the amount of income in such case shall be as follows, namely:—

SL.No.	[Sale Proceeds]	Amount of Income
(1)	(2)	(3)
1.	If the amount from insurance, salvage or compensation exceeds the acquisition value of the asset	The amount equal to A-B shall be deemed as income of the concerned assessee for that income year under the head 'Capital gains'; The amount equal to B-C shall be deemed as income of the concerned assessee for that income year under the head 'Income from Business'.
2.	If the amount from insurance, salvage or compensation amount does not exceeds the acquisition value of the asset, but exceeds the written down value	Where A>C, the amount equal to A-C shall be deemed as income of the concerned assessee for the income year under the head 'Income from business'. Where A<C, the amount equal to C-A shall be allowed as expenditure under section 49 in the computation of 'Income from business' of the concerned assessee in the said income year.

(4) As per column (2) of the table in sub-sections (2) and (3), if the difference between the proceeds of sale or, as the case may be, the amount received for insurance, salvage or compensation against the asset and the written down value is negative, the amount shall be deemed to have been spent under the head ‘income from business’ and shall be included under the allowable general deduction.

(5) In the table of sub-sections (2) and (3)—

A= Amounts received for insurance, salvage or compensation against assets [2][or sale proceeds],

B= Acquisition value of assets, and

[1] The heading “sale proceeds” was substituted by section 23(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words “or sale proceeds” were inserted by section 23(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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C= The calculated written down value of the asset after allowing depreciation under the Third Schedule.

(6) Where during any income year any assessee, being an exporter, transfers the whole or any part of the export quota allocated in his favour by the Government to any other person, the proportionate export value of such transferred quota shall be deemed to be income classifiable under the head 'Income from business' of the assessee in that income year.

[1][***]

(8) If in computing income under this Chapter for any income year, any trading liability has been accounted for by the assessee is taken into account and—

(a) in any subsequent income year, the assessee receives any benefit in respect of the trading liability, the value of that benefit shall be deemed to be income from business of the assessee in the income year in which the benefit is received;

(b) if the trading liability or any part thereof remains unpaid within 3 (three) years after the end of the income year in which the said trading liability has been account for, then the said unpaid trading liability shall be classified as Income from Business of the assessee in the income year following the end of the said 3 (three) years:

Provided that if any such trading liability, which has been treated as income, is paid in any subsequent year, such amount so paid shall be deducted in computing the income of the assessee in the income year in which the payment was made.

(9) If in any income year a loss, bad debt or any expense is allowed in computing income under this Chapter and if in any subsequent income year, the assessee receives any benefit in respect of such deducted loss, bad debt or expense, the value of that benefit shall be classified as income from business of the assessee in the income year in which the benefit is received.

(10) In the case of filing of return under section 180, any deficiency in the initial capital shown at any time within 5 (five) years after the year in which the return is filed shall be treated as income from business.

(11) In computing the income of a [2][finance company], interest or profit income on loans classified as bad debts or doubtful debts by Bangladesh Bank

[1] Sub-section (7) was omitted by section 23(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2]The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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shall be classified as income from business [1][finance company] in the income year in which it is credited in profit and loss account or in the income year in which it is actually received, whichever is earlier between the two.

(12) For the purposes of this section,—

(a) the business in which the asset is used before the sale shall be deemed to have been carried on by the assessee in the income year to which the sale of asset relates;

(b) if an asset is exported or transferred outside Bangladesh after being used in the assessee's business, the date of such export or transfer shall be deemed to be the date of sale of the asset and the purchase price of the asset shall be deemed to be its sale proceeds.

47. **Calculation of profit of certain businesses**.—The profit of the business mentioned in column (2) of the table below shall be computed in accordance with the provisions of the Schedule mentioned in column (3) of the table, namely:—

Table

Serial No	Business	Schedule
(1)	(2)	(3)
1.	Insurance business	Fourth Schedule
2.	Extraction and exploration of natural gas, petroleum or other minerals	Fifth Schedule

48. **Separate consideration of speculation business**.—If any speculative business is carried on by any person, it shall be deemed as a separate and independent business from the other businesses of that person.

49. **General allowable deductions in computing income from business**.—Subject to the provisions of this Act, in computing a person's income from business in any income year, the following expenses for each separate and distinct business shall be included under general deductions, namely:—

(a) expenditure on purchase of raw materials, stock in trade, purchase of goods for the purpose of business and for use in business, and any stock in trade written off;

[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) such customs duties, municipal taxes, local taxes, land development taxes or rents and government fees not paid under this Act and the Gift Tax Act, 1990 (Act No. 44 of 1990), but paid for business purposes;

(c) rent payable, development and maintenance expenses for land or grounds used for business purposes;

(d) all such expenses, welfare expenses or remuneration which are deemed to be income from employment under this Act;

(e) repair and maintenance expenses;

(f) insurance premiums incurred and paid for the purposes of business;

(g) cost of electricity and other services including fuel;

(h) goods transportation, clearing and forwarding charges;

(i) expenses in the nature of commissions, brokerage, discounts or warranty charges related to sales;

(j) advertising and promotional expenses;

(k) expenses of training of the employees;

(l) conference, hotel and accommodation expenses of sales representatives;

(m) transportation and travel expenses;

(n) internet service, postal and telecommunication related expenses;

(o) expenses related to obtaining legal services, audit services and other professional services;

(p) entertainment and hospitality related expenses;

(q) realized foreign currency exchange loss, subject to the Third Schedule;

(r) subscriptions to any club or commercial association, including entry fees or for the use of their facilities;

(s) any expenses incurred in connection with foreign travel as a member of a trade delegation sponsored by the Government;

(t) royalties, technical fees, head office expenses;

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(u) [1][amount, not exceeding 5% (five percent) of the disclosed net business profits, payable to Workers Participation Fund, Welfare Fund under clause (b) of sub-section (1) of section 234 of the Labour Act, 2006 and Labour Welfare Foundation Fund established under section 14 of the Bangladesh Workers Welfare Foundation Act, 2006 (Act XXV of 2006)];

(v) other expenses incurred wholly and exclusively for the purpose of business.

50. **Special allowable deductions in computing income from business**.—(1) The following expenses shall be admissible subject to the limits and conditions prescribed in the Third Schedule, namely:—

(a) general depreciation allowance;

(b) initial depreciation allowance;

(c) accelerated depreciation allowance;

(d) amortization allowance; and

(e) research and development expenses.

(2) If an asset mentioned in the Third Schedule is sold in any income year and the proceeds are less than the written down value, subject to the deduction claimed by the assessee, the equal amount of difference between the written down value and the sale proceeds shall be admissible as deduction.

(3) Any bad debt expenses approved under section 51 shall be deducted in computation of Income from Business.

(4) Any interest expenses allowed under sections 52 and 53 shall be deducted in computing income from business.

51. **Approval of bad debt expense.**—(1) Bad debt expense shall be allowable in cases other than banks and [2][finance companies], if —

(a) a bad debt or part thereof is established as irrecoverable and is written off in the books of account of the business;

[1] Clause (u) was substituted by section 24 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance companies" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) all reasonable steps have been taken for the recovery of the amount recognized as bad debt prior to being written off;

(c) a bad debt or part thereof is treated as an income in determining the income in an income year.

(2) Bad debt expense shall be allowable in the case of banks and [1][finance company], if—

(a) a bad debt or part thereof is established as irrecoverable by applicable banks and [2][finance company] in Bangladesh in accordance with International Accounting Standards (IAS) and is written off in the books of account of the business;

(b) all reasonable steps have been taken for the recovery of the amount recognized as bad debt prior to being written off;

(c) a bad debt or part of a bad debt is treated as an income in determining the income in an income year.

52. **Special deduction computation for interest or profit**.—(1) Any payment of interest or, as the case may be, payment of any share of profit, on any capital borrowed for the purpose of business shall be allowable as business expenditure.

(2) If it is found that any part of the money borrowed has been used for purposes other than the business or any part of the assets acquired by the money borrowed has been transferred elsewhere outside the business wherein investment is not the business of the transferor, in such cases, the interest or share of profit expense shall be allowed at the proportional rate of the portion of the said money or asset used in the business.

53. **Special limits on allowance of interest**.—(1) Notwithstanding anything contained in any other provisions of this Act, subject to the provisions of sub-section (2), any interest paid to an associated enterprise as defined in section 233 in any assessment year by a resident other than a bank and [3][finance company] shall be allowed as expense in accordance with the procedure and limit prescribed by the Board in this regard.

(2) Notwithstanding anything contained in sub-section (1), this section shall not apply if the amount of interest paid in any income year does not exceed Taka 15 (fifteen) lakh.

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[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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54. **General conditions for allowing deductions**.—(1) If in any income year any such expenditure is allowed as deduction under this chapter which represents an asset in whole or in part, no further deduction shall be allowable in respect of that asset in the same income year.

(2) In allowing any expenditure under section 49, the commercial reasonableness of the expenditure concerned shall be considered and the following factors shall be taken into account in considering the commercial feasibility, namely:—

(a) if the expenditure incurred is for the purpose of earning income from the business;

(b) if the expenditure incurred is revenue in nature; and

(c) if the expenditure incurred is reasonable in the circumstances.

55. **Deduction not admissible in certain cases**.—Notwithstanding anything contained in this chapter, no deduction on account of allowance from income from business shall be admissible in respect of the following, namely:—

(a) any expenditure or payment in respect of which the provisions of Part 7 have not been duly complied with;

(b) interest, salary, commission or remuneration paid by any firm or an association of persons to any partner of the firm or to any member of the association of persons;

(c) any payment by way of commission paid or discount made to its shareholder director by a company;

(d) any amount in excess of Taka 10 (ten) lakh paid to an employee in respect of perquisites as defined in section 32:

Provided that the provision of this clause shall not be applicable to an employer where perquisites were paid to an employee in pursuance of any Government decision published in the official Gazette to implement the recommendation of a Wage Board constituted by the Government;

(e) any expenditure exceeding 10% (ten percent) of the net profit from business disclosed in the financial statements in relation to the total amount of expenses for royalties, license fees, technical service fees, technical know-how fees, technical assistance fees or any other fees of a similar nature incurred for the use of intangible assets;

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(f) any expenditure exceeding 10% (ten percent) of the net profit disclosed in the statement of accounts by way of head office or intra-group expense, called by whatever name, by a company, not incorporated in Bangladesh;

(g) any expenditure by way of overseas traveling for business purposes exceeding 0.5% (zero-point five percent) of the disclosed business turnover:

Provided that the limit shall not apply to the overseas traveling expenses by an assessee engaged in providing any service to the Government:

Provided further that the limit provided in this clause shall not apply if evidence is produced in support of the additional expense computed under this clause and the commercial reasonableness thereof is proved;

(h) any sum in excess of the following amount as entertainment expenses—

(i) 4% (four percent) of the first Taka 10 (ten) lakh of the computed business income before deducting entertainment expenses;

(ii) 2% (two per cent), excluding the first Taka 10 (ten) lakh, of the computed business income before deduction of entertainment expenses;

(i) any excess amount to the following for distribution of free samples—

(i) in case of a pharmaceutical industry—

(1) for a turnover up to Taka 5 (five) crore, at the rate of 2% (two percent);

(2) for a turnover in excess of Taka 5 (five) crore but up to 10 (ten) crore, at the rate of 1% (one percent);

(3) for a turnover in excess of Taka 10 (ten) crore, at the rate of 0.5% (zero-point five percent);

(ii) in case of a food, cosmetics and toiletries industry—

(1) for a turnover up to Taka 5 (five) crore, at the rate of 1% (one percent);

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(2) for a turnover in excess of Taka 5 (five) crore but upto 10 (ten) crore at the rate of 0.5% (zero-point five percent);

(3) for a turnover in excess of Taka 10 (ten) crore, at the rate of 0.25% (zero-point two five percent);

(iii) in case of any other industries—

(1) for a turnover up to Taka 5 (five) crore, at the rate of 0.5% (zero-point five percent);

(2) for a turnover in excess of Taka 5 (five) crore but up to 10 (ten) crore, at the rate of 0.25% (zero-point two five percent);

(3) for a turnover in excess of Taka 10 (ten) crore, at the rate of 0.1% (zero-point one percent);

(j) any promotional expense, other than advertising, exceeding 0.5% (zero-point five percent) of the business turnover;

(k) any payment made under the head income from employment by any means other than bank transfer;

(l) any payment made under the head income from rent by any means other than bank transfer;

(m) any sum exceeding Taka 5 (five) lakh, on account of purchase of raw materials, if paid by any means other than bank transfer;

(n) any sum exceeding Taka 50 (fifty) thousand, except clauses (k), (I) and (m), if paid by any means other than bank transfer;

(o) any sum paid to any such person liable to furnish proof of submission of return under clauses 25, 26, 28, 29, 36, 37, 42 and 43 of sub-section (3) of section 264, if at the time of payment such person fails to furnish proof of submission of return;

(p) any expenditure of a capital nature or any personal expenditure of the assessee;

(q) [1][any deduction or any deduction created against any liability] which is not clearly identified;

[1] The words "any deduction or any deduction created against any liability" were substituted for the words "any liability" by section 25(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(r) all such expenses not related to business activities;

(s) any depreciation allowance or interest expense claimed on Right of Use assets recognized as per International Financial Reporting Standard:

Provided that in this case the rent, development and maintenance expenses payable for the [1][assets] used for business purposes shall be allowed;

(t) impairment loss;

[2][(u) any contribution to any fund for which there is provision of approval under this Act but no such approval is obtained];

(v) all expenses not supported by evidence if the accounts are not maintained in the prescribed manner.

Explanation.— For the purposes of this section,—

(i) **"net business profit"** means the direct business profits of an entity, but does not include profits derived from any subsidiary, associate or joint venture;

(ii) **"promotional expense"** means any business expense claimed against any benefit in kind or cash or in any other form given to any person for the purpose of business but does not include any advertisement expense.

56. **Computation of special business income**.—(1) Notwithstanding anything contained in any other provision of this Act, all expenditure disallowed under clauses other than [3][clauses (d)-(j), (q), (s) and (t)] of section 55 shall be deemed to be special business income.

(2) Any expenditure, set-off or carry forward of losses or allowance under the Third Schedule shall not be allowed against any special business income or special areas of income from business under any provision of this chapter and tax shall be charged on such incomes at regular rate.

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[1] The word "assets" was substituted for the words "land or premises" by section 25(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clause (u) was substituted by section 25(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words, letters and brackets "clauses (d)-(j), (q), (s) and (t)" were substituted for the words, letters and brackets "clause (s)" by section 26 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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CHAPTER VI

CAPITAL GAINS

57. **Capital Gains**.—Profits and gains arising from transfer of ownership of capital assets shall be capital gains:

Provided that any notional gain or profit arising out of any asset, not actually transferred, in accordance with International Accounting Standards (IAS) or International Reporting Standards (IFRS) following the Fair Market Value Method shall not be treated as capital gains.

58. **Computation of capital gains**.—(1) Subject to the provisions of this Act, the capital gains of a person shall be the difference between the sale or transfer price of an asset in the open market and the cost of acquisition of that asset.

(2) For the purpose of this section,—

(a) open market sale or transfer price of an asset means the higher of "A" and "B", where—

A = amount received or accrued from transfer of capital assets; and

B = fair market value of the capital asset on the date of transfer;

(b) "cost of acquisition of an asset" shall be—

(i) the sum of the following costs—

(1) any such expenses which are solely related to the transfer of ownership of said asset;

(2) the purchase price of the asset; and

(3) the cost of development of such asset, if any, other than the cost allowed under section 38, 42, 49, 50 or 64;

(ii) where the transferor has acquired the said asset as follows—

(1) under any gift, bequest or will;

(2) by succession, inheritance or devolution;

(3) under a transfer on a revocable or irrevocable trust;

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(4) by any distribution of capital assets on the liquidation of a company; or

(5) by distribution of capital assets in case of partition of any firm or association of person or Hindu undivided family,

in that case, the fair market value on the date of ownership of the asset by the transferee shall be deemed to be the cost of acquisition.

59. **Time of computation**.—Income arising from transfer of capital asset shall be included as income in the income year in which the transfer takes place.

60. **Limitation on deduction admissibility**.— Where tax deduction at source is applicable in respect of any expenditure, no such expenditure shall be treated as allowable deduction under this chapter unless tax is deducted or collected at source and duly paid in accordance with the provisions of this Act.

61. **Other matters in determination of capital gains**.—(1) Where the fair market value of an asset exceeds the full value of the consideration declared by the assessee by an amount greater than 15% (fifteen percent) of the value, the fair market value of the capital asset shall be determined, with the previous approval of the Inspecting Joint Commissioner, by the Deputy Commissioner of Taxes.

(2) Where the fair market value of an asset exceeds the declared acquisition value thereof by more than 25% (twenty five percent), the Deputy Commissioner of Taxes may, in the manner prescribed by the Board, offer to buy the said asset at the said declared acquisition value.

(3) Where a capital gain arises from the transfer of all capital assets of a partnership firm to a new company registered under the Companies Act, 1994 (Act No. XVIII of 1994), shall be exempt from tax if the consideration from the transfer of all assets is invested in the equity of the new company.

CHAPTER VII

INCOME FROM FINANCIAL ASSETS

62. **Income from financial assets**.—(1) The following income of a person shall be classified and computed under the head “Income from financial assets”, namely:—

a. interest, profit or discount on securities issued or approved by the Government;

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(b) interest, profits or discount of any other types of debentures or other securities by a local authority or a company;

(c) interest or profit due from the following sources, namely:—

(i) any amount, called by whatever name, deposited in a bank or [1][finance company];

(ii) any financial [2][asset,] product or scheme;

(d) dividend.

(2) Capital gain derived from transfer of financial assets shall not be included in the category of "Income from financial assets".

63. **Income computation period**.—In the income year in which a person receives income from financial assets or in the income year in which such income accrues to him, whichever occurs first, it shall be included in that income year.

64. **Allowable expenses in computing income from financial assets**.—In computing income under the head "Income from financial assets", the following expenses shall be allowed, namely:—

(a) any deduction except the deduction of income-tax against interest or share profit credited to the account of the assessee by a bank or [3][finance company];

(b) any interest paid on money borrowed for the purpose of earning income from financial assets;

(c) any other expenditure incurred solely for the purpose of earning the relevant income, other than the expenditure mentioned in clause (a) or (b).

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[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The word and comma "asset," were inserted by by section 27 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

3 The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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65. **Deductions not admissible in certain circumstances**.—Notwithstanding anything contained in this Chapter, following expenses shall not be allowed in computing income from financial assets, namely:—

(a) interest payable outside Bangladesh on which tax has not been deducted or paid in accordance with the provisions of this Act;

(b) interest or commission paid against income from such financial assets, which are exempted from tax;

(c) any expenditure of a capital or personal nature.

CHAPTER VIII

INCOME FROM OTHER SOURCES

66. **Income from other sources**.—The following income of an assessee shall be classified and computed under the head "Income from other sources", namely:—

(a) royalties, license fees, fees for technical services and income earned by granting the right to use intangible property;

(b) cash subsidy provided by Government;

[1][(c) any income derived from transfer of any asset (which is natural or created by any person himself) other than mineral deposits and hydrocarbons and goodwill;]

[2][(d) any donation, grant or gift, called by whatever name;

(e) income from any source not classified under any other head specified in section 30.]

67. **Special cases of Income from other sources**.—(1) Without prejudice to the provisions of section 66, the provisions of this Chapter shall apply to compute "Income from other sources" in special cases.

(2) Where any sum is found credited in the books of an assessee maintained for any income year and the assessee offers no explanation about the nature and source thereof, or the explanation offered is not, in the opinion of the Deputy Commissioner of Taxes, satisfactory, the sum so credited shall be deemed to be his income for that income year classifiable under the head "Income from other sources".

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[1] Clause (c) was substituted by section 28(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clauses (d) and (e) were added after clause (c) by section 28(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(3) Where in any income year, the assessee owns any asset or receives any loan or makes any expenditure or any such transaction affecting the assets of the assessee in such way where (A+B+C) is greater than (D+E+F), in that case the sum equal to (A+B+C) - (D+E+F) shall be deemed to be the income under the head "Income from other sources" of the assessee in the said income year, where—

A = accretion in net assets,

B = actual expenditure incurred,

C= other expenditure from the fund other than (A) and (B),

D = assessed total income,

E = assessed tax exempted income, and

F = other acceptable receipts of funds other than D and E.

(4) Where the assessee purchases from a person any asset other than stock-in-trade or financial assets and the Deputy Commissioner of Taxes has reasonable grounds to believe that the price paid by the assessee is less than the fair market value, in that case the difference between the price paid and the fair market value shall be deemed to be income of the assesse thereof [1][in the relevant income year] and classified as "Income from other sources".

(5) Any fee, commission, compensation or goodwill, called by whatever name, received by the assessee in any income year on account of cancellation or termination of any agreement or alteration or modification of any terms of the agreement shall be deemed to be "Income from other sources" of the assessee in the relevant income year.

(6) Any lump sum amount is received or receivable by an assessee during any income year on account of salami or premium receipts by virtue of any lease or rent, shall be deemed to be income under the head "Income from other sources" in the said income year.

(7) Any payment made by an assessee for acquiring any asset in any income year where tax has not been deducted or collected at source in accordance with Part VII of this Act, shall be deemed to be income under the head "Income from other sources" in the said income year.

(8) If any assessee receives any profit or benefit in any income year on waiver of loan liability, whether convertible to money or not, the monetary value of the said profit or benefit shall be treated as income of the assessee in that income year and shall be included as income under the head "Income from other source":

[1] The words "in the relevant income year" were inserted by section 29(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Provided that the provisions of this sub-section shall not apply in the following cases, namely:—

(a) a loan or interest waived in respect of an assessee being an individual by any scheduled bank or any [1][finance company] registered under [Finance Company Act, 2023 (Act No.LIX of 2023);

(b) profit or benefit not exceeding Taka 10 (ten lakh) resulting from the waiver of any margin loan or interest thereof by any registered merchant banker and portfolio manager or stock broker in light of Bangladesh Securities and Exchange Commission Act, 1993 or rules made thereunder, against investment in any securities traded in the stock exchange by any individual assessee.

(9) Any amount received by an assessee during any income year by way of winnings from lotteries, crossword puzzles, card games, online games or games of any such nature shall be included as income under the head "Income from other sources" in the said income year.

(10) Where a company, which is not listed on in the Stock Exchange, receives paid-up capital from its shareholder without bank transfer in any income year, the said paid-up capital shall be deemed to be income under the head “Income from other sources” in the said income year of the company:

Provided that this provision shall not apply if any asset or service other than cash is received as paid-up capital in accordance with the Companies Act, 1994 (Act No. XVIII of 1994).

(11) Where an assessee, being a company, receives any amount as loan from any other person other than through banking channel, the amount so received shall be deemed to be the income under the head “Income from other sources” of that company for the income year in which the loan was received:

Provided that where the loan or part thereof referred to in this sub-section is repaid in a subsequent income year, the amount to repaid shall be deducted in computing the income for that income year.

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[1] The words “finance company” were substituted for the word “financial institution” by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words, comma, figures and brackets “Finance Company Act, 2023 (Act No.LIX of 2023” were substituted for the words, comma, figures and brackets “Financial Institution Act, 1993 (Act No. XXVII of 1993) by section 14(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(12) Where an assessee, being a company, purchases directly or on hire one or more motor car or jeep and the value of any of such motor car or jeep exceeds 10% (ten percent) of its paid up capital together with reserve and accumulated profit, then 50% (fifty percent) of the difference between the value of the car or jeep and 10% (ten percent) of the paid up capital together with reserve and accumulated profit shall be deemed to be income under the head "Income from other sources" in the said income year of that company.

(13) Where an assessee, being an individual, receives any sum or aggregate of sums exceeding Taka 5 (five) lakh as an advance, loan, [1][***] or deposit of any kind from any other person otherwise by bank transfer, the amount so received shall be deemed to be the income of such assessee for that income year in which such advance, loan, [2][***] or deposit of any kind was received under the head "Income from other sources":

Provided that the provision of this sub-section shall not be applicable in the following cases, namely: —

(a) the amount so received from husband-wife, father-mother or children and is [3][shown in the returns of the giver and receiver];

(b) deposits received by bank, [4][finance company] or an organization registered with Micro Credit Regulatory Authority or NGO Affairs Bureau.

(14) Where an assessee, not being an assessee engaged in real estate business during any income year, purchases on credit any material for the purpose of construction of house property or part thereof and fails to pay the sum in respect of such purchase within 2 (two) years from the end of the income year in which the purchase was made, the said sum shall be deemed to be the income of the assessee for the income year immediately following the expiry of the said 2 (two) years under the head "Income from other sources".

[5][***]

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[1] The word "gift" was omitted by by section 29(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The word "gift" was omitted by section 29(b)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words "shown in the returns of the giver and receiver" were substituted for the words "withdrawn from the bank account of the donor" by section 29(b)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[5] Sub-section 15 was omitted by section 29(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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68. **Allowable deductions in computing income from other sources**.—(1) Subject to the provisions of this Act, in computing the income of a person under "Income from other sources" in any income year, such expenditure, not being in the nature of capital expenditure or personal expenses of the person, incurred solely for the purpose of making or earning the relevant income shall be allowable.

(2) Except sub-sections (5) and (6) of section 67, no expenditure of any kind shall be allowed in computing income under other sub-sections of section 67.

(3) In allowing expenditure under sub-section (1), the reasonableness of such expenditure shall be considered.

69. **Disallowance of deduction in certain cases**.—(1) Expenditure allowed in whole or in part against any asset under this Chapter in any income year shall not be allowed again against the same asset.

(2) The provisions of section 55 relating to limitation of admissible expenditure shall apply to such cases in this Chapter.

CHAPTER IX

SET OFF AND CARRY FORWARD OF LOSSES

70. **Set off and carry forward of losses**.—(1) Subject to the provisions of sub-section (2), the loss determined in respect of any head of any assessment year may be set off against the income of other heads of income in that assessment year.

(2) Any loss as mentioned in the table below shall not be set off against income under any head or source other than income under that head or source, namely:—

Table

Serial no:	Source or Head of income	To be set off
(1)	(2)	(3)
1.	Capital loss	Set off may only be made with capital gain.
2.	Business loss	Set off may only be made with income from business.
3.	Loss from speculative business	Set off may only be made with income from speculative business
4.	Loss from tobacco products	Set off may be made only with income from manufacturing of tobacco products.

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(3) Loss from any source, income of which is exempted from tax or taxed at a reduced rate or subject to minimum tax [1][under sub-section (2) of section 163] may not be set off or carried forward.

(4) Loss of a firm or association of persons shall be set off only against the assessed income of the firm or association of persons and not against the income of any partner of the firm or member of the association of persons.

(5) If the loss of any head of income in an assessment year cannot be fully set off with the income of any other source or head of income of that assessment year, such unadjusted loss may be carried forward to successive 6 (six) assessment years for setting off.

(6) Subject to the Eight Schedule, where any person carrying on any business or profession has been succeeded otherwise than by inheritance, the successor shall not be entitled to set off or carry forward the loss of the predecessor against any of his own income.

71. **Carry forward of depreciation allowance**.—(1) Any depreciation allowed under this Act which cannot be fully charged as an expense against the gross profit of any assessment year, it shall be added to the depreciation of the next assessment year.

(2) Any disallowance of depreciation allowance on account of failure to comply with any provision of this Act shall not be carried forward.

(3) Before charging the carried forward depreciation allowance the carried forward loss shall be set off.

(4) Allowed depreciation allowance may be carried forward until wholly set off.

CHAPTER X

METHOD OF ACCOUNTING

72. **Method of Accounting**.—(1) Subject to other provisions of this Act, the income of a person shall be computed in accordance with the method of accounting regularly employed.

(2) Where a person is of the opinion that any change in the method of accounting is required, such person may apply to the Deputy Commissioner of Taxes regarding the desired change and on receipt of such application the Deputy Commissioner of Taxes may approve the necessary changes to reflect the income of the assessee clearly.

[1] The words, figures and brackets "under sub-section (2) of section 163" were inserted by section 30 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(3) The Board may, by rules, prescribe the method of accounting and other verification standard for any business, or class of business, or any other source or sources of income.

(4) Without prejudice to the preceding provisions, a company shall maintain accounts and prepare financial reports in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and relevant laws in force in Bangladesh.

73. **Filing of audited financial reports by companies, etc**.—[1][Any person other than individual and Hindu Undivided Family] and any person deriving income from long-term contracts shall furnish, along with the return of the income year, a copy of the income statement and the [2][financial statement] certified by a Chartered Accountant to the effect that—

(a) the accounts are maintained and the statements are prepared and filed in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and relevant laws in force in Bangladesh for the said assessment year;

(b) criteria prescribed by the Board, from time to time, have been followed; and

(c) the accounts have been audited in accordance with the International Standards on Auditing (ISA)[3][:

Provided that this provision shall not apply to the following cases, namely: –

i. any such firm, trust, association of persons, foundation, society, and cooperative society having gross receipts not exceeding Taka 5 (five) crore;

ii. any educational institutions engaged only in primary and pre-primary education.]

[1] The words "any person other than individual and Hindu Undivided Family" were substituted for the words, figures and brackets and comma "any company, such firm association of persons, trust having turn-over more than Taka 3 (three) crore" by section 31(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "financial statement" were substituted for the word "balance-sheet" by section 31(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The "colon" was substituted for "full-stop" and thereafter the proviso was inserted by section 31(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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74. **Method of accounting for long-term contracts**.—(1) Where a person follows the accrual method of accounting for income computed and classified as "Income from business", the income arising from long-term contracts in an income year shall be calculated according to the percentage method of completion.

(2) The percentage of completion of long-term contracts in an assessment year shall be determined by comparing the estimated total contract costs at the beginning of the contract with the total allocated costs to the contract prior to the end of that assessment year and the costs incurred.

(3) For the purposes of this section—

(a) **"long-term contract"** means a contract for production, installation, or construction, or the performance of services related to each contract, which is not completed within the [1][year] of commencement of work under the contract, but all contracts other than such contracts which will end within approximately 6 (six) months from the date of commencement of work under the contract;

(b) **"percentage method of completion"** means the universally accepted accounting principles under which revenue and expenditure covered by long-term contracts are recognized at the stage of completion of the revised contract under sub-section (2).

75. **Incomplete or incorrect accounts, etc**.—(1) Nothing in this Chapter shall derogate from the power of the Income-tax Authority to disregard any return, statement or document furnished by a assessee, or the said claim in the course of audit or assessment proceedings, if it is not verifiable.

(2) Where no conventional method of accounting has been employed, or the Deputy Commissioner of Taxes is not satisfied as to the correctness or completeness of the accounts of the assessee, or the accounts of the assessee have not been prepared and maintained in accordance with the provisions of section 73, the assessee shall be assessed in such manner as the Deputy Commissioner of Taxes may think fit.

[1] The word "year" was substituted for the words "assessment year" by section 32 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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PART 6

EXEMPTION, DEDUCTION AND TAX HOLIDAY

CHAPTER I

EXEMPTION, REDUCTION AND DEDUCTION

76. **Tax exemptions**.—(1) The Board may, by notification in the official Gazette, grant exemption from tax to any person or class of persons.

(2) Where an exemption from tax is granted to a person under the provisions of any other law than this Act or any other instrument having force of law, notwithstanding anything contained in the other Act or legal documents, such provision shall not be operative unless, by notification issued under sub-section (1), tax exemption is granted to such person.

(3) The Board may cancel any tax exemption by issuing a notification under this section.

(4) Retrospective tax exemption shall not be granted under this Act.

(5) Notwithstanding anything contained in Part 6 and other provisions of this Act, no person shall be exempted from tax under this Act in any tax year if he fails to comply with the following conditions, namely:—

(a) filing the return within the tax day; or

(b) filing returns in compliance with the provisions of sections 166 and 171; or

(c) filing a return in respect of activities like deduction or collection at source, deposit thereof and ensuring compliance with the provisions of Part 7; or

[1][(d) receiving all receipts and incomes from any tax exempted source through bank transfer:

Provided that this provision shall not apply to the following cases, namely:–

i. where the receipt is classifiable under the head “income from agriculture” and the total amount of receipt in any income year does not exceed Taka 1(one) crore; or

[1] Clause (d) was inserted by section 33(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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ii. any asset acquired as gift under clause (34) of Part 1 of the Sixth Schedule;]

(6) Any disallowance of expenditure under section 55, in calculating the income of a source or of a person that is exempted from tax or is subject to a reduced rate of tax, shall be treated as income for that source or of that person, as the case may be, and tax shall be payable on such income at the regular rate.

[1][(7) Notwithstanding anything contained in this Act, any person enjoying tax exemption may pay tax at regular rate by surrendering his exemption fully or partially.

(8) Any person shall not be entitled to further tax exemption in any other manner or for any other period for a source of income against which such person was granted tax exemption for a definite period by any Act and such person shall not be entitled to tax exemption in case of reconstitution by amalgamation, demerger and acquisition:

Provided that the provision of this sub-section shall not be applicable to tax exemption where the existing period of tax exemption is extended by any provision of this Act or by any notification.]

77. **Exclusion from total income**.—(1) The income earned by any person mentioned in Part 1 of the Sixth Schedule shall not be included in computing the total income of that person in the said income year, but it shall be included in computing the source of funds for the said income year subject to the following conditions, namely:—

(a) exclusion from the total income should be properly shown in the relevant column of the return; and

(b) details of the source and amount of income shall be submitted with the return.

(2) The sum donated by a person under Part 2 of the Sixth Schedule shall be excluded from the total income while computing his tax liability subject to the following conditions, namely:—

(a) such donation is reflected in the return or particulars or documents annexed with the return;

[1]Sub-sections (7) and (8) were inserted by section 33(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) the total amount of donation under Part 2 of the Sixth Schedule shall not exceed 10% (ten percent) of the total income shown before deducting the donation;

(c) details of the source and amount of income have been submitted with the return.

78. **General tax rebate in respect of certain investments and expenditure**.—Subject to the provisions of this Act and the limits, conditions and qualifications set out in Part 3 of the Sixth Schedule, an individual, being a resident or a Bangladeshi non-resident, shall be entitled to tax rebate as below, from the tax chargeable on the total income in an assessment year:—

(a) 0.03 x 'A'; or

(b) 0.15 x 'B'; or

(c) Taka 10 (ten) lakh;

lower of these three,

in this case-

'A'= total income computed excluding tax-exempt income, income subject to reduced tax rate and income subject to minimum tax; and

'B'= the total amount of investment and expenditure of the assessee in accordance with Part 3 of the Sixth Schedule in any income year.

79. **Exemption of income of co-operative societies**.—Income earned by a co-operative society from the following activities shall be exempted from the payable tax, namely:—

(a) production of crop;

(b) operation of cottage industry;

(c) marketing of agricultural produce by its members.

Explanation.—For the purpose of this section, "cottage industry" means an enterprise, not being registered with a joint stock company, where—

(a) the owner of the business is the investor, a full-time worker and the actual entrepreneur;

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(b) the capital invested in plant, machinery and equipment of the plant does not exceed Taka 25 (twenty-five) lakh at any time during the income year;

(c) the number of workers, including the owner and the members of his family, does not exceed 15 (fifteen).

CHAPTER II

AVERAGING

80. **Averaging.**—(1) If the total income of a member of an association of persons or a partner in a firm includes share of income arising from such association of persons or firm, tax at the average rate shall not be payable on the said share of income.

(2) The average rate of tax shall be calculated according to the following formula, namely:—

T= A x (B/C) where-

T= tax at average rate;

A= tax computed on total income (including income from association of persons or firm),

B= share of income received from association of persons or firm;

C= total income including income received from association of persons or firm.

CHAPTER III

TAX HOLIDAY

81. **Income of approved tax holiday entity.**—(1) Subject to the provisions of this Act, the income included in the sources of 'Income from business' earned by an approved tax holiday entity shall be granted benefit of tax exemption fully or partially under Part 4 of the Sixth Schedule and this Chapter for the specified period subject to the prescribed limits, conditions and qualifications.

(2) Any benefit of income tax exemption availed under sub-section (1) shall not be included in the total income of the assessee, but shall be shown in the relevant part of the return.

(3) An approved tax holiday entity shall be granted tax exemption under sub-section (1), subject to the following conditions, namely:—

(a) the entity is owned and operated by such person, who is—

(i) any statutory body established by or under law having its head office in Bangladesh;

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(ii) a company as defined in the Companies Act, 1994 (Act No. XVIII of 1994) having its registered office in Bangladesh and has a purchased or paid-up capital of not less than 20 (twenty) lakh Taka on the date of commencement of commercial production;

(b) the entity has not been formed by way of separation or reorganization or re-incorporation from any such business already in existence;

(c) any plant, machinery, equipment or any other important immovable property on an entity which is not previously used by any other entity in Bangladesh;

(d) the entity—

(i) has obtained TIN;

(ii) has maintained accounts in accordance with the provisions of this Act;

(iii) has maintained accounts independently and separately.

Explanation.—For the purpose of this section, "approved tax holiday entity" means an entity which has income from business relating to any income year, and which—

(a) has been approved by the Board for partial or full tax exemption under this Chapter;

(b) has been allowed for tax exemption or reduced tax rate in the concerned income year.

82. **Approval of tax holiday entity by the Board**.—(1) A business entity shall submit an application, in the manner prescribed by the Board, [1][within the period not exceeding 6 (six) months] of commencement of its commercial operation for getting the benefit of tax holiday.

(2) The Board shall, by order in writing, give a decision on the application filed under sub-section (1) within 60 (sixty) days from the date of receipt of the application.

(3) If the Board fails to give a decision within the period mentioned in sub-section (2), the application for obtaining tax holiday shall be deemed to be provisionally approved and, until the Board gives a decision in the matter, the business entity shall be treated as a tax holiday entity.

(4) The Board shall not cancel any application without giving the applicant a reasonable opportunity of being heard.

[1] The words, figures and brackets "within the period not exceeding 6 (six) months" were substituted for the words "within months" by section 34 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(5) If any applicant is aggrieved by the decision given by the Board under sub-section (3), the said applicant may appeal to the Board within 4 (four) months of the receipt of the decision and the Board may reconsider the previous order and issue such as it may deem fit.

(6) Without prejudice to the provisions of sub-section (1), the Board may approve and review approvals under this section or make rules on any matter as it thinks fit for the purpose of ensuring tax compliance of tax holiday entities.

83. **Transactions with associated entity**.—(1) Where an approved tax holiday entity engages in a transaction with any of its associated entities and if the Deputy Commissioner of Taxes is satisfied that, —

(a) the transaction is not at an open market price; and

(b) the income of any associated entity in any income year is less than the actual income as a result of such transaction,

the extent to which the income of associate entity computed lesser shall be treated as income of the allowable tax holiday entity and shall be classified under "Income from other sources" for the said income year.

(2) For the purposes of this section,—

(a) an entity shall be deemed to be an associated enterprise of an approved tax holiday entity, if—

(i) any entity, directly or indirectly, or through one or more intermediaries, participates in the management or control or capital of any other entity; or

(ii) the same person or persons, including spouses and descendants, participate in the management or control or capital of both entities, directly or indirectly, or through one or more intermediaries; or

(iii) an entity, directly or indirectly, controls shares carrying more than 25% (twenty-five percent) of the voting power of another entity; or

(iv) the same person or persons, including spouses or descendants, control shares carrying more than 25% (twenty-five percent) of the voting power in both entities; or

(v) two entities are members of the same group;

(b) “open market price” means the price agreed between two unrelated parties in the open market;

(c) The term “entity” shall include any person.

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84. **Computation of income of approved tax holiday entity**.—(1) Income of approved tax holiday entities shall be computed separately from any other business.

(2) The income of the approved tax holiday entity shall be computed in the same manner as the income under the head 'Income from Business'.

(3) Only the normal depreciation allowance mentioned in Part 1 of the Third Schedule shall be applicable in computing the income from business of an approved tax holiday entity.

(4) The computed loss of an approved tax holiday entity for any income year shall not be set off against the profits of any other entity or source of the assessee, which is not an approved tax holiday entity.

(5) The benefit of tax holiday shall not be applicable to the income arising from the said entity as a result of disallowance under section 55 and such income shall be taxed at the regular rate.

85. **Cancellation or disallowance of tax exemption**.—(1) Where it is found during the course of any proceeding taken under this Act that any approved tax holiday entity has failed to comply with any condition specified in this Chapter, the Deputy Commissioner of Taxes shall not grant benefit of tax holiday to the approved tax holiday entity and determine the tax payable for such year in the regular manner by regular tax rate.

(2) Any such approved tax holiday entity may, within 1 (one) year from the date of approval of the cancellation order, apply in writing to the Board against the cancellation of such benefit, and the Board may, upon receiving such application, pass such orders thereon as it may deem fit.

(3) Notwithstanding anything contained in this Chapter, the Board may, by notification in the official Gazette, in the public interest, cancel or suspend fully or partially any exemption allowed under this section.

PART 7

PAYMENT OF TAX

CHAPTER I

DEDUCTION OF TAX FROM RESIDENTS

86. **Deduction of tax at source from "income from employment**".—(1) A person responsible for payment of any employment under the head "Income from employment" to a payee shall, at the time of making such payment, deduct

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tax on the amount so payable at a rate representing the average or the rates applicable to the [1][estimated] total income of the payee under that head.

[2] [***]

(3) Where any Government official has performed as Drawing and Disbursing Officer (DDO) or prepared or signed a bill for himself or for any other official subordinate to him to draw salary from the Government or any authority, he shall, at the time of making or signing such bill, deduct tax at the average rate of tax applicable to the estimated total income of such officials if such annual salary chargeable to tax exceeds the taxable limit for that income year.

(4) During any deduction under sub-sections (1) and (3), the surplus or deficit shall be increased or decreased by an amount equal to the adjustment with any previous surplus or deficit.

(5) Where tax has already been paid at source under this section, including advance tax payable under this Act, and the tax applicable to the probable total income of an employee appears to be close to the amount of tax so payable, the Deputy Commissioner of Taxes shall, on the basis of the application and evidence furnished by the employee, may issue a certificate for the remainder of income year to the effect that no tax will be deducted from the said employee or tax will be deducted at a lower rate.

87. **Deduction of tax from honorarium of Members of Parliament**.—Any person responsible for the payment of any sum as an honorarium to a Member of Parliament shall, at the time of making such payment, deduct income-tax applicable to the amount of the honorarium payable at the average rate of tax applicable to the estimated total of the honorarium of the recipient for the said income year.

[3][88. **Deduction at source from money paid to Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund**.—Notwithstanding anything contained in any law for the time being in force in Bangladesh, the person responsible for making payment to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund under section 234 of the Labour Act, 2006, shall deduct tax at the rate of 10% (ten percent) at the time of payment or credit.]

89. **Deduction of tax from money paid to contractors, suppliers, etc**.—Where any payment is made by a specified person to a resident for the following reasons—

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[1] The words "estimated" was substituted for the words "approximated" by section 35(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Sub-section (2) was omitted by section 35(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Section 88 was substituted by section 36 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) entering into any contract other than a contract for providing or rendering a service referred to in any other section of Part 7;

(b) supply of goods;

(c) manufacture, processing or conversion;

(d) printing, packaging or binding,

in such case, the person responsible for the said payment shall, at the time of making such payment, deduct tax at such rate not exceeding 10% (ten percent) on the base value, as may be prescribed.

90. **Deduction from payment in respect of services**.—If a specified amount of money is paid by a specified person to a resident for any service, the person responsible for payment shall, at time of making such payment, deduct tax at such rate not exceeding 20% (twenty percent), as may be determined at the time of payment.

91. **Deduction from amount paid for intangible property**.—The person responsible for making payment in respect of royalty, franchise or license, trademark, patent, copyright, industrial design, plant variety, geographical indication product or any other property related to intellectual property or immaterial or abstract or intangible thing shall, at the time of such payment or credit, deduct tax at the rate specified in the following table, namely:—

Table

Description of payment	Rate of tax deduction
(1)	(2)
Where base amount does not exceed 25(twenty five) lakh Taka	10% (ten percent)
Where base amount exceeds 25 (twenty five) lakh Taka	12% (twelve percent)

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92. **Deduction of tax from advertisement income of media**.— The specified person shall at the time of making payment to a newspaper, magazine, private television channel, private radio station or any other person (other than a media buying agent) or at time of depositing to the account of the payee for advertisement, promotion or any other purpose, deduct tax at the rate of 5% (five percent) on the amount payable or to be paid.

93. **Deduction from payment to actors, actresses, producers, etc**.— The person responsible for making payment partially or fully for the purchase of any film, play or television or radio program, shall deduct tax at the rate of 10% (ten percent) on the amount so paid or payable at the time of payment or deposit to the account of the payee.

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(2) A person shall deduct tax at the rate of 10% (ten percent) on the amount payable or paid for acting in a film, play, advertisement or any television or radio program, at the time of payment or deposit to the account of any other person partially or fully.

94. **Deduction or collection of tax at source from commission, discount, fee, etc**.—(1) Where any company or firm is making a payment or allowing an amount to a distributor, called by whatever name, or to any other person by way of commission, discount, fees, incentive or performance bonus or any other performance related incentive or any other payment or benefit of the similar nature for distribution or marketing of goods or services, the person responsible for payment shall, at the time of payment or allowing the amount, deduct or collect tax at the rate of 10% (ten percent) of the amount of payment or the amount allowed or the value of benefits allowed, as the case may be.

(2) Where any company or firm is making a payment in relation to the promotion of the company or its goods to any person engaged in the distribution or marketing of the goods of the company, the person responsible for payment shall, at the time of payment, deduct tax at the rate of 1.5% (one point five percent) of the payment.

(3) Any company or firm, other than an oil marketing company, which sells goods to—

(a) any distributor; or

(b) any other person under a contract,

at a price lower than the retail price fixed by such company or firm [1][or any other person], shall collect tax from such distributor or such any other person at the rate of 5% (five) percent on the amount equal to B x C, where-

B = the selling price of the company or firm to the distributor or the other person;

C = 5% (five percent):

Provided that a cigarette manufacturing company or firm shall collect tax at the time of sale of its goods to such distributor or to such other person at the rate of 3% (three percent) of the difference between the sale price to the distributor or the other person and the retail price fixed by such company or firm.

95. **Collection of tax from travel agent**.—(1) Notwithstanding anything contained in any other provisions of this Act, any person responsible for making

[1] The words “or any other person” were inserted by section 37 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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any payment to a resident any sum by way of commission or discount or any other benefits, called by whatever name, convertible into money for selling passenger tickets or air cargo carriage shall deduct or collect advance tax at the rate of (0.3%) zero point three) of the total value of the tickets or any charge for carrying cargo by air at the time of payment to such resident.

(2) Where any incentive bonus, performance bonus or any other benefits, called by whatever name, is to be paid in relation to such sale of tickets or bill for carrying cargo by air in addition to the amount mentioned in sub-section (1), the person responsible for making such payment shall deduct an amount equal to A/B x C, where—

"A"= the amount of incentive bonus, performance bonus or any other benefits as mentioned in this sub-section,

"B"= the amount of commission or discount or any other benefits as mentioned in sub-section (1), and

"C"= the amount of source tax on commission or discount or any other benefits as mentioned in sub-section (1).

(3) For the purpose of computation of value of tickets or charge, any payment made in respect of any embarkation fees, travel tax, flight safety insurance, security tax and airport tax shall not be included in such value or charge.

96. **Deduction from the commission of letter of credit**.—Any person responsible for opening letter of credit for the purpose of import of goods for himself or for any other person shall, at the time of collecting commission with respect to letter of credit, deduct income tax at the rate of 5% (five percent) on the amount of such commission.

97. [1][**Deduction from payment on account of local letter of credit, etc**].—(1) Where a bank or [2][a finance company] extends any credit facility under a local letter of credit or any other financing agreement, not being a financing arrangement under sub-section (2), for purchasing any goods in Bangladesh by a person hereinafter referred to as "Person A" from any person, hereinafter referred to as "Person B", for the purpose of trading, or of reselling after process or conversion, in that case the bank or [3][finance company] shall, at the time of paying or crediting to Person B, deduct tax at the rate of 3% (three percent) of the amount so paid or credited in relation to the purchase by Person A.

[1] The heading "Deduction from payment on account of local letter of credit, etc" was substituted for the heading "Deduction from the amount received as commission on account of local letter of credit" by section 38(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Where a bank or [1][finance company] extends any credit facility to a distributor under a financing arrangement in which a person, hereinafter referred to as "Person C", receives payments from such bank or the [2][finance company] against the invoice or sale of goods to its distributor, hereinafter referred to as "Person D", in that case, the bank or [finance company] shall, at the time of paying or crediting payment to Person C, deduct tax at the rate of 1% (one percent) of the amount so paid or credited in relation to the goods invoiced to Person D.

[3][(3) Where a bank or finance company is engaged in opening or making of local letter of credit or any other financing agreement for the purchase or procurement of all kinds of fruits and computer or computer accessories, in that case such bank or finance company shall deduct tax at the rate of 2% (two percent) on the amount of payment or the amount of local letter of credit.]

[4][(4) Where a bank or finance company is engaged in opening or making of local letter of credit or any other financing agreement for the purchase or procurement of rice, wheat, potato, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses, maize, coarse flour, flour, salt, edible oil, sugar, black pepper, cinnamon, cardamom, clove, bay leaf, jute, cotton and yarn, in that case such bank or finance company shall deduct tax at the rate of 1% (one percent) on the amount of payment or the amount of local letter of credit.]

Explanation.—For the purpose of this section, "distributor" means a person who performs the function of supply of finished goods produced by another person to the end customer directly or through any other intermediary.

98**. Deduction of tax on amount paid by cellular mobile phone operator**.—The principal officer of any cellular mobile phone operator company shall, on deposit or payment, which is earlier, to the regulatory authority in respect of any revenue sharing or any license fee or any other fee or charge, by whatever name called, deduct tax at the rate of [5][20% (twenty percent)] of such amount.

99. **Deduction of tax from any payment in excess of premium paid on life insurance policy**.—Any person responsible for making payment to a resident, any sum in excess of premium paid for any life insurance policy

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[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Sub-section (3) was substituted by section 38(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] Sub-section (4) was substituted by section 38(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[5] The words, mark, brackets and figures "20% (twenty percent)" were substituted for the words, mark, brackets and figures "10% (ten percent)" by section 39 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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maintained with any life insurance company, shall, at the time of payment of such excess amount to the policy holder, deduct in tax at the rate of 5% (five percent) on such sum:

Provided that no deduction of tax shall be made in case of death of such policy holder.

100. **Deduction from insurance commission amount**.—Any person responsible for making payment to a resident any sum as remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business including endeavoring for the continuance, renewal or revival of policies of insurance shall, at the time of deposit of such sum to the account of the payee or at the time of payment thereof in cash or by cheque or draft or by any other mode, whichever is earlier, deduct tax on such sum at the rate of 5% (five percent).

101. **Deduction of tax from surveyors' fees, etc., of general insurance companies.**— A person responsible for making payment to a resident any sum by way of remuneration or fee for conducting a survey regarding settlement of an insurance claim shall, at the time of payment, deduct tax at the rate of 15% (fifteen percent) on the gross amount.

102. **Deduction of tax on savings deposits and fixed deposits, etc.**—[1][(1) Notwithstanding anything contained in this Act or any other law for the time being in force in Bangladesh, any person engaged in the operation of banking, insurance, leasing, financing, postal banking, co-operative or mobile financial services, or any person responsible for paying any sum by way of interest or share of profit on deposit to a resident shall deduct, at the time of credit of such interest or share of profit to the account of the payee or at the time of payment thereof, whichever is earlier, tax on such sum at the rate mentioned in the following table and deposit it to the Government treasury, namely:—

Table

Serial. No.	Types of the payee	Rate
(1)	(2)	(3)
1.	In case of a trust, association of persons and company	20% (twenty percent)
2.	In case of a primary educational institution, Institute of Chartered Accountants, Institute of Cost and Management Accountants or Institute of Chartered Secretaries	10% (ten percent)
3.	In case of persons not mentioned in serial no. 1 and 2	10% (ten percent)]

[1] Sub-section (1) was substituted by section 40 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Nothing contained in this section shall apply—

(a) to interest or share of profit arising out of any deposit pension scheme sponsored by the Government or by a Scheduled Bank with prior approval of the Government; or

(b) to such payee or class of payees as the Board may, by a general or special order, specify that income of such payee or class of payee is otherwise exempted from tax.

(3) For the purposes of this section, the proof of submission of return of legal guardian of a minor shall be considered as the proof of submission of return of the minor.

[1][***]

104. **Deduction of tax from interest income of resident**.— (1) Where a specified person pays interest to any person other than a bank or [2][finance company] against a loan or the acceptance of a loan, he shall deduct tax at the rate of 10% (ten percent) on the interest paid at the time of payment of said interest.

(2) The Board may, on application of the assesse subject to verification, issue a certificate in writing to the effect that no deduction of tax shall be applicable on the amount due to the assessee under this section or that deduction of tax shall be applicable at a reduced rate.

105. **Deduction of tax on profits of savings certificates**.—(1) Notwithstanding anything contained in any other provision of this Act or in any other law with respect to the exemption from tax on profits received on savings certificates purchased with the money of an approved superannuation fund or pension fund or gratuity fund or recognized provident fund or workers' interest participation fund, for payment of profits on savings certificates, a person responsible for payment of profit on savings certificates shall deduct tax at the rate of 10% (ten percent) on such payment.

(2) If the accumulated investment in a pensioner's savings instrument does not exceed Taka 5 (five) lakhs in an income year, no tax shall be deducted under this section from the profit earned on such investment.

(3) No tax shall be deducted from the interest or dividend arising from Wage Earners Development Bonds, US Dollar Premium Bonds, US Dollar Investment Bonds, Euro Premium Bonds, Euro Investment Bonds, Pound Sterling Investment Bonds or Pound Sterling Premium Bonds.

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[1] Section 103 was omitted by section 41 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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106. **Deduction at source from interest on securities**.— Any person responsible for issuing Government securities, or securities approved by the Government or Bangladesh Securities and Exchange Commission, shall deduct tax at the rate of 5% (five percent) on discount, interest or profit on securities at the time of making payment or credit, whichever is earlier.

107. **Deduction at source from discount on the real value of Bangladesh Bank Bills**.—Any person responsible for paying any amount on account of discount or deduction on the actual value of Bangladesh Bank bills shall, at the time of making such payment, deduct tax at the maximum rate on the amount so payable.

108**. Deduction of tax from receipts in respect of international phone call**.—(1) The bank, through which any sum on account of International Gateway (IGW) Services in respect of international phone call is received, shall deduct tax at the rate of 1.5% (one point five percent) of the total amount representing the said receipt at the time of crediting it to the account of the International Gateway (IGW) Services operator.

(2) The International Gateway (IGW) Services operator, through which any sum related to international phone call is paid, or any sum credited to the account of Interconnection Exchange (ICX), Access Network Services (ANS), Bangladesh Telecommunication Regulatory Commission (BTRC) or any other person under an agreement with the Bangladesh Telecommunication Regulatory Commission (BTRC), shall deduct tax at the rate of 7.5% (seven point five percent) on the whole amount so paid or credited at the time of such payment or credit under the said agreement.

(3) Where any amount is paid or credited in respect of outgoing international calls, the provider of Interconnection Exchange (ICX) services or Access Network Services (ANS) shall deduct tax at the rate of 7.5% (seven point five percent) on the whole amount so paid or credited at the time of such payment or credit.

(4) Notwithstanding anything contained in sub-section (1), (2) or (3), where the Board gives a certificate in writing on an application made by a person that income of the person is exempted from tax or will be liable to tax at a rate of tax less than the rate specified in this section, the person responsible for such payment shall make the payment—

(a) without deduction of tax; or

(b) after deducting tax at a rate specified in the certificate.

109. **Deduction of tax at source from rent.**— (1) Where any specified person rents—

(a) any house property;

(b) hotel or guest house;

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(c) empty premises or plant or machinery; or

(d) any water body other than a Government water body,

the said person shall deduct tax at the rate of 5% (five percent) on the rent payable while paying the rent of the said property.

(2) Where, after the assessment made for the relevant year, it is found that no tax was payable by the owner of the house property or the amount of tax deducted is in excess of the amount payable, the amount deducted shall be refunded,—

(a) if no tax was payable, in full; or

(b) if the amount deducted is in excess of the amount payable, the amount so in excess.

(3) Where the Deputy Commissioner of Taxes, on an application made in this behalf, gives a certificate in the prescribed form to an owner of house property that, to the best of his belief, the owner is not likely to have any assessable income during the year or the income is otherwise exempted from payment of income tax under any provision of this Act, payment referred to in sub-section (1) shall be made without any deduction until the certificate is cancelled.

(4) For the purposes of this section, "rent" means any payment, by whatever name may be called, under any lease, tenancy or any other agreement or arrangement for the use of any house property or hotel accommodation including any furniture, fittings and the land appurtenant thereto.

110. **Deduction of tax for services from convention hall, conference centre, etc.**—Where any payment shall be made by a specified person to any other person on account of renting or using space of convention hall, conference center, room, or, as the case may be, hall, hotel, community centre or any restaurant, the person responsible for the said payment shall, at the time of making such payment to the payee, deduct tax at the rate of 5% (five per cent) from the whole amount of the payment for the services thereof.

111. **Deduction at source from compensation against acquisition of property.**—Any person responsible for paying any amount of compensation against acquisition by the Government of any immovable property shall, at the time of paying such compensation, deduct tax at the following rate while compensating,—

(a) 6% (six percent) of the amount of such compensation where the immovable property is situated in any city corporation, Paurashava or Cantonment Board;

(b) 3% (three percent) of the amount of such compensation, where the immovable property is situated outside any City Corporation, Paurashava or Cantonment Board.

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112. **Deduction of tax at source from export cash subsidy**.— Any person responsible for paying any amount on account of export cash subsidy to an exporter for promotion of export shall, at the time of payment or credit of such amount, deduct or collect tax in advance at the rate of 10% (ten per cent) on the amount so payable.

[1][***]

114. **Collection of tax on account of purchase of power**.—(1) Notwithstanding anything contained in this Act, Bangladesh Power Development Board or any other person engaged in power distribution [2][or any specified person purchasing power from person engaged in captive power generation] shall, collect, deduct or pay tax at the rate of 6% (six) percent on the amount payable, at the time of payment, on account of purchase of power.

(2) Where a person is exempted from tax on the income from generating power in an income year, the Board may, on an application made by the assessee, issue a certificate in writing that the payment for that income year shall be made without any deduction or with deduction or collection, or with deduction or collection at a proportionately reduced rate.

115. **Deduction of tax from any sum paid by real estate developer to land owner.**—Where any person engaged in real estate or land development business pays any sum to the land owner on account of signing money, subsistence money, house rent or in any other form called by whatever name for the purpose of development of the land of such owner in accordance with any power of attorney or any agreement or any written contract, such person shall deduct tax at the rate of 15% (fifteen percent) on the total amount so paid at the time of such payment.

116. **Deduction of tax from commission or remuneration paid to agent of foreign buyer**.—Where, in accordance with the terms of the letter of credit or under any other instruction, a bank, through which an exporter receives payment for export of goods, pays any amount out of the export proceeds to the credit of any person being an agent or a representative of the foreign buyer, as commission, charges or remuneration by whatever name it may be called, the bank shall deduct or collect tax in advance at the rate of 10% (ten percent) on the commission, charges or remuneration so paid at the time of such payment.

117. **Deduction of tax from dividend**.—The Principal Officer (Chief Executive) of a company registered in Bangladesh, or of any other company, shall, at the time of paying any dividend to a shareholder, deduct tax on the amount of such dividend, in the case of a resident or a non-resident Bangladeshi, —

(a) if the shareholder is a company, at the rate applicable to a company;

[1] Section 113 was omitted by section 42 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "or any specified person purchasing power from person engaged in captive power generation" were substituted for the words "any person" by section 43 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) if the shareholder is a person other than a company, at the rate of 10% (ten percent) where the person receiving such dividend holds Taxpayer's Identification Number (TIN) or at the rate of 15% (fifteen percent) where the person receiving such dividend does not hold Taxpayer's Identification Number (TIN):

Provided that the provisions of this section shall not be applicable to distribution of taxed dividend of a company if such taxed dividend enjoys tax exemption under the provisions of paragraph 32 of Part 1 of the Sixth Schedule.

118. **Deduction of tax from income received from lotteries, etc**.—If any amount is received as a result of winnings in lotteries, word games, card games, online games or games of any similar nature, the person responsible for making the payment shall deduct tax at the rate of 20% (twenty percent) at the time of such payment.

Explanation.—For the purposes of this section, the expression **"any amount"** means the value of any goods or property where the payment on account of such winning is made to the winner's account in cash or in the form of asset.

CHAPTER II

DEDUCTION OF TAX FROM NON-RESIDENTS

119. **Deduction or collection of tax from income of non-residents**.—(1) Notwithstanding anything contained in any other provision of this Chapter, subject to the provisions of sub-section (2), the specified person or any other person responsible for making any payment to a non-resident which is taxable to the non-resident under this Act, shall, at the time of such payment, unless he himself is liable to pay the tax as an agent, deduct or collect tax on the amount payable, not exceeding 30% (thirty per cent), as specified.

(2) Where the Board, being satisfied on the basis of the application received with the required documents for the purpose, within 30 (thirty) days of receipt of the application, may issue a certificate to the effect that a non-resident, due to tax treaty or any other reason, shall not pay any tax or shall pay tax at a reduced rate in Bangladesh, in which case the payment of tax referred to in sub-section (1) shall be made without deduction of tax or at a reduced rate.

(3) Tax deducted under this section shall be deemed to be the minimum tax liability of the payee in respect of the income for which the deduction is made, and shall not be set off against a demand.

(4) Where capital gains arise in favour of a non-resident assessee from the transfer of any shares in a company, the person or the authority, as the case may be, responsible for effecting the transfer of shares shall not effectuate the transfer unless the tax payable on the said capital gains has been paid.

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(5) If any tax collected under this section is deposited in the name of a resident person, the tax under this section shall be deemed to have not been collected.

(6) Deduction of tax at source under this section shall not be applicable on the following amounts remitted to a non-resident, namely:—

(a) arbitration fees;

(b) money remitted for Hajj;

(c) money for priority pass.

CHAPTER III

COLLECTION OF TAX AT SOURCE

120. **Collection of tax on account of import of goods**.—The Commissioner of Customs or any officer empowered in this behalf shall collect tax at source at such rate, not exceeding 20% (twenty percent) on the value of imported goods, as may be prescribed.

121. **Collection of tax from export of manpower**.—The Director General, Bureau of Manpower, Employment and Training shall not—

(a) grant clearance for export of manpower by recruiting agencies unless a challan of tax amounting to 10% (ten percent) of service charge or fees received by recruiting agents on account of export of manpower attached with the application made in this behalf;

(b) issue or renew license under section 9 of the Foreign Employment and Immigration Act, 2013 (Act No. XLVIII of 2013) unless a challan of tax of Taka 50,000 (fifty thousand) is submitted along with the application made in this behalf.

122. **Collection of tax from clearing and forwarding agents**.—The Commissioner of Customs shall make collection on account of commission receivable by clearing and forwarding agents licensed under [1][the Customs Act, 2023 (Act No. LVII of 2023)] at the rate of 10% (ten percent) on such commission at the time of clearance of goods imported or exported.

123. **Collection of tax from export proceeds**.—(1) The Bank, through which export proceeds of goods of an exporter is received, shall deduct tax at the rate of 1% (one percent) of total export proceeds at the time of crediting the proceeds to the account of the exporter and deposit it in the Government treasury.

[1] The words, figures, marks and brackets "the Customs Act, 2023 (Act No. LVII of 2023)" were substituted for the words, figures, marks and brackets "the Customs Act, 1969 (Act No. IV of 1969)" by section 24(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Where the Board, on an application made in this behalf, gives a certificate in writing that the income of the exporter is fully exempted from tax or taxable at a reduced rate under any provision of this Act, the Bank shall make credit to the account of an assessee without any deduction of tax or with deduction of tax at a reduced rate so specified in the certificate for the period specified in the certificate and deposit the same to the Government Treasury.

124. **Deduction of tax from any income remitted from abroad in connection with any service, revenue sharing, etc**.—Any person responsible for paying or crediting to the account of a person any sum remitted from abroad by way of fees, service charges or remuneration, by whatever name may be called, or by way of revenue sharing of any name and nature, for—

(a) providing any service rendered in Bangladesh;

(b) rendering any service or performing any task by a resident person in favour of a foreign person;

(c) allowing the use of any online platform for advertisement or any other purposes,

shall deduct tax at the rate of [1][7.5% (seven point five percent)] at the time of making payment of the sum or crediting the sum to the account of the payee:

Provided that—

[2][(1) amount received by freight forwarding agent—

(i) in case of commission only, tax shall be collected at the rate of 10% (ten percent) on the said commission;

(ii) in case of gross bill or gross bill including commission, tax shall be collected at the rate of 2.5% (two point five percent) on the said bill;]

[3][(2) no deduction under this section shall be made against the following remittances from abroad, namely:—

[1]The figures, marks, brackets and words "7.5% (seven point five percent)" were substituted for the figures, marks, brackets and words "10% (ten percent)" by section 44(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Proviso (1) was substituted by section 44(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Proviso (2) was substituted by section 44(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) the amount excluded from total income by paragraph (12), (17), (21) and (33) of Part 1 of the Sixth Schedule;

(b) any donation or grant received by any educational or research institution.]

125. **Collection of tax on transfer, etc. of property**.—[1][(1) Any registering officer responsible for registering any document under the provisions of clause (b), (c) or (e) of sub-section (1) of section 17 of the Registration Act, 1908 (XVI of 1908) shall not register any document unless tax is paid by the transferor of the property at such rate as may be prescribed.]

(2) In the case of collection of tax under this section, the rate of tax shall not exceed the higher of the following—

(a) Taka 20 (twenty) lakh per katha (1.65 decimal or one point six five decimal) in case of land;

(b) Taka 1 (one) thousand per square foot in respect of any structure, building, flat, apartment or floor space; or

(c) 10% (ten percent) on the value mentioned in the deed.

(3) Nothing in this section shall apply to the following documents, namely:—

(a) sale by a bank or any [2][finance company] empowered to sell under mortgage;

(b) mortgage of any property to any bank or any [3][finance company] against any loan;

(c) transfer of property to or from a trust or special purpose vehicle established only for the purpose of issuing sukuk approved by the Government or Bangladesh Securities and Exchange Commission.

[4][126. **Collection of tax from developer or real estate developer**.—(1) Any person responsible for the registration of a document for the transfer of any land, structure, house, flat, apartment or floor space under the provisions of the Registration Act, 1908 (XVI of 1908) shall not register the document of the transfer unless tax is paid by the developer or the real estate developer at such rate as may be prescribed.

[1] Sub-section (1) was substituted by section 45 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] Section 126 was substituted by section 46 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) In case of collection of tax under this section, the rates of tax shall not exceed—

(a) Taka 1600 (one thousand and six hundred) per square meter in case of structure, house, flat, apartment or floor space constructed or used for residential purpose;

(b) Taka 6500 (six thousand and five hundred) per square meter in case of structure, house, flat, apartment or floor space not constructed or used for residential purpose;

(c) 5% (five per cent) of the deed value in respect of land appurtenant to the structure, house, flat, apartment or floor space.

(3) For the purpose of this section, "developer or real estate developer" means developer or real estate developer as referred to in the Real Estate Development and Management Act, 2010 (Act No. XLVIII of 2010) and shall also include any person who develops land for himself or others, or constructs structure, house, flat, apartment or floor space on his own land or on the land of others by performing similar activities of developer or real estate developer; or owner of land or owner of structure, house, flat, apartment or floor space when he acts like a developer or a co-developer.]

127. **Collection of tax from commission paid on government stamps, court fees, cartridge paper**.—Any person responsible for payment of any commission, discount or fee, by whatever name may be called, against the sale of Government stamps, court fees, cartridge paper or anything else of a similar nature, shall deduct tax at source at the rate of 10% (ten percent) at the time of payment from the amount so paid.

128. **Collection of tax from lease of property**.— Any registering officer responsible for registering, under the Registration Act, 1908 (Act No. XVI of 1908), any document in relation to any lease of immovable property for not less than 10 (ten) years shall not register such document unless tax is paid at a rate of 4% (four percent) [1][by the lessee] on the lease amount of such property.

129. **Collection of tax from cigarette manufacturers**.—Any person responsible for selling banderols to any manufacturer of cigarettes shall, at the time of selling banderols, collect tax from such manufacturers on account of the manufacture of cigarette at the rate of ten percent (10%) of the value of the banderols.

[1] The words "by the lessee" were inserted by section 47 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Explanation.—For the purposes of this section, "manufacture of cigarettes" means manufacture of cigarettes manually without any mechanical aid whatsoever.

[1][130. **Collection of tax from brick manufacturers**.—(1) Any person responsible for granting or renewing a licence to manufacture bricks under the Brick Manufacturing and Kiln Establishment (Control) Act, 2013 (Act No. LIX of 2013) shall not grant or renew such licence unless the application for issuance or renewal of such permit is accompanied by–

(a) a tax payment certificate specifying the volume and nature of the brick field or method and nature of brick manufacturing, as the case may be; and

(b) a-challan of advance tax payment at the rate mentioned in the following table:

Table

Serial No.	Type of brick field	Advance tax rate (in taka)
(1)	(2)	(3)
1.	In case of seasonal brick field volume of which does not exceed 108000 (one lakh eight thousand) cubic feet	80000 (eighty thousand)
2.	In case of seasonal brick field volume of which exceeds108000 (one lakh eight thousand) cubic feet but does not exceed 124000 (one lakh twenty four thousand) cubic feet	120000 (one lakh twenty thousand)
3.	In case of seasonal brick field volume of which exceeds 124000 (one lakh twenty four thousand) cubic feet	160000 (one lakh sixty thousand)
4.	In case of brick field not mentioned in serial no. 1, 2 and 3	220000 (two lakh twenty thousand).

(2) Where in a year a licence is granted or renewed for more than one year, advance tax shall be deposited at the rate mentioned in sub-section (1) within 30th June in every subsequent year or years following the year in which such licence is granted or renewed.

(3) Where any brick manufacturer fails to pay advance tax in accordance with sub-section (2), the amount of advance tax payable in the subsequent year shall be determined in accordance with A+ B formula, where—

A = the amount of advance tax not paid in the previous year or years; and

[1] Section 130 was substituted by section 48 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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B = the amount of advance tax payable under sub-section (1) in the year of payment.

(4) For the purposes of this section—

(a) "volume" means the measurement of length, breadth and height of the inner wall of the brick field;

(b) "brick field" means a place or structure where bricks are manufactured;

(c) "seasonal brick field" means a brick field where handmade bricks are manufactured and burned during the dry season.]

131. **Collection of tax at the time of issuance or renewal of trade licence**.— Any person responsible for renewal of trade license shall collect tax at the time of such renewal of each trade license at the rate of—

(a) Taka 3 (three) thousand in Dhaka South City Corporation, Dhaka North City Corporation or Chittagong City Corporation;

(b) Taka 2 (two) thousand in any other City Corporation;

(c) Taka 1 (one) thousand in any Paurashava at any district headquarter;

(d) Taka 5 (five) hundred in any other Paurashava.

132. **Collection of tax from shipping business of a resident**.— Commissioner of Customs or any other authority, duly authorized in this behalf, shall not grant port clearance to a ship owned or chartered by a resident assessee carrying passengers, livestock, mail or goods, unless a certificate is received in prescribed manner by the resident assessee from Deputy Commissioner of Taxes concerned and tax at the rate of 5% (five percent) on total freight received or receivable in or out of Bangladesh has been paid:

Provided that tax shall be collected at the rate of 3% (three per cent) of total freight received or receivable from services rendered between two or more foreign countries.

133. **Collection of tax on sale through public auction**.—(1) Any person making sale, by public auction through sealed tender, of any goods or property belonging to the specified owner shall, before delivering the possession of the goods or the property or allowing to exercise the rights, collect tax at the rate of 10% (ten percent) of the total sale price of such goods or property.

(2) The rate of collection shall be 1% (one percent) in case of sale of tea by public auction.

(3) Deduction of tax under this section shall not apply in the case of sale of land in the form of plots by public auction.

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(4) For the purposes of this section,—

(a) **"sale of any goods or property"** includes lease of any goods or property, lease of jalmahal, sand quarry, sairatmahal, lease of rights of any kind, the right to award a lease in the name of any person with the right of collection of octroi duties or other applicable taxes, called by whatever name, but does not include the sale of any plot of land;

(b) **"specified owner"** means any corporation or body including the Government or any other authority, unit, the activities or main activities of which are authorized by any Act, Ordinance, order or instrument having the force of law, or any other entity or company authorized or established under any law in force in Bangladesh.

134. **Collection of tax from transfer of shares**.—The person responsible for registering the transfer of shares of a non-listed company from a resident person to any other person shall not register such transfer unless the transferor submits, at the time of filing application for registration, a challan of payment of tax at the rate of 15% (fifteen percent) on the difference between the fair value and face value of the shares being transferred.

Explanation: For the purposes of this section,—

(a) **"face value"** means the value determined by the issuer and shall include any additional amount if it is—

(i) done through bank transfer; and

(ii) duly disclosed in the income-tax return of the assessee;

(b) **"fair value"** means the fair value determined by the professional valuer in the valuation report prepared before the transfer of shares;

[1][(c) **"Professional valuer"** means a professional valuer approved by Bangladesh Bank or Bangladesh Securities and Exchange Commission.]

[2][135. **Collection of tax from transfer of securities**.—(1) The person responsible for transferring securities of any company or any fund listed in a stock exchange shall not transfer the securities unless tax is paid by the transferor in accordance with the following formula before the transfer is effected :—

A= (B-C) x 10%, where,

A= amount of tax payable under this section;

[1] Sub-section (c) was substituted by section 49 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Section 135 was substituted by section 50 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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B= transfer value of the securities;

C= acquisition value of the securities.

(2) For the purposes of this section,—

(a) "securities" means the securities of a company or fund held by a sponsor shareholder, director shareholder or placement shareholder of that company or fund;

(b) "transfer" means all kind of transfers other than a gift between mother-father and children and between husband-wife;

(c) "transfer value" means—

(i) the closing price of the securities on the day of consent or approval accorded by the Bangladesh Securities and Exchange Commission or Stock Exchange; or

(ii) where the securities are not traded on the day of consent accorded by the Bangladesh Securities and Exchange Commission or Stock Exchange, the closing price of the securities on the day when such securities were last traded.]

136. **Collection of tax from transfer of share of shareholders of Stock Exchanges.**—(1) The Chief Executive of a Stock Exchange shall deduct tax at the rate of 15% (fifteen percent) on any profits and gains arising from the transfer of share of a shareholder of stock exchange established under Exchanges Demutualization Act, 2013 (Act No. XV of 2013) at the time of transfer or declaration of transfer or exchange of such share, whichever is earlier.

(2) For the purpose of the computation of profits and gains of share under sub-section (1), the cost of acquisition of such share incurred before Exchanges Demutualization Act, 2013 (Act No. XV of 2013) came into force shall be the cost of acquisition.

137. **Collection of tax from members of stock exchange**.—The Principal Officer of a stock exchange shall collect tax at the rate of 0.05% (zero point zero five percent) on the value of shares and mutual funds transacted by a member of a stock exchange at the time of making payment for such transactions:

Provided that the provisions of this section shall not apply to the transfer of any listed sukuk and bond.

138. **Collection of tax from motor vehicles operated commercially**.—(1) The person or authority responsible for the registration and fitness renewal of motor vehicles shall not register or allow fitness renewal unless a challan of advance tax at the rate given in the following table is furnished with the application, namely:—

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Table

Serial No.	Type of vehicle	Advance tax (in taka)
(1)	(2)	(3)
1.	Bus having seats exceeding 52 seats	16 (Sixteen) thousand
2.	Bus having seats not exceeding 52 seats	11 (eleven) thousand 500 (five hundred)
3.	Air-conditioned Bus	37 (thirty seven) thousand 500 (five hundred)
4.	Double decker Bus	16 (sixteen) thousand
5.	Air conditioned (AC) Minibus/Coaster	16 (Sixteen) thousand
6.	Non-AC Minibus/Coaster	6 (six) thousand 500 (five hundred)
7.	Prime mover	24 (twenty four) thousand
8.	Truck, Lorry or Tank Lorry having payload capacity exceeding 5 (five) tons	16 (sixteen) thousand
9.	Truck, Lorry or Tank Lorry having payload capacity exceeding 1.5 (one point five) tons but not exceeding 5 (five) tons	9 (nine) thousand 500 (five hundred)
10.	Truck, Lorry or Tank Lorry having payload capacity not exceeding 1.5 (one point five) tons	4 (four) thousand
11.	Pickup van, human hauler, maxi or auto rickshaw	4 (four) thousand
12.	Air-conditioned Taxicab	11 (eleven) thousand 500 (five hundred)
13.	Non-AC Taxicab	4 (four) thousand.

(2) In case of registration or fitness renewal of a vehicle for more than one year, advance tax under sub-section (1) shall be collected on or before 30th June in every subsequent year or years following the year of registration or fitness renewal of the vehicle.

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(3) Where any person fails to pay advance tax in accordance with sub-section (2), the amount of advance tax payable shall be determined in accordance with A+ B formula, where—

A = the amount of advance tax not paid in the previous year or years; and

B = the amount of advance tax payable under sub-section (1) for the year in which an assessee is making the payment.

(4) Advance tax under sub-section (1) shall not be collected if the motor vehicle is owned by the following persons or institutions, namely:—

(a) the Government and the local authority;

(b) a project, programme or activity under the Government and the Local Government;

(c) a foreign diplomat, a diplomatic mission in Bangladesh, offices of United Nations and its constituent organizations ;

(d) a development partner of Bangladesh and its affiliated office or offices;

(e) an educational institution under the Monthly Payment Order of the Government;

(f) public universities;

(g) gazetted war-wounded freedom fighters; or

(h) any institution obtaining a certificate from the Board to the effect that no advance tax shall be paid.

139. **Collection of tax from inland ships**.—(1) The person responsible under the Inland Shipping Ordinance, 1976 (Ordinance No. LXXII of 1976) shall not grant certificate of survey to any inland ship under section 9 or renew any certificate of survey under section 12 of the said Act unless a challan of advance tax computed at the rate mentioned in the following table is attached with the application for obtaining survey certificate or renewal of survey certificate:

Table

SL. No.	Description of inland ships	Advance tax (in Taka)
(1)	(2)	(3)
1.	Inland ships engaged in carrying passengers in inland water	Taka 125 (one hundred and twenty five) per passenger on the basis of the carrying capacity of passengers at daytime

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(1)	(2)	(3)
2.	Cargo, Container (multipurpose) and Coaster engaged in carrying goods in inland water	Taka 170 (one hundred and seventy) per gross tonnage on the basis of carrying capacity of goods
3.	Dump barge engaged in carrying goods in inland water	Taka 125 (one hundred and twenty five) per gross tonnage on the basis of carrying capacity of goods.

(2) In case of granting a certificate of survey or renewing a certificate of survey for more than one year, advance tax under sub-section (1) shall be collected on or before 30th June in every subsequent year or years following the year of issuance or renewal of such certificate.

(3) Where any person fails to pay advance tax in accordance with sub-section (2), the amount of advance tax payable shall be determined in accordance with A+ B formula, where—

A = the amount of advance tax not paid in the previous year or years, and

B = the amount of advance tax payable under sub-section (1) for the year in which an assessee is making the payment.

(4) For the purpose of this section, **"inland ship"** and **'inland water'** shall respectively mean the **"inland ship"** and **"inland water"** as defined in the Inland Shipping Ordinance, 1976 (Ordinance No. LXXII of 1976).

CHAPTER IV

GENERAL MATTERS

140. **Definition**.—For the purposes of this Part,

(1) **"person responsible for payment"** means—

(i) in respect of any payment deemed to be income under the head "Income from employment", the employer himself, or where any local authority, company or institution is the employer, such authority, company or institution and shall also include the Principal Officer thereof;

(ii) in the case of any payment under the heading "Income from Financial Assets", any agency, company or other institution issuing the said financial asset or the Principal Officer of such agency, company or institution; and

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(iii) in respect of any other payment treated as taxable income under this Act, or any other payment to which deduction or collection of tax at source is applicable under this Part, the payer himself or, where the payer is a company or other body, shall also include the Principal Officer thereof;

(2) **"contract"** includes a sub- contract, sub-sub-contract, subsequent contract, agreement or arrangement, called by whatever name;

(3) **"specified person"** means—

(a) any company, firm, association of persons, any trust or fund;

(b) public-private partnership;

(c) any foreign contractor, foreign enterprise or any association or organization established outside Bangladesh;

(d) any hospital, clinic or diagnostic center;

(e) any e-commerce platform with a turnover of more than Taka 1 (one) crore per annum, other than any other specified person, by whatever name called;

(f) any hotel, [1][resort, motel, restaurant, convention center,] community center, transport agency with a turnover of more than Taka 1 (one) crore per annum;

(g) a person other than a farmer engaged in production and supply of tobacco leaf, cigarette, bidi, jorda, gul and other tobacco products;

(4) **"payment"** includes transfer, credit, adjustment of payment or any payment order or instructions;

(5) **"base value"** means any of the following 3 (three) items whichever is higher,—

(i) contract value;

(ii) amount in the bill or invoice; or

(iii) payment.

[1] The words and commas "resort, motel, restaurant, convention center" were inserted by section 51 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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141. **Deduction or collection tax on grossed-up amount without tax**.—(1) Where the person responsible for making the payment makes any payment exclusive of tax, tax shall be deducted at the applicable rate on the amount computed in the following manner, namely:—

C = (100 × A)/(100-B),

Where—

C = amount computed for the purpose of deduction,

A = amount of payment without tax,

B = applicable tax rate.

(2) Where, the recipient, getting the payment without tax,—

(a) is required to furnish proof of submission of return but fails to do so; or

(b) fails to receive payment through bank transfer,

in such cases, 'B' referred to in sub-section (1) shall be determined in accordance with the provisions of this Chapter.

(3) For the purposes of this section, "payment without tax" means any payment made by the payer to the payee on which no tax has been deducted or collected at source under any contract or arrangement.

142. **General provisions for deduction or collection of tax at source**.—(1) Subject to the exception of section 119, and unless otherwise provided in other sections of this Chapter, in the case of deduction or collection of tax [1][under this Part], if the person from whom the tax is to be deducted or collected fails to produce evidence of filing the return, the tax deducted at source or the rate of collection shall be 50% (fifty percent) more than the applicable rate.

(2) Subject to any provision to the contrary, in the case of the deduction or collection of tax under this Part, the person from whom the tax is to be deducted or collected does not receive payment for contract price, bill, rent, fee, charge, remuneration, salary or any other sum, by whatever name it may be called, through bank transfer, the rate of tax deducted at source shall be 50% (fifty percent) higher than the applicable rate.

[1] The words "under this Part" was substituted for the words "under this Chapter" by section 14(d) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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143. **Consequences of failure to deduct, collect, etc**.—(1) Where a person under the provisions of this Part—

(a) fails to deduct or collect tax at source; or

(b) deducts or collects tax at a lesser rate or in lesser amount; or

(c) after deducting or collecting tax, fails to deposit the same to the credit of the Government, or deposits to the credit of the Government an amount lower than the collected or deducted amount; or

(d) fails to comply with any other requirement,

such person shall be deemed to be an assessee-in-default.

(2) A person deemed to be an assessee-in-default under sub-section (1), without prejudice to any other consequences to which he may be liable under this Act, shall be liable to pay the following sums, as the case may be, namely:—

(a) the amount of tax that has not been deducted or collected;

(b) the amount equal to the difference between the amount required to be deducted or collected and the amount actually deducted or collected; or

(c) the amount that, after being collected and deducted, has not been paid to the credit of the Government; or

(d) an amount not exceeding Taka 10 (ten) lakh for failing to comply with any other provisions.

(3) In addition to the amount as mentioned in sub-section (1), the person, deemed to be an assessee-in-default, shall also be liable to pay an additional amount at the rate of 2% (two percent) per month on the amount as mentioned in clauses (a), (b) and (c) of sub-section (2) provided in the table below, namely:—

Table

Sl. No.	Fields	Basis of computation of additional amount
(1)	(2)	(3)
1.	Failure to deduct or collect tax in accordance with the provisions of this Part	The amount that has not been deducted or collected at source.
2.	Deduction or collection of tax at a lower rate or lower amount	The amount of tax less deducted or collected at source.

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(1)	(2)	(3)
3.	Non-deposit or under-deposit to the Government Treasury after deduction or collection	Amount not deposited to the Government Treasury after deduction of tax at source.

(4) The period for computation of additional amount under sub-section (3) shall be from the date fixed for deduction or collection of tax at source to the date of deposit in the Government Treasury:

Provided that such period shall not exceed 24 (twenty four) months.

(5) The Deputy Commissioner of Taxes shall take necessary action for the realization of the additional amount mentioned in sub-section (3) including the amount payable under sub-section (2) from the person referred to in sub-section (1) after giving such person a reasonable opportunity of being heard.

(6) Where the person responsible for deducting or collecting tax is the Government, any authority, corporation or body of the Government- including its units a project or program or activity in which government has any financial or operational involvement—

(a) the natural person or persons responsible for approving or allowing the payment; or

(b) the natural person or persons responsible for allowing or approving or granting any clearance, registration, license, permits,

shall be jointly and separately liable to pay taxes, penalty or additional amount under this section.

(7) Where any person or organization other than the Government, government institution, authority, unit, project, program, organization, unit or activity in which Government has any financial or operational involvement, is responsible to deduct or collect tax, in such case—

(a) the person or the organization itself; and

(b) the individual or individuals responsible for approving or allowing the payment—

shall be jointly and separately liable to pay taxes, penalty or additional amount under this section.

(8) If the person from whom the tax is collectable or deductible has already fully paid all the amounts mentioned in sub-sections (2) and (3), no action shall be taken to collect the amount mentioned in sub-sections (2) and (3).

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144. **Consequences of the issuance of certificate of tax deduction, collection or payment without actual deduction, collection or payment**.—(1) Where a person issues a certificate of deduction, collection or payment of tax at source without actual deduction, collection or payment to the credit of the Government, the person shall without prejudice to any other consequences to which he may be liable, be personally liable to pay the amount not being deducted, collected or paid to the credit of the Government.

(2) The Deputy Commissioner of Taxes shall take necessary action for the collection of amount mentioned in sub-section (1) from the person personally liable after giving the person a reasonable opportunity of being heard.

145. **Certificate of deduction, etc. of tax**.—(1) Every person who has deducted or collected any tax under the provisions of this Part shall, to the person from whom such deduction or collection has been made, furnish a certificate of tax deduction or collection specifying therein—

(a) the name and the Taxpayers' Identification Number (TIN), if any, of the person from whom tax has been deducted or collected;

(b) the amount of deduction or collection of taxes;

(c) the section or sections under which tax has been deducted or collected;

(d) the particulars of the payment of deducted or collected amount to the credit of the Government; and

(e) such other particulars as may be prescribed.

(2) The Board may, by notification in the official Gazette, specify the following matters, namely—

(a) the cases in which the certificate of tax deduction or collection shall be generated or furnished electronically or in any other machine readable or computer readable medium;

(b) the process in which such electronic, machine readable or computer readable certificate shall be generated or issued.

146. **Deposit of tax deducted in favour of the Government**.—(1) All sums deducted or collected under the provisions of this Part shall be deposited to the Government by the person making the deduction or collection within the prescribed time or in accordance with the directions given by the Board.

(2) Except the provisions as provided in this Act, no person shall, directly or indirectly, levy, withhold, deduct or collect any money as tax, and any money so levied, withheld, deducted or collected shall be deposited in accordance with this section.

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147. **Confirmation and verification of deduction or collection of tax at source.**—(1) Any authority empowered in writing by the Commissioner of Taxes or the Director General (Inspection) or the Director General (Central Intelligence Cell) for the purpose of verifying the deduction or collection of tax at source or for the purpose of enforcing the provisions of this Part may—

(a)—

(i) have full and uninterrupted access to the premises, places, goods, accounts and records of economic activities of any person or institution maintained in any form or manner;

(ii) have access to any information, code or technology capable of unscrambling or retransforming any encrypted data stored or available in a computer into a readable and understandable format or text of any person or institution;

(iii) extract data, images or any other input stored in electronic records or systems of any person or institution;

(iv) enter the system of any person or institution by breaking the password;

(v) copy or analyze any information, statements, documents, images or input of any person or institution;

(vi) affix identification marks or stamps on accounts and other documents of any person or institution, and take copies or extracts thereof;

(vii) seize and retain in their possession any accounts, documents, electronic records and systems of any person or institution;

(viii) direct any person to perform or refrain from doing any act;

(b) take with them such experts, valuers or forces as he reasonably thinks fit.

(2) If any authority empowered under this section enters the premises or place of any person or faces any obstacle, hindrance or non-cooperation after expressing the intention to enter, then the said authority may impose upon such person a penalty of a sum not exceeding Taka 50 (fifty) lakh.

(3) If any person is found to be in default in respect of compliance of this section or the provisions of this Part of this Act, the Deputy Commissioner of Taxes shall, after recording explanation of the person, or where no explanation is found, proceed ex parte to recover the amount of taxes along with penalties by making an assessment thereof.

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148. Power to impose tax without prejudice to other methods.—The power to impose tax by deduction or collection under this Part shall be exercised without prejudice to the power to levy tax by other methods.

149. **Exemption in respect of deduction or collection of tax at source**.—Where any sum is collected or deducted as tax under this Part and deposited in favour of the Government,—

(a) the tax shall be deemed to have been paid by the person from whom the tax is deducted or collected;

(b) in case of such deduction or collection, the person referred to in clause (a) cannot take any legal action against the deducting entity or, as the case may be, the collector, and if any legal action is taken, the deducting entity or, as the case may be, the collector shall be exempted from liability.

150. **Grant of Credit of tax deducted or collected at source**.—(1) Any deduction or collection of tax, made in accordance with the provisions of this Part and paid to the account of the Government, shall be treated as a payment of tax on income of the person from whom tax has been deducted or collected.

(2) If income tax is paid under sub-section (1), credit shall be given to such person in determining the tax liability of the person in the income year in which the tax is deducted or collected.

(3) Where tax is paid at source by a person on behalf of another person, the credit referred to in sub-section (2) shall be given in determining the tax liability of that other person.

151. **Payment of tax where no deduction is made**.—The tax under this Act shall be payable by the assessee directly in the following cases, namely:—

(a) in any case where tax has not been deducted or collected as required by, and in accordance with, the provisions of this Part;

(b) in any case where the amount deducted or collected is found, after regular assessment, to be less than the tax due from the assessee, to the extent of deficiency;

(c) in the case of income in respect of which no provision has been made for deduction or collection of tax under this Part.

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CHAPTER V

ADVANCE PAYMENT OF TAX

152. **Collection of advance tax from cigarette manufacturers**.—(1) Cigarette manufacturers shall pay advance tax at the rate of three percent (3%) of the net sales price every month.

(2) The advance tax paid under sub-section (1) shall be adjusted against the quarterly instalments of advance tax payable under section 155.

(3) In this section, "net sales" shall mean A-B, where—

A = the gross sale; and

B = the value added tax and supplementary duty, if any, on the said gross sale.

153. **Collection of advance tax from [1][***] motor vehicle owners**.—(1) Every person owning a [2][***] motor vehicle shall be deemed to have an income by which the motor vehicle is maintained and shall pay advance income tax at such rate and in such manner as may be prescribed.

(2) Subject to the provisions of sub-section (3), the person or authority responsible for the registration and fitness renewal of motor vehicles shall not register or renew fitness renewal of a motor vehicle unless a chalan of advance tax paid at the rate mentioned in the following table is furnished with the application for the registration or fitness renewal of the motor vehicle, namely:—

Serial No.	Type and engine capacity of motor vehicle	Advance tax (in taka)
(1)	(2)	(3)
1.	A motor vehicle, not exceeding 1500cc or 75kw	25 (Twenty five) thousand
2.	A motor vehicle, exceeding 1500cc or 75kw but not exceeding 2000cc or 100 kw	50 (Fifty) thousand

[1] The word "private" was omitted by section 52(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The word "private" was omitted by section 52(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(1)	(2)	(3)
3.	A motor vehicle, exceeding 2000cc or 100 kw but not exceeding 2500cc or 125 kw	75 (Seventy five) thousand
4.	A motor vehicle, exceeding 2500cc or 125 kw but not exceeding 3000cc or 150 kw	1 (one) lakh 25 (twenty five) thousand
5.	A motor vehicle, exceeding 3000cc or 150 kw but not exceeding 3500cc or 175 kw	1 (one) lakh 50 (fifty) thousand
6.	A motor vehicle, exceeding 3500cc or 175 kw	2 (two) lakh
7.	For each microbus	30 (Thirty) thousand):

Provided that the rate of tax shall be 50% (fifty percent) higher for each additional motor vehicle if the owner has two or more motor vehicles in his name or in joint names with other person.

(3) Where registration or fitness is renewed for more than one year, the tax payable under sub-section (2) shall be collected on the subsequent year of registration or fitness renewal or on or before the 30th day of June of the year.

(4) Where any person fails to pay advance tax as per sub-section (3) in any year, the amount of advance tax to be paid by such person in the following year shall be determined under rule A+B, where—

A = amount of advance tax unpaid in previous year or years; and

B = amount of advance tax payable under sub-section (2) in the year of payment.

(5) Advance tax shall not be collected under sub-section (2) if the motor vehicle belongs to the following persons or organizations, namely:—

(a) Government or local authority;

(b) any project, program or activity under the Government or local government;

(c) any foreign diplomat, any diplomatic mission in Bangladesh, offices of the United Nations and its constituent organizations;

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(d) any foreign development partner of Bangladesh and its affiliated office or offices;

(e) [1][any orphanage, religious place of worship and] any educational institution under the (Monthly Payment Order) of the Government (MPO);

(f) any public university;

(g) Gazetted war-wounded freedom fighters; or

(h) any organization obtaining a certificate from the Board to the effect that no advance tax shall be paid.

(6) Where a person pays advance tax under sub-section (2), and the tax applicable to the income from regular sources of such person is less than such advance tax, such person shall be deemed to have had such notional income in the income year on which the tax calculated is leviable under sub-section (2).

(7) Advance tax paid under sub-section (2) shall not be refundable.

(8) For the purpose of this section—

(a) "motor vehicle" shall include jeeps and microbuses, but shall not include any motor vehicle and motorcycle mentioned in section 138;

(b) "income from regular sources" means income from any source other than the sources mentioned in sub-section (2) of section 163.

154. **Advance tax payment**.—(1) Subject to the provisions of this Part, except as provided in sub-section (2), tax shall be payable by an assessee on his income during each financial year if the total income of the assesse for the latest income year exceeds Taka 6 (six) lakh and in such case, the payment shall be treated as "advance tax".

(2) Nothing in sub-section (1) shall apply to an assessee, if—

(a) the assesse earns an amount not exceeding Taka 8 (eight) lakh only from cultivation of land;

(b) the total income referred to in sub-section (1) includes the following income, namely:—

(i) "capital gains"; or

(ii) any income in the nature of "one-time income" which is not expected to be earned in the current financial year in which advance tax is payable under this Part.

[1] The words and commas "any orphanage, religious place of worship and" were inserted by section 52(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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155. **Amount of advance tax and time of payment thereof**.—(1) Subject to the provisions of sub-section (3) and without prejudice to the provisions of section 154, the minimum advance tax payable by an assessee in any current financial year shall be equal to A-B, where—

A = tax payable on the total income of the assessee in the last income year computed at the rate applicable in that financial year;

B = amount of tax deducted or collected at source under this Part or advance tax paid under Part 7.

(2) The minimum tax payable as advance tax shall be payable in 4 (four) equal instalments as follows, namely:—

Date of Financial Year	Amount to be paid
(1)	(2)
15 September	25% (twenty five percent)
15 December	25% (twenty five percent)
15 March	25% (twenty five percent)
15 June	25% (twenty five percent).

(3) If the date mentioned in sub-section (2) falls on a public holiday, the instalment concerned shall be paid on the next working day following such holiday.

(4) In this case, if an assessee fails to pay any instalment or part thereof, without prejudice to any liability of the assessee under this Act, the unpaid instalment or part thereof shall be compounded with the next instalment and payable.

(5) Where an assessee estimates that the instalment of advance tax is likely to be less than the tax computed under sub-sections (1) and (2), he shall submit an estimate to the Deputy Commissioner of Taxes and pay such instalments subject to any necessary adjustments to any instalments already paid according to the estimate.

156. **Advance payment of tax by new assessee**.—Any person who has not previously been assessed by way of regular assessment under this Act, shall, before the 15th (fifteenth) day of June in each financial year, if his total income, subject to sub-section (2) of section 154, of the period which would be the income year for the immediately following assessment year is likely to exceed Taka six (6) lakh, submit to the Deputy Commissioner of Taxes an estimate of his total income and advance tax payable by him computed in the manner laid down in sub-section (1) of section 142 and shall pay such amount on such dates specified in sub-section (2) of section 155 as have not expired by installment dates which may be revised according to sub-section (5) of section 155.

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157. **Failure to pay instalments of advance tax**.—Where, an assessee who is required to pay advance tax, fails to pay any instalment of such tax, as originally computed or, as the case may be, estimated, on the due date, he shall be deemed to be an assessee-in-default in respect of such instalment.

158. **Credit of advance tax**.—Any sum, other than a penalty or interest, paid by or recovered from an assessee as advance tax, shall be treated as a payment of tax in respect of the income of the period and the tax so paid shall be deducted from tax determined as payable by the assessee.

159. **Explanation**.—For the purposes of this Chapter, "tax assessed for last income year" means.—

(a) in the case of such assessee, whose tax has been assessed before;

(b) in the case of such assessee, whose tax has not been previously assessed.

CHAPTER VI

INTEREST ON ADVANCE TAX

160. **Levy of interest for failure to pay advance tax**.—Where, in respect of an assessee who is required to pay advance tax, it is found in the course of regular assessment that advance tax has not been paid in accordance with the provisions of this Part, there shall be added, without prejudice to the consequences of the assessee being in default under section 157, to the tax as determined on the basis of such assessment, simple interest thereon computed at the rate and for the period specified in section 162.

161. Interest payable by Government on excess payment of advance tax.—(1) The Government shall pay simple interest at 10% (ten per cent) per annum on the amount by which the aggregate sum of advance tax paid during a financial year exceeds the amount of tax payable by him as determined on regular assessment.

(2) The period for which interest under sub-section (1) shall be payable shall be the period from the first day of the concerned income year to the date of regular assessment in respect of the income of that year or a period of two 2 (years) from the first day of concerned assessment year, whichever is shorter.

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162. **Interest payable by the assessee on deficiency in payment of advance tax.**—(1) Where in any financial year advance tax paid by an assessee on the basis of own estimation together with the tax deducted or collected at source, if any, under this Part is [1][less than] 75% (seventy-five percent) of the amount of tax payable by him as determined on regular assessment, the assessee shall pay simple interest at the rate of 10% (ten percent) per annum on the amount of difference between [1][the total tax so paid and] 75% (seventy five percent) of [1][the tax determined on regular assessment]:

Provided that the rate of interest shall be 50% (fifty percent) higher if the return is not filed on or before the Tax Day.

(2) The period for which the interest under sub-section (1) is payable shall be the period from the first day of July next following the financial year in which the advance tax was applicable to the date of regular assessment in respect of the income of that year or a period of 2 (two) years from the said 1st (first) day of July, whichever is shorter.

(3) Notwithstanding anything contained in sub-sections (1) and (2), where—

(a) tax is paid under section 173; or

(b) provisional assessment has been made under section 185 but regular assessment has not been made,

in such case, the simple interest shall be computed in accordance with the following provisions, namely:—

(i) up to the date on which tax under section 173 or as provisionally assessed, was paid;

(ii) thereafter, such simple interest shall be computed on the amount by which the tax so paid falls short of the said 75% (seventy-five percent) of the assessed tax.

(4) Where, as a result of appeal, revision or reference, the amount on which interest was payable under sub-section (1) has been reduced, the amount of interest payable shall be reduced accordingly and the excess interest paid, if any, shall be refunded together with the refundable tax.

(5) For purposes of this section, **"regular assessment"** includes the acceptance of revised return or the assessment made as a result of the audit under section [2][182].

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[1] The words and commas "less than …. the total tax so paid and …. the tax determined on regular assessment" were substituted for words and commas "less than …. the amount of tax payable by him as determined on regular assessment" by section 53(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The figure "182" was substituted by section 53(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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PART 8

MINIMUM TAX

163. Minimum Tax.—(1) Notwithstanding anything contained in any other provisions of this Act, minimum tax shall be payable by an assessee in accordance with the provisions of this section.

(2) Subject to sub-section (3), minimum tax on income on sources from which tax has been deducted or collected under certain sections shall be the following—

(a) any tax deducted or collected at source under the provisions of the sections mentioned in clause (b) shall be the minimum tax on income from the source or sources for which tax has been deducted or collected;

(b) the tax referred to in clause (a) shall be the tax deducted or collected under sections 88-92, 94-95, 100-102, 105, 106, 108, 110-118, 120-129 and 132-139;

(c) for the sources of income for which minimum tax is applicable, books of accounts shall be maintained in the regular manner in accordance with the provisions of section 72;

(d) income from any source, for which minimum tax is applicable under this sub-section, shall be determined in regular manner and tax shall be computed by using the applicable rate on such income; if the tax so computed is higher than the minimum tax under clause (a), the higher amount shall be payable on such income;

(e) income or loss computed in accordance with clause (d) shall not be set off with income or loss, respectively, computed for any regular source.

(3) Tax deducted or collected from the following sources shall not be treated as minimum tax for the purpose of sub-section (2), namely:—

[1][***]

(b) tax collected under section 120 on goods imported by any industrial undertaking, except an industrial undertaking engaged in the manufacture of cement, iron or iron products, ferro alloy products

[1] Clause (a) was omitted by section 54(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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or perfumes, carbonated beverages [1][,powdered milk, aluminium goods, ceramic goods] and toilet water for its own use as raw materials.

(4) Where an assessee has income from a regular source in addition to income from one or more such sources to which minimum tax is applicable under sub-section (2), in that case—

(a) regular tax shall be computed on income from regular sources;

(b) the tax liability of the said assessee shall be the aggregate of the tax as determined under sub-section (2) and the regular tax under clause (a).

[2][(5) Subject to the provisions of sub-section (6), any person, irrespective of profits or loss, shall be liable to pay minimum tax on the gross receipts according to the provisions of clauses (a) and (b), namely: —]

[3][(a) any company, any trust, any such firm or association of persons having gross receipts of not less than Taka 50 (fifty) lakh, any such individual having gross receipts of not less than Taka 3 (three) crore shall be liable to pay minimum tax in an assessment year on gross receipts at the rate specified in the following table:—

Table

Serial No.	Type of assessee	Rate of minimum tax
(1)	(2)	(3)
1.	Manufacturer of cigarette, bidi, chewing tobacco, smokeless tobacco or any other tobacco products	3% (three percent) of the gross receipts
2.	Manufacturer of carbonated beverage, sweetened beverage	3% (three percent) of the gross receipts
3.	Mobile phone operator	2% (two percent) of the gross receipts

[1] The commas and words "powdered milk, aluminium goods, ceramic goods" were inserted by section 54(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words, figures and marks "(5) Subject to the provisions of sub-section (6), any person, irrespective of profits or loss, shall be liable to pay minimum tax on the gross receipts according to the provisions of clauses (a) and (b), namely: —" were substituted for the words, brackets, figures and marks "Subject to the provisions of sub-section (6), the minimum tax of a person, firm or company shall be as follows, namely:-" by section 54(c)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Clause (a) was substituted by section 54(c)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(1)	(2)	(3)
4.	Any individual other than the manufacturer of cigarette, bidi, chewing tobacco, smokeless tobacco or any other tobacco products	0.25% (zero point two five percent) of the gross receipts
5.	Any other cases	0.60% (zero point six zero percent) of the gross receipts:

Provided that, in case where Serial No. 5 of the said table is applicable, such rate of tax shall be 0.1% (zero point one percent) of such receipts for an industrial undertaking engaged in manufacturing of goods for the first 3 (three) income years since commencement of its commercial production;]

(b) where the assessee has an income from any source that is exempted from tax, the gross receipts from such source or sources shall be shown separately, and the minimum tax under this sub-section shall be calculated in the following manner, namely:—

(i) minimum tax for receipts from sources that are subject to regular tax rate shall be calculated by applying the rate mentioned in clause (a);

(ii) minimum tax for receipts from sources that enjoys tax exemption or reduced tax rate shall be calculated by applying the rate mentioned in clause (a) as reduced in proportion to the exemption of tax or the reduction of rate of tax;

(iii) minimum tax under this sub-section shall be the aggregate of the amounts calculated under sub-clauses (i) and (ii).

(6) If both the provisions of [1][sub-section (4)] and sub-section (5) apply to an assessee, the minimum tax payable by the assessee shall be—

(a) the minimum tax under [2][sub-section (4)]; or

(b) the minimum tax under sub-section (5), whichever is higher.

[3][(7) The adjustability of minimum tax computed under this section shall be determined in the following manner, namely:—

[1] The words, brackets and figures "sub-section (4)" were substituted for the words, brackets and figures "sub-section (2)" by section 54(d) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

2 The words, brackets and figures "sub-section (4)" were substituted for the words, brackets and figures "sub-section (2)" by section 54(d) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Sub-section (7) was substituted by by section 54(e) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) the minimum tax calculated under sub-section (2) shall not be refundable or adjustable;

(b) the tax liability created, at the time of computing tax under sub-section (6), in excess of minimum tax paid under sub-section (2) shall be adjustable against the refund created in previous assessment years.]

(8) Where any surcharge, any additional interest, any additional sum, etc. is payable under the provisions of this Act, it shall be payable in addition to the minimum tax.

(9) Where the regular tax computed for any assessment year is higher than the minimum tax under this section, regular tax shall be payable.

(10) For the purposes of this section—

(a) "regular source" means any such source in respect of which the minimum tax under sub-section (2) is not applicable;

(b) "regular tax" means tax computed on regular income using the regular method;

(c) "regular rate of tax" means the rate of tax which would have been applicable unless an exempted or reduced rate of tax were not granted;

(d) "gross receipts" means—

(i) all proceeds derived from the sale of goods;

(ii) all fees or charges received for providing services or facilities, including commissions and discounts;

(iii) all receipts from any source of income.

164. [1][**Excess or less] tax deducted or collected at source not being basis of minimum tax**.—Where tax is deducted or collected in excess [2][or less] of the correct amount, such excess [3][or less] deduction or collection shall not be treated for the purpose of computing minimum tax under section 163.

[1] The words "excess or less" were substituted for the word "excess" by section 55(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "or less" were inserted by section 55(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words "or less" were inserted by section 55(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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PART 9

RETURN, STATEMENT AND RECORDS

CHAPTER I

RETURN AND STATEMENT

165. Return.—(1) The Board may determine such returns for assessees on a class basis and as it thinks fit.

(2) Return of an [1][individual] assesse shall contain a statement of all types of income of the assessee, a statement of all types of assets and liabilities located in Bangladesh and outside Bangladesh and, as the case may be, a statement of all types of expenses related to living.

166. Submission of Return.—(1) Every person shall file a return of income of the income year to the Deputy Commissioner of Taxes, if—

(a) the total income of the person during the income year exceeds the maximum amount that is not chargeable to tax under this Act;

(b) such person was assessed to tax for any one of the 3 (three) years immediately preceding that income year;

(c) such person is a company, a shareholder director or a shareholder employee of a company, a firm, a partner of a firm, a private association, an employee holding the position of executive or management position in a business, a public servant or a non-resident having a permanent establishment in Bangladesh;

(d) the person, not being an institution established solely for charitable purpose, has an income during the income year which is subject to tax exemption or lower tax rate under Chapter I of Part 6;

(e) any person registered as an assessee under section 261; or

(f) such person is required to furnish proof of submission of return under section 264.

(2) Filing of returns shall not be mandatory in the following cases, namely:—

(a) an educational institution—

(i) which is a primary or pre-primary school or government secondary or higher secondary school teaching in Bengali, or which is a Monthly Payment Order (MPO) educational institution; and

(ii) that does not have English version curriculum;

[1] The word "individual" was inserted by section 56 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) Public University;

(c) Bangladesh Bank;

(d) local authorities;

(e) statutory government authorities or autonomous bodies, having no income other than funds received from government and interest income;

(f) any entity established or constituted by or under any law for the time being in force having no income other than funds received from the government;

(g) government provident fund and government pension fund;

(h) a non-resident individual having no fixed base in Bangladesh; or

(i) class of persons which the Board may, by notification in the official gazette, exempt from filing the return.

167. **Filing of statement of assets and liabilities**.—(1) Subject to the other provisions of this section, every [1][individual] assessee shall mandatorily file the statement of assets and liabilities, if such person—

(a) is an owner of total assets exceeds Taka [2][50 (fifty)] lakh as on the last date of the income year; or

(b) owns a motor vehicle at any time during the income year; or

(c) invests in house property or apartment in the relevant income year within the City Corporation area; or

(d) owns any asset abroad at any time during the income year; or

(e) is a shareholder director of a company:

[1] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The figure, brackets and word "50 (fifty)" were substituted for the figure, brackets and word "40 (forty)" by section 57(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Provided that [1][***] all public servants shall mandatorily file the statement of assets and liabilities.

(2) Every resident Bangladeshi [2][individual] assessee shall file, in his return, statement of all assets and liabilities situated in Bangladesh and outside Bangladesh.

(3) Every non-resident Bangladeshi [3][individual] assessee shall file, in his return, statement of all assets and liabilities situated in Bangladesh.

(4) Every such foreign [4][individual] assessee who is not a Bangladeshi shall file, in his return, statement of all assets and liabilities situated in Bangladesh.

(5) Even if it is not mandatory for an [5][individual] assessee to file a statement of assets and liabilities sub-section (1), he may voluntarily file such statement of assets and liabilities.

(6) In the statement of assets and liabilities of an [6][individual] assessee, statement of assets and liabilities of the spouse or minor children of the concerned person shall also be filed if they do not have separate TIN.

(7) The Deputy Commissioner of Taxes, by notice in writing, may require any person to file a statement of assets and liabilities for any income year, if—

(a) the said person has not filed the statement of assets and liabilities in the relevant income year; or

(b) the said statement of assets and liabilities appears to be mandatory for determining the tax liability of the that assessee for the relevant income year.

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[1] The words "subject to compliance with the provisions of this sub-section" were omitted by section 57(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[5] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[6] The word "individual" was inserted by section 57(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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168. **Furnishing of statement of expenses relating to life style**.—(1) Every [1][individual] assessee shall mandatorily furnish a statement of expense relating to life style in the return, if—

(a) the income of the said person in the relevant income year exceeds 5 (five) lakh Taka;

(b) the person acquires ownership of any motor vehicle at any time during the relevant income year;

(c) the person derives any income from the business;

(d) the person being a shareholder director of any company; or

(e) the person invests in house property or apartment within a City Corporation area during the relevant income year.

(2) The Deputy Commissioner of Taxes, by notice in writing, may require any person to file a statement of life style expense for any income year, if—

(a) such person has not filed such statement of expenses in the relevant income year; or

(b) such statement of expense appears to be necessary for determining the tax liability of the assessee for the relevant income year.

169. **General provisions for filing return.**—(1) Return shall be furnished in the prescribed form setting forth therein such particulars and information, and accompanied by such schedules, statements, accounts, annexures or documents as may be prescribed by the Board.

(2) The following documents shall be attached with the return of the company or any person deriving income from execution of long-term contracts, namely:—

(a) audited financial statements;

(b) evidence of compliance with criteria prescribed, from time to time, by the Board for verification; and

(c) a separate computation sheet explaining the difference between the profit and loss shown in the financial statement and the income shown in the return.

[1] The word "individual" was inserted by section 58(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(3) In the case of any such entity having international transactions in any income year, a statement of international transactions is required to be submitted with income tax return under section 238.

(4) Any non-resident Bangladeshi may submit the return with evidence of payment of tax on the basis of his return to the nearest Bangladesh Mission and the Mission shall issue an acknowledgment of receipt of the return with its official seal and forward the return to the Board.

(5) The return should be signed and verified by the following persons,—

(a) in the case of an [1][individual] assesse, by the individual himself; where he is absent from Bangladesh, by the individual concerned or by some person duly authorized by him in this behalf; and when the assessee is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(b) in the case of a Hindu undivided family, by the Karta, and, where the Karta is absent from Bangladesh or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(c) in the case of a company or a local authority, by the principal officer thereof;

(d) in the case of a firm, by any partner thereof, not being a minor;

(e) in the case of any other association, by any member of the association or the principal officer thereof; and

(f) in the case of any other person, by that person or by any person competent to act on his behalf.

[2][170. **Filing of return under self-assessment procedure**.—(1) All persons legally required to file return under section 166 shall file a return under self-assessment procedure under section 180.]

[3][171. **Time for filing return and payment of income-tax**.—(1) Every assessee shall file return on or before the tax day.

[1] The word "individual" was inserted by section 59 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Section 170 was substituted by section 60 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] Section 171 was substituted by section 61 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) In case of filing of return on or before the tax day, the return shall be filed after payment of income-tax according to section 173.

(3) In case of filing of return after the tax day, the return shall be filed after payment of income-tax according to section 174.]

172. **Notice of filing return**.—(1) The Deputy Commissioner of Taxes may, at any time after expiry of the date specified in section 171, by a notice in writing, require a person to file a return of his income, if—

(a) such person is required to file his return under section 166; or

(b) the total income of such person is chargeable to tax in the relevant income year.

(2) The return under sub-section (1) shall be filed within such period, not being less than 21 (twenty-one) days, as may be specified in the notice or within such extended period as the Deputy Commissioner of Taxes may allow.

173. **Regarding payment of income tax and surcharge on or before the date of filing of return**.— (1) Every person who is required to file a return under section 166, 172, 175, 191, 193 or 212 shall pay the tax payable on or before the date of filing of the return.

(2) The tax payable shall be computed as per the formula A-B, where—

A= tax payable by the assessee on the basis of the return or under the provisions of sub-section (5) of section 163, whichever is higher;

B= tax paid at source or advance tax in accordance with the provisions of Part 7.

(3) The amount paid under sub-section (1) shall be deemed to have been paid as tax payable by the assessee after regular assessment.

(4) If any person, without reasonable cause, fails to pay the tax payable under sub-section (1), he shall be deemed to be an assessee-in-default.

[1][174. **Computation of tax in case of filing of return after tax day**.—If any assessee, who is required to file return under section 166, fails to file such return within the tax day, the tax of the assessee shall be determined and payable in the following manner without prejudice to the liability arising under other provisions of this Act, namely:—

[1] Section 174 was substituted by section 62 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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A = B + (B - C) × D × 0.02, where,

A = total amount of tax payable;

B = total amount of tax the assessee would have paid if he had filed the return on the tax day, provided that—

i. tax to be calculated in such manner as would have been calculated where tax-exemption was not applicable; and

ii. it shall not include any penalty or sum applied or levied under this Act other than minimum tax, surcharge or simple interest;

C = aggregate of advance tax and tax at source paid by the assessee in the said income year;

D = number of months determined as follows, namely:—

i. the number of months after the expiry of the tax day not exceeding 24 (twenty four);

ii. fraction of a month shall also be counted as a full month.]

[1][175. **Special provisions relating to normal return and revised return**.—(1) Save as the provisions of sections 182 and 212, the following returns shall be considered as normal returns, namely:—

(a) revised return filed under sub-section (10) of section 182;

(b) return filed in respect of issuance of notice under sub-section (3) of section 212.

(2) Where revised return is filed within the tax day under any provision of this Act, tax shall be paid according to section 173.

(3) Where revised return is filed after the tax day under any provision of this Act, no tax exemption, which was not claimed in the original return, shall be claimed in the revised return, and new tax exemption, if claimed, shall be cancelled and assessed at regular rate.

(4) No return or revised return shall be filed at the time of assessment on the basis of appeal or tribunal order:

Provided that, where no return has been filed by the assessee, return may be filed, in applicable case, at the time of assessment on the basis of appeal or order of the Tribunal.]

[1] Section 175 was substituted by section 63 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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176. **Consequences of filing incomplete return**.—(1) In case of filing of any return or revised return, if the provisions of section 169 or any direction issued by the Board is not followed, the said return or revised return shall be considered as incomplete.

(2) If the return or revised return is considered to be incomplete, the Deputy Commissioner of Taxes shall, with the reasons specified, send a notice to the assessee to submit the relevant information, verification, statement or document within the time specified in the notice.

[1][(3) If an assesse fails to fully comply with the notice issued under sub-section (2), the return or revised return, which was treated to be incomplete, –

(a) shall be deemed to be void or invalid as if it had not been filed for failure to comply the provisions of sub-sections (2) and (5) of section 169 and in case of such void or invalid return, the Deputy Commissioner of Taxes shall take the following measures, namely:—

(i) issue a notice to the assessee regarding the filed return being considered as void or invalid;

(ii) inform the Inspecting Additional Commissioner of Taxes in writing regarding the void or invalid return;

(b) in other cases, may be selected for audit under section 182.]

(4) The return or revised return shall be deemed to have been completed on the date of filing if an assessee has fully executed the contents of the notice given under sub-section (2).

(5) A return shall not be deemed as complete return merely by reason of obtaining acknowledgment of receipt.

177. **Return of Withholding tax**.—(1) The following persons shall file a return of tax deducted or collected at source under the provisions of Part 7 in such form as may be prescribed by the Board:

(a) companies other than local authorities, autonomous bodies, any authority of the Government, primary or pre-primary schools teaching Bengali language, government secondary or higher secondary schools, or any educational institution under Monthly Payment Order (MPO);

(b) firm;

(c) association of persons;

[1]Sub-section (3) was substituted by section 64 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(d) private hospital;

(e) clinic;

(f) diagnostic centers.

(2) Return under sub-section (1)—

(a) shall be filed with the Deputy Commissioner of Taxes under whose jurisdiction the assesse belongs to;

(b) shall be submitted along with the relevant particulars and information in the prescribed form and accompanying schedules, statements, accounts, appendices or documents;

(c) shall be signed and verified in the manner described in sub-section (5) of section 169.

(3) The return under sub-section (1) shall be filed within the following time, namely:—

(a) the applicable return for the preceding month shall be filed by the [1][25th (twenty fifteenth) of every month; and

(b) in cases where the [2][25th (twenty fifteenth) of any month is a weekly or public holiday, on the following working day[3][.]

[4][***]

(5) The Board may, by notification in the official Gazette, may specify the form and the manner in which such electronic, machine readable or computer readable returns shall be filed.

178. **Concurrent jurisdiction.**—Board may, by general or a special order in writing, direct that in respect of all or any proceedings relating to receiving of return of income or revised return and issuance of acknowledgement thereof, the powers and functions of the Deputy Commissioner of Taxes shall be concurrently exercised by such other authority as may be specified by the Board.

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[1] The figure, brackets and word "25th (twenty fifteenth" were substituted for the figure, brackets and word "15th (fifteenth)" by section 65(a)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The figure, brackets and word "25th (twenty fifteenth" were substituted for the figure, brackets and word "15th (fifteenth)" by section 65(a)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The full-stop "." was substituted for semi-colon ";" by section 65(a)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] Sub-section (4) was omitted by section 65(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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CHAPTER II

PRODUCING INFORMATION FOR THE PURPOSE OF TAX ASSESSMENT

179. **Production of accounts and documents, etc**.—(1) The Deputy Commissioner of Taxes may, by notice in writing, require an assessee, who has filed a return under sections 166, 175 [1][, 176 or 212] or to whom a notice has been issued to file a return, to produce or cause to be produced such accounts, statements, documents, data or electronic records, not being earlier than three years prior to the income year, as he may consider necessary for the purpose of audit or assessment under this Act.

(2) The Deputy Commissioner of Taxes may issue notice requiring any records, books, accounts, statements, documents, information or electronic records or any part thereof to be produced in electronic form or by electronic media.

(3) The accounts, statements, documents, information or electronic records shall be produced on or before the date as may be specified in the notice.

(4) For the purpose of this section,

(a) "return" includes a revised return;

(b) "information" includes "data" as defined in clause (10) of section 2 of Information and Communication Technology Act, 2006 (Act No. XXXII of 2006);

(c) "electronic record" and "electronic form" shall have the same meaning as assigned to "electronic record" and "electronic form" respectively in clauses (5) and (7) of section 2 of Information and Communication Technology Act, 2006 (Act No. XXXII of 2006).

PART 10

ASSESSMENT OF TAX AND AUDIT

180. **Self-assessment**.—(1) If a "self-assessment return" is filed by a person for any assessment year under this section, his income, tax and other liability under this Act shall be deemed to have automatically completed if the return—

[1] The comma, figures and word ", 176 or 212" were substituted for the word and figure "or 176" by section 66 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) is filed in compliance with all the provisions mentioned in 169; and

(b) is filed with payment of tax subject to all provisions mentioned in section 173 and section 174[1][.]

[2][***]

(2) After filing the return under sub-section (1) if the assessee finds that in the return filed by him—

(a) income shown; or

(b) claimed tax exemption or credit; or

(c) for any other reason,

the tax payable under this Act has not been correctly computed or the correct amount has not been paid, he may file an revised return stating the reasons in a written statement[3][.]

[4][***]

(3) No revised return shall be filed under sub-section (2) in the following cases—

(a) after the expiry of 180 (one hundred and eighty) days from the date of filing the return under sub-section (1); or

(b) after filing the revised return for the first time; or

(c) after the original return is selected for audit under section 182.

(4) In the return filed under sub-section (1), no question shall be raised as to the source of the initial capital of the business of a new individual assessee, if the assessee—

(a) shows income from sources which are not exempted from tax and income shown exceeds the tax free limit;

(b) shows amount of income not less than 20% (twenty percent) of the initial capital;

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[1] The full-stop "." of clause (b) was substituted for colon ":" by section 67(a)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The proviso was omitted by section 67(a)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The full-stop "." in end was substituted for colon ":" by section 67(b)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] The proviso was omitted by section 67(b)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(c) pays the amount of tax computed under regular tax rate and other applicable sums on or before filing the return;

(d) submits evidence relating to the existence of the business;

(e) filed within the relevant tax day of the relevant tax year; and

(f) states in writing that the return filed is not an arrear return.

[1][***]

(6) For the purposes of this section,—

(a) "regular tax rate" means the rate of tax which is not exempted or reduced;

(b) "arrear return" means a return which has not been filed within the assessment year to which the income year relates.

181. **Return process**.—(1) The Deputy Commissioner of Taxes shall process the "self assessment return" or revised return filed under section 180 in the following manner, namely:—

(a) income shall be computed after making the adjustments in respect of any arithmetical error in the return or an incorrect claim which is apparent from the existence of any information in the return or in any statement or document filed therewith;

(b) tax and any other amount payable under this act shall be computed on the basis of the income computed under clause (a); and

(c) the sum, payable by or refundable to the assessee, shall be determined after giving credit of the sum paid by way of advance tax including the tax paid at source and the tax paid under this Act.

(2) Where the process of return results in a difference in the amount of income, tax or other material figures than the amount mentioned in the return filed under section 180, the Deputy Commissioner of Taxes shall serve a notice to the assessee in the following manner, namely:—

(a) inform the assessee of the difference of the amount with the computation sheet containing the computed income, tax, refundable tax or other related matters as a result of the return process by attaching with the notice;

[1] Sub-section (5) was omitted by section 67(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) giving him an opportunity to explain his position in writing within the time specified in the notice where the process of return results in additional liability or in reduction of refund, as the case may be; and

(c) within the time specified in the notice, where applicable, he shall be given following opportunity, namely:—

(i) to file an revised returnaddressing the difference mentioned in the notice; and

(ii) to pay the tax and any other amount that becomes payable as a result of the process;

(3) Where a notice under sub-section (2) is served, the Deputy Commissioner of Taxes shall—

(a) send a letter of acceptance of revised returnwithin 90 (ninety) days where all of the following conditions are fulfilled, namely:—

(i) whether a revised return is filed in accordance with the provision of clause (c) of sub-section (2);

(ii) whether any tax or any other amount, payable under this Act as a result of the process, has been paid on or before the submission of the revised return; and

(iii) whether the difference mentioned in sub-section (2) has been duly resolved in the return;

(b) where any of the conditions mentioned in clause (a) is not fulfilled, a notice of demand along with a sheet of computation of income, tax, refund or other related particulars shall be served after the expiry of the date as mentioned in the notice under sub-section (2);

(c) a notice of demand mentioned in clause (b) shall be served within 6 (six) months from the date of serving notice under sub-section (2).

(4) For the purposes of this section, "an incorrect claim which is apparent from the existence of any information in the return or in any statement or document filed therewith" shall mean a claim, on the basis of an entry, in the return or in the statement or document submitted with the return—

(a) of an item, which is inconsistent with another entry of the same, or some other item, in such return, statement or document; or

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(b) in respect of a deduction, exemption, rebate or credit, where such deduction, exemption, rebate or credit exceeds the specified statutory limit which may have been expressed as monetary amount, percentage, ratio or fraction.

182. **Audit**.—(1) The Board or any subordinate authority with the approval of the Board may, in the manner prescribed by the Board, select returns for audit from among the returns or amended returns filed under section 180 and forward the same to the Commissioner of Taxes concerned for the purpose of audit.

(2) Within not more than 7 (seven) working days from the date of receipt of the list of returns selected for audit, the Commissioner of Taxes shall, by passing such an order, appoint an inquiry team, audit team and audit curator for each audit case and such order shall be sent to all inquiry teams, audit teams, audit curator, and Deputy Commissioner of Taxes concerned on the date of signing such order.

(3) The Deputy Commissioner of taxes shall, within not more than 7 (seven) working days of the receipt of the order issued under sub-section (2), issue one notice to the concerned assessee for the purpose of informing him of the audit and shall send a copy of such notice to the inquiry team concerned.

(4) Every inquiry team—

(a) shall collect information about income, expenses, assets, liabilities, transactions, financial statements and other records, public records of the assessee and information of the parties related to the assessee, etc. by conducting inquiries;

(b) shall submit to the Audit Curator an inquiry report verifying and confirming the existence and detailed nature of the source of income of the assessee;

(c) within 60 (sixty) days of receipt of the notice sent under sub-section (3), the inquiry report shall be submitted to the Deputy Commissioner of Taxes concerned and a copy of such report shall be filed with the Audit Curator; and

(d) in case of failure to submit the report within the period mentioned in Clause (c), an application for time extension may be submitted to the concerned Deputy Commissioner of Taxes and the Deputy Commissioner of Taxes may extend the time up to a maximum of 60 (sixty) days.

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(5) After submission of the inquiry report, the audit team shall conduct audit activities following the audit manual and guidelines prepared by the Board, and

(a) check compliance with all applicable provisions under this Act and other relevant laws;

(b) perform the following functions through field inspection, namely:—

(i) verification of any claim or any information submitted by the assessee;

(ii) collecting and verifying of books of accounts, records of receipts and payments, contracts of sales and purchases and other documents, other evidences, any other information issued or received from clients, customers or suppliers;

(iii) obtaining an understanding of the accounting and management information systems employed by the assessee;

(iv) collecting other relevant evidence, of whatever nature or type;

(c) examine any statement or record relating to income, expenditure, assets or liabilities;

(d) verify the nature and authenticity of transactions;

(e) re-verify the inquiry report filed under sub-section (4);

(f) interview any person who is or may be related to the assessee;

(g) direct the assessee to submit a written statement of any facts and figures;

(h) collect and analyse relevant aggregate data, market data, financial data and assessee lifestyle data as applicable.

(6) The audit team shall send the draft audit report to the assessee and take written explanation from him.

(7) The audit team shall submit the audit report to the Audit Curator within a period not exceeding 300 (three hundred) days from the date of submission of the inquiry report under sub-section (4) and the report shall include the following matters—

(a) a statement regarding verification and confirmation of the source of income, assets and liabilities of the assessee and their detailed nature, including the report of the audit team;

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(b) a statement of compliance with all applicable provisions of this Act;

(c) the areas of improvement in compliance with the provisions of the Act and, where applicable, comments on the assessee's internal control.

(8) Audit Curator, within not more than 7 (seven) working days of the submission of the report by the audit team—

(a) recommend to the Commissioner of Taxes for completion of the audit proceedings after being satisfied with the following matters, namely:—

(i) compliance with this Act and all the facts relating to the income, expenditure and assets of the assessee as per the audit report received are properly shown in the return of the assessee or revised return; and

(ii) there is no possibility of any additional tax claim from the assessee;

(b) Authorize the Deputy Commissioner of Taxes to complete the audit if it appears from the audit report received that—

(i) compliance with this Act and all information relating to the income, expenditure and assets of the assessee as per the audit report received is not properly reflected in the assessee's return or revised return; or

(ii) any other proceedings should be taken against the assessee.

(9) The Commissioner of Taxes, on receipt of the recommendation from the Audit Curator, shall consider the case and render an appropriate decision not more than 7 (seven) working days from the date of receipt of such recommendation.

(10) Within not more than 7 (seven) working days after receipt of approval from the Audit Curator, the Deputy Commissioner of Taxes,—

(a) shall send the audit report to the assessee and issue a notice directing the assessee to file one revised return reflecting the findings of the audit, and to pay the tax and other applicable amount, determined on the basis of revised return on or before the date of filing of such revised return; and

(b) conduct any other proceedings as directed by the Audit Curator.

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(11) Where the revised return has been filed by the assessee and the Deputy Commissioner of Taxes is satisfied that the findings mentioned in the audit report has been duly reflected in the revised return and that the tax and other applicable amounts have been fully paid in accordance with the provisions of sub-section (10), he shall accept the revised return filed and issue a letter of disposal of audit to the assessee.

(12) Where, after notice under sub-section (10), no revised return has been filed or the revised return which has been filed does not reflect the findings of the audit, or tax or other applicable amount has not been paid in compliance with the provisions of sub-section (10), the Deputy Commissioner of Taxes may assess the tax under section 183 or 184, whichever is applicable.

(13) No tax shall be assessed under sub-section (12) unless—

(a) the investigation and audit phase ends;

(b) the assessee is notified of the audit report; and

(c) the assessee fails to file the revised return in compliance with the notice sent under sub-section (10); or the assessee files the revised return in compliance with the notice sent under sub-section (10) but fails to properly reflect the findings of the audit and fails to pay the tax and other applicable amount as per the findings of the audit.

[1][(14) A return or revised return filed under section 180 for any assessment year showing total income at least 15% (fifteen percent) higher than the total income in the immediately preceding assessment year shall not be selected for audit except in the following cases, namely:–

(a) any return or revised return of any bank, insurance or finance company;

(b) any return or revised return which is not accompanied by a bank statement in support of aggregate of any type of loans received in the relevant year exceeding Taka 5 (five) lakh from any source other than bank or finance company.

(c) any return or revised return showing fully or partially tax exempted income;

(d) any return or revised return showing income subject to reduced tax rate;

[1] Sub-section (14) was substituted by section 68(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(e) any return or revised return claiming or resulting in tax refund;

(f) if an assesse—

(i) who fails to submit necessary documents in support of compliance of the provisions of Part 7 in the relevant year;

(ii) who is subject to selection for audit under clause (b) of sub-section (3) of section 176 owing to failure of complying fully the notice issued in accordance with sub-section (2) of section 176; or

(iii) who fails to file return under section 177.]

(15) For the purpose of audit under this section,—

(a) the Commissioner of Taxes shall constitute teams, as follows—

(i) formation of any number of audit teams and each audit team shall consist of not less than 2 (two) auditors;

(ii) formation of any number of investigation teams and each investigation team shall consist of not less than 2 (two) tax inspectors;

(b) audit team and investigation team appointed for any assessee shall not include the Deputy commissioner of Taxes and Inspector of Taxes, under whose jurisdiction the assessee is registered.

(c) an audit team may, as necessary or as it deems appropriate, get assistance from experts or professional estimators;

(d) the return shall not be selected under sub-section (1) before the completion of 60 (sixty) days from the filing of the return;

[1][(e) the return shall be selected or approved for audit under sub-section (1) within a period not exceeding 2 (two) assessment years from the end of the assessment year in which such return has been filed;]

(f) all reports prepared and filed under this section shall be signed by all members of the team;

(g) in computing "gross income exceeding 15% (fifteen per cent)", only those sources of income appearing in the return filed under section 180 which also existed in the immediately preceding assessment year shall be taken into account;

[1] Clause (e) was substituted by section 68(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(h) "Auditor" shall be selected from among the income-tax authorities who is Deputy Commissioner of Taxes and not below the rank of Assistant Commissioner of Taxes;

(i) "Audit Curator",—

(i) shall be selected by the Commissioner of Taxes from among the Additional Commissioners of Taxes or Joint Commissioners under him; and

(ii) shall be the key person for the management of the audit activities including the settlement of the audit cases selected under this section, the preparation of the audit schedule, the preparation of the audit plan; and

(iii) shall be liable to the Commissioner of Taxes for all intents and purposes of this section.

183. [1][**Assessment of tax by the Deputy Commissioner of Taxes.**]—[2][(1) The Deputy Commissioner of Taxes may assess the income-tax payable under this section in accordance with relevant return, documents or any other provisions of this Act in the following cases, namely:–

(a) where a return or revised return filed by a person is considered to be a normal return; or

(b) where a person is assessable to tax under sub-section (12) of section 182; or

(c) where a person is assessable to tax under section 212 or 213; or

(d) where a person is liable to pay income-tax under any provision of this Act.]

(2) Where Deputy Commissioner of Taxes is satisfied that the presence of the assessee or the production of any evidence for the purpose of assessing the tax of the assessee or calculating the tax liability thereof is not necessary, the Deputy Commissioner of Taxes shall, on the basis of the return or revised return, subject to the following conditions, shall assess the tax of the said assessee, namely:—

[1] The heading "Assessment of tax by the Deputy Commissioner of Taxes" was substituted for the heading "Assessment of tax by the Deputy Commissioner of Taxes on the basis of return" by section 69(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Sub-section (1) was substituted by section 69(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) such return shall be filed on or before the date specified in section 171;

(b) the amount of tax payable shall be paid on or before the date on which the return is filed;

(c) such return does not show any loss or lesser income than the last assessed income;

(d) assessment on the basis of such return does not result in refund; and

(e) if the Taxpayer's Identification Number is mentioned in the said return.

(3) Where the Deputy Commissioner of Taxes deems it necessary for the assessment of the tax of an assesseeto require the presence of the assessee or production of any evidence, the Deputy Commissioner of Taxes shall issue notice to such person to the effect that—

(a) he shall appear before the Deputy Commissioner of Taxes, in person or by an authorized representative, on the date and time so specified in the notice; or

(b) necessary evidence shall be filed in support of the return mentioned in the notice.

(4) Where the assessee complies with the notice given under sub-section (3), the Deputy Commissioner of Taxes shall initiate the assessment process.

(5) The Deputy Commissioner of Taxes may require further hearing or necessary evidence during the assessment proceedings of the assessee and in such case the notice shall specify the matters to be heard and the consequences arising out of failure to comply.

(6) The Deputy Commissioner of Taxes shall not disallow any expenditure shown by the assessee without an opportunity of being heard.

(7) The Deputy Commissioner of Taxes shall, after considering the evidence presented at the end of the hearing, issue a tax assessment order in writing or by specified electronic method and notify the assessee of the said order within 30 (thirty) days of issuing the said order.

(8) If the assessee fails to comply with the notice given under sub-section (3) or (5), the Deputy Commissioner of Taxes may determine the tax payable as per best judgement assessment under section 184.

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184. **Best judgement Assessment**.—(1) Subject to the other provisions of this section, the Deputy Commissioner of taxes may determine the best judgement tax of an assesseein the following cases, namely:—

(a) where a person has failed to comply with the notice given under section 172 and has not filed any return or revised return under section 175; and

(b) where any person has failed to comply with a notice given under section 172, 175, sub-sections (3) and (5) of section 183, section 193 or 212.

(2) After considering the facts and matters and after properly evaluating the legal and factual aspects of the case, the best judgement tax shall be determined.

(3) The tax assessment order passed under this section shall reflect the best judgement assessment of tax by the Deputy Commissioner of Taxes.

(4) The Deputy Commissioner of Taxes shall pass the best judgement assessment order in writing or by certain electronic means and shall notify the same to the assessee within 30 (thirty) days from the date of passing such order.

185. **Provisional Assessment**.— (1) The Deputy Commissioner of Taxes may assess provisional tax on the total income of the assessee in any income year.

(2) Provisional assessment shall be made at the following times, namely:—

(a) where the return has been filed at any time during the relevant tax year; and

(b) where the return for the relevant tax year is not filed on the tax day or on any day preceding the tax day.

(3) The provisional assessment shall be prepared on the basis of the following matters, namely:—

(a) in the case referred to in clause (a) of sub-section (2), on the basis of the return and the accounts and documents, if any, therewith;

(b) in the case referred to in clause (b) of sub-section (2), on any readily available information or material and in the best judgment of the Deputy Commissioner of Taxes.

(4) In making a provisional assessment under this section, the Deputy Commissioner of Taxes may take the following proceedings, namely:—

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(a) rectification of any arithmetical errors in the return, accounts and documents;

(b) adjustment and carry forward of any loss or carry forward of depreciation allowance under sections 70 and 71 on the basis of information obtained from returns, accounts and documents.

(5) For the purposes of payment and recovery, the tax as determined to be payable upon provisional assessment shall have effect as if it were determined upon regular assessment.

(6) In computing the tax payable under this section the following amounts shall be credited, namely:—

(a) any tax deducted or collected at source and paid to the Government; and

(b) any advance tax paid.

(7) Any amount paid or deemed to have been paid towards provisional assessment under this section shall be deemed to have been paid towards regular assessment; and the amount paid or deemed to have been paid towards provisional assessment in excess of the amount found payable after regular assessment shall be refunded to the assessee.

(8) Acts or aggravations or damages arising out of the assessment of any temporary tax under this section shall not override the measures taken for the settlement of any problem arising in the regular assessment thereof.

(9) There shall be no right of appeal against a provisional assessment under this section.

186. **Audit of the return of withholding tax**.—(1) The Deputy Commissioner of Taxes, with the approval of the Commissioner, shall select a number of returns of withholding tax filed under section 177 for audit.

(2) The Deputy Commissioner of Taxes shall conduct the audit of the selected return in respect of the following matters, namely:—

(a) whether the tax has been deducted or collected at the rate, in the amount and in the manner as provided in Part 7 and the rules made thereunder;

(b) whether the tax collected or deducted has been paid to the credit of the Government, or has been paid in accordance with the manner and within the time as prescribed;

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(c) whether the certificate of tax deduction or collection has been furnished in accordance with the provisions of this Act.

(3) Where an audit under sub-section (2) results in findings that the provisions of this Act in respect of the matters mentioned in the said sub-section have not been complied with, the Deputy Commissioner of Taxes conducting the audit may take necessary actions under this Act, including the actions under sections 143, 144 and 266.

(4) For the purpose of selecting returns for audit under sub-section (1) and for conducting the audit, the Board shall formulate such comprehensive audit guidelines as it may think fit.

(5) No return shall be selected for audit after the expiry of 4 (four) years from the end of the year in which the return was filed.

187. **Assessment of tax of any firm or association of persons**.—In the case of assessment of tax of a firm or association of persons—

(a) the total income of the firm or association of persons shall be determined first and then tax shall be assessed on the basis of the total income; and

(b) thereafter the after-tax income shall be distributed proportionately among the partners or members.

188. **Assessment of tax in case of change in the constitution of the firm**.—(1) At the time of assessing the tax of a firm, if it is found that its constitution has changed, then the tax of the newly formed firm shall be assessed at the time of assessment of the tax.

(2) The income of any assessment year assessed under sub-section (1) shall, for the purpose of inclusion in the total income of the partners, be apportioned among the partners who, in such income year, were entitled to receive a share of the income; and when the tax levied on a partner cannot be recovered from him, the tax shall be recovered from the firm as constituted at the time of assessment.

(3) For the purpose of this section, change in the constitution of a firm shall be deemed to have been occurred in the following cases, namely:—

(a) where all the partners continue with a change in their respective shares or in the shares of some of them; or

(b) where one or more persons who were partners continue to be so with a change by cessation of one or more partners or addition of one or more new partners.

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189. **Assessment in case of constitution of new successor firm**.—Where, at the time of assessment on a firm, it is found that a new firm has been formed to succeed the firm to which the assessment relates and it cannot be covered by section 188, separate assessments shall be made on the predecessor firm and the successor firm in accordance with the provisions of section 190 relating to assessment in case of succession to business.

190. **Assessment in case of succession to business otherwise than on death**.—(1) Where, a person, carrying on any business (in this section, referred to as predecessor), has been succeeded therein otherwise than on death by another person (in this section, referred to as the successor) continues to carry on that business—

(a) the predecessor shall be assessed, in respect of the income of the income year in which the succession took place, for the period up to the date of succession; and

(b) the successor shall be assessed, in respect of the income of the income year, for the period after the date of succession.

(2) Notwithstanding anything contained in sub-section (1), where the predecessor cannot be found, the assessment of the income year in which the succession took place up to the date of succession and of the income year or years preceding that year shall be made on the successor in the like manner and to the same extent as it would have been made on the predecessor; and the provisions of this Act shall, so far as may be, apply accordingly.

(3) Where any sum payable under this section in respect of the income of a business cannot be recovered from the predecessor, the Deputy Commissioner of Taxes shall record a finding to that effect, and thereafter the sum payable by the predecessor shall be payable by, and recoverable from, the successor who shall be entitled to recover it from the predecessor.

191. **Assessment in case of discontinued business**.—(1) Save as the provisions of section 189, where any business is discontinued in any financial year, in that case assessment shall be made for that year.

(2) For the purpose of assessment in any income year under sub-section (1), the income shall be computed for the period from the beginning of the income year in which the business has discontinued to the date of such discontinuance.

(3) Any person discontinuing any business in any financial year shall give to the Deputy Commissioner of Taxes a notice of such discontinuance within 15 (fifteen) days thereof; and such notice shall be accompanied by a return of total income in respect of the period between the end of the income year and the date of such discontinuance and that financial year shall be deemed to be the assessment year in respect of the income of the said period.

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(4) Where a person fails to give the notice required by sub-section (3), the Deputy Commissioner of Taxes may direct that a sum shall be recovered from him by way of penalty, however, the amount of this penalty shall not exceed the amount of tax assessed for the immediately preceding assessment year.

(5) Where an assessment is to be made under sub-section (1), the Deputy Commissioner of Taxes may serve—

(a) on the person whose income is to be assessed;

(b) in the case of a firm, on the person who was a partner of the firm at the time of discontinuance of the business; and

(c) in the case of a company, on the principal officer of the company,

a notice to furnish within such time, not being less than 7 (seven) days, a return of his total income giving such particulars and information as are required to be furnished with a return to be filed under section 169 along with such other particulars, records and documents as may be specified in the notice.

(6) The provisions of this Act shall, so far as may be, apply to a notice under sub-section (5) for the purpose of assessment of tax as if it were a notice under section 172.

192. **Assessment in case of partition of a Hindu undivided family**.—(1) A Hindu family hitherto assessed as a Hindu undivided family shall be deemed, for the purposes of this Act, to continue to be a Hindu undivided family except where, and in so far as, a finding of partition has been given under this section in respect of that family.

(2) Where, at the time of an assessment of a Hindu undivided family, it is claimed by any member thereof that a partition has taken place amongst the members of the family, the Deputy Commissioner of Taxes shall make an enquiry there into after giving notice to all the members of the family.

(3) On the completion of the enquiry, the Deputy Commissioner of Taxes shall record a finding as to whether there has been a partition of the joint family property, and, if there has been such a partition, the date on which it has taken place.

(4) In the case of a finding under sub-section (3) that the partition of the undivided family took place after the expiry of the income year, the total income of the income year of the undivided family shall be assessed as if no partition has taken place; and each member or group of members of the family shall, in addition to any tax for which he or it may be separately liable, be jointly and severally liable for the tax on the income of the family so assessed.

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(5) In the case of finding under sub-section (3) that the partition of the undivided family took place during the income year, the total income of the undivided family in respect of the period up to the date of partition shall be assessed as if no partition had taken place; and each member or group of members of the family shall, in addition to any tax for which he or it may be separately liable, by jointly and severally liable for the tax on the income of that period as so assessed.

(6) Notwithstanding anything contained in this section, if the Deputy Commissioner of Taxes finds after completion of the assessment of a Hindu undivided family that the family has already effected a partition, the tax shall be recoverable from every person who was a member of the family before the partition; and every such person shall be jointly and severally liable for tax on the income of the family in so assessed.

(7) For the purposes of this section, the several liabilities of any member or group of members of a Hindu undivided family shall be computed according to the portion of the property of the undivided family allotted to him or it at the partition.

(8) The provisions of this section shall, so far as may be, apply in relation to the levy and collection of any penalty, interest, fine or other sum in respect of any period up to the date of the partition of a Hindu undivided family as they apply in relation to levy and collection of tax in respect of any such period.

193. **Assessment in the case of persons leaving Bangladesh**.—(1) The Deputy Commissioner of Taxes may assess the tax based on the total income of a person authorized to work in Bangladesh as follows, who may leave Bangladesh during or shortly after the expiry of the current financial year and has no intention of returning, namely:—

(a) if he has been previously assessed, for the period from the expiry of the last income year of which income has been assessed to the probable date of his departure from Bangladesh; and

(b) if he has not been previously assessed, of the entire period of his stay in Bangladesh up to the probable date of his departure therefrom.

(2) Assessment under sub-section (1) shall be made—

(a) in respect of each completed income year included in the period referred to in sub-section (1), at the rate at which tax would have been charged had it been fully assessed; and

(b) in respect of the period from the expiry of the last of the completed income years to the probable date of departure, at the rate in force for the financial year in which such assessment is made and that financial year shall be deemed to be the assessment year in respect of the income of the said period.

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(3) For the purpose of making an assessment under this section, the Deputy Commissioner of Taxes may serve a notice upon the person concerned requiring him to file, within such time, not being less than 7 (seven) days, as may be specified in the notice-

(a) a return in the same form and verified in the same manner as a return under section 166 setting forth, along with such other particulars as may be required by the notice, his total income for each of the completed income years comprised in the relevant period referred to in sub-section (1); and

(b) an estimate of his total income for the period from the expiry of the last of such completed income year to the probable date of his departure from Bangladesh.

(4) All the provisions of this Act shall, so far as may be, apply to the notice under sub-section (3) for purposes of assessment of tax as if it were a notice under section 172.

194. **Assessment in the case of income of a deceased person**.—(1) Where a person dies, his legal representative shall be liable to pay any tax or other sum payable under this Act which the deceased would have been liable to pay if he had not died, in the like manner and to the same extent as the deceased; and the legal representative of the deceased shall, for the purposes of this Act, be deemed to be an assessee:

Provided that before deeming the legal representative of the deceased to be an assessee, a notice to that effect shall be issued to him by the Deputy Commissioner of Taxes.

(2) For the purpose of making an assessment of the income of the deceased and recovery of tax,—

(a) any proceeding taken against the deceased before his death shall be deemed to have been taken against the legal representative and may be continued from the stage at which it stood on the date of the death of the deceased; and

(b) any proceeding which could have been taken against the deceased, if he had not died, may be taken against the legal representative; and all the provisions of this Act shall, so far as may be, apply accordingly.

(3) The liability of a legal representative under this Act shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

(4) For the purposes of this section and other provisions of this Act in which the rights, interests and liabilities of the deceased are involved, "legal representative" includes an executor, an administrator and any person administering the estate of the deceased.

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195. **Spot Assessment**.—(1) The Deputy Commissioner of Taxes may assess the tax of any person on the spot, if such person—

(a) has taxable income;

(b) has an obligation to file a return;

(c) is required to comply with any provisions of this Act;

(d) has failed to perform or comply with any provision of this Act.

(2) The Commissioner of Taxes may, in his jurisdiction, delegate to any Deputy Commissioner of Taxes subordinate to him the power to assess tax under this section.

196. **Bar to question assessment**.—(1) Notwithstanding anything contained in this Act or any other law in force in Bangladesh, no person or authority, other than the Income-tax Authority referred to in section 4, the Tax Appellate Tribunal established under this Act and the Supreme Court of Bangladesh, may raise any question as to the tax assessment made under this Act.

(2) Any action taken or any question arisen in violation of the provision of sub-section (1) shall be null and void and have no legal effect.

PART 11

LIMITATION OF TIME

197. **Limitation for assessment**.—[1][(1) Subject to the provisions of sub-sections (2) and (3), the assessment or return processing shall be completed before the expiry of the following periods, namely:–

(a) 2 (two) assessment years from the end of the assessment year in which the return was filed in case of return process under section 181;

(b) 2 (two) assessment years from the end of the assessment year in which the return was selected for audit under sub-section (1) of section 182;

(c) 1(one) assessment year from the end of the assessment year in which the return was considered as a normal return;

(d) 3 (three) assessment years from the end of the assessment year in which the income was first assessable in case of assessment under section 235.]

(2) An assessment under section 212 may be made within 2 (two) years from the end of the year in which the notice under sub-section (1) of section 212 was issued.

[1] Sub-section (1) was substituted by section 70 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(3) Notwithstanding anything contained in this section, limiting the time within which any action may be taken, or any order or assessment may be made, order or assessment, as the case may be, to be made on the assessee or any other person in consequence of, or to give effect to, any finding or direction contained in an order under sections 213, 285, 289, 292, 294 or 295 or, in the case of a firm, an assessment to be made on a partner of a firm in consequence of an assessment made on the firm, or an agreement reached under section 304, shall be made within thirty days from the date on which the order or the agreement was communicated [and communicate such revised order to the assessee within 30 (thirty) days next following.

(4) Where an order of assessment has been set aside by any authority, the assessment shall be made within 60 (sixty) days from the date on which the order was communicated to him.

(5) Where by an order under section 213, 285, 289, 292, 294 or 295, any income is excluded from the total income of the assessee for an assessment year, an assessment of such income for another assessment year shall, for the purposes of this section, be deemed to be one made in consequence of, or to give effect to, any finding or direction contained in the said order.

(6) Where by an order under section 213, 285, 289, 292, 294 or 295, any income is excluded from the total income of a person and held to be the income of another person, an assessment of such income of such other person, shall, for the purposes of this section, be deemed to be one made in consequence of or to give effect to, any finding or direction contained in the said order.

(7) Where the Deputy Commissioner of Taxes fails to give effect to any finding or direction contained in an order referred to in sub-section (3) within the period stipulated therein, such failure of the Deputy Commissioner of Taxes shall be construed as misconduct.

PART 12

COLLECTION OF INFORMATION

CHAPTER -I

COLLECTION OF INFORMATION BY INCOME TAX AUTHORITY

198. **Definition**.—for the purposes of this Part—

(1) "Investigating Income Tax Authority" means—

(a) Directors General of Taxes (Inspection);

(b) Director General (Central Intelligence Cell);

(c) Commissioner of Taxes; and

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[[1](d) Inspecting Additional Commissioner of Taxes or Deputy Commissioner of Taxes, or Inspector of Taxes subject to permission of Deputy Commissioner Taxes;]

(2) "Income-Related Records" means any books of accounts, documents, electronic records and systems.

199. **Application of the rules for the collection of Information**.—Without prejudice to the application of other provisions of this Act, the income-tax authority may apply the provisions of this Chapter.

200. **Collection of information**.—(1) For the purposes of this Act, any such authority, not below the rank of Deputy Commissioner of Taxes, shall by notice in writing, from any person, and in such manner and by means as may be specified in the notice, and within such period as may be specified in the notice, call for such information as he may deem necessary for the purpose of carrying out the functions under this Act.

(2) Any income-tax authority, not below the rank of Deputy of Commissioner of tax, may, by notice in writing or by electronic means, from any person, and in such manner and by such means as may be specified in the notice, and within the time specified in the notice, call for such information as may be necessary or relevant to any investigation pending or proceeding under this Act:

Provided that no income tax authority subordinate to the Commissioner of Taxes shall call for any information from any bank or [2][finance company] without the approval of the Commissioner of Taxes.

201. **Automatic furnishing of information**.—(1) The Board may, by notification in the official gazette, require any authority, person or entity to furnish in digital manner to the Board or any income tax authority specified by the Board, any information including information regarding assets, liabilities, income, expenses and transactions in respect of any class of persons.

(2) For the purpose of sub-section (1), furnishing information in digital manner includes—

(a) uploading data in the system of the Board;

(b) sharing data to the digital or electronic system of the Board;

(c) granting digital or electronic access to the intended system.

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[1] Clause (d) was substituted by section 71 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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202. **Inspection of business records**.— Any income-tax authority may compel any person or institution to provide for or deliver copies of any business records which may be necessary or relevant to any pending investigation or proceeding under this Act.

203. **Investigation of source of income**.—If any Income-tax authority deems it necessary for the investigation or inquiry of proceedings pending under this Act, it may ask for any information relating to the sources of income of any person concerned with the said proceedings and may enforce to provide copies of the information and records relating to the source of income.

204. **Inquiry and investigation**.—(1) The Investigating Income-tax Authority may make such inquiry and investigation as it thinks fit in respect of any person or any other person who is assessable to tax under this Act or may direct Such Person or organization or any other person or organization concerned with such inquiry and investigation to appear before the investigating authority at the time and place indicated to deliver or take measures to deliver any documents related to any information or income under the control of the said person or organization.

(2) The Board shall, for the purposes of this section, prepare a manual to be followed for the purposes of inquiry and investigation.

CHAPTER II

SURVEY, SEARCHING, AND SEIZURE

205. **Power of Survey**.—(1) For the purpose of surveying the tax liability of any person under this Act, the Board or the Commissioner of Taxes may delegate to any income-tax authority the power to visit and survey any place or premises where a business is carried on or income is derived from the payment of rent.

(2) The income-tax authority shall enter the place mentioned in sub-section (1) in the following cases, namely:—

(a) if the business is carried on at the place, only during the hours when the place is open for business; and

(b) in any other case, only after sunrise and before sunset.

(3) On entering the place mentioned in sub-section (2), the income-tax authority shall take the following steps, namely:—

(a) placing marks of identification on or stamping the books of accounts related to income, assets, and liabilities inspected by it and gathering summary and copy thereof;

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(b) seizing or taking into custody the records relating to the income so inspected after recording the reasons;

(c) making an inventory of any cash, cash deposit or other valuable articles;

(d) examining on oath any person for any statement made by him if it is relevant to any proceeding under this Act; and

(e) making such enquiries as may be necessary.

(4) Every proprietor, employee or other person who may be attending in any manner to, or helping in, the carrying on of any business, or every person who may be residing in the place or premises in respect of which an income tax authority may be exercising power under sub-section (1), shall in aid of the exercise of such power,—

(a) the authorities shall take necessary measures to carry out the following functions—

(i) inspecting and entering records relating to income, assets and liabilities; or

(ii) scrutinizing and inspecting cash, stock or any other valuable article or thing received at such place or premises; and

(b) furnish such information as the authority may require in respect of any matter which may be useful for, or relevant to, any proceeding under this Act.

(5) A statement made by any person under clause (d) of sub-section (8) shall be used as evidence in any proceedings under this Act.

(6) During the enforcement of this section, the Income-tax authority shall not remove any cash, stock or other valuable article or thing from the place or premises entered.

(7) The Income Tax Authority shall not retain any records relating to income seized in custody under this section, for a period exceeding 1 (one) month without the approval of the Commissioner of Taxes.

(8) Any Income-tax authority, other than an Inspector, shall have all the powers to enforce sub-section (1) of section 223, if any person is incapable of performing or disobeys the following duties, namely:—

(a) providing assistance to income-tax authorities for examination of accounts or other documents;

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(b) permitting the examination or examination of any cash, stock or other valuable article or thing;

(c) providing any information; or

(d) recording or giving statements.

206. **Power of search and seizure**.—(1) The Investigating Income-tax Authority may exercise the power of search and seizure of any person's information as provided in the sub-sections below if the Board or the Investigating Income-tax Authority has reason to believe on any information that—

(a) any person who has been required by any summons or notice under this Act to supply or produce records relating to income, assets and liabilities, but such person fails to supply or produce the same;

(b) the person referred to in clause (a) is not likely to supply or produce records relating to income, assets and liabilities; or

(c) by reason of the production of any record relating to income for the issuance or production of any summons or notice under this Act, such records relating to income have failed or likely to fail to prepare or produce.

(2) The Investigating Income-tax Authority may delegate the duty of conducting search and seizure under this section to any such officer, not below the rank of Assistant Commissioner of Taxes, (hereinafter referred to as the authorized officer).

(3) Notwithstanding anything contained in any other law for the time being in force, the authorized officer may take the following steps, namely:—

(a) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that any books of accounts, documents, money, bullion, jewellery or other valuable article or thing referred to in sub-section (1) are or have been kept;

(b) break and open the lock of any door, box, locker, safe, admiral or other receptacle for the purpose of the said entry, and search, if keys thereof are not available;

(c) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if he has reason to suspect that such person has secreted about his person any such books of accounts, documents, electronic records and systems, money, bullion, jewellery or other valuable article or thing;

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(d) seize any such books of accounts, documents, money, bullion, jewellery or other valuable article or thing found as a result of such search;

(e) place marks of identification on or stamp any books of accounts or other document or make or cause to be made extracts or copies therefrom; and

(f) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing;

(g) retrieve the data, images or any inputs stored in the electronic records and systems or enter the systems by breaking through password protection or copy or analyse the data, books of accounts, documents, images or inputs.

(4) The authorized officer may requisition the services of any police officer or other officer of the Government or any professional expert to assist him for all or any of the purposes specified in sub-section (2); and it shall be the duty of every such officer or professional expert to comply with such requisition.

(5) The authorized officer may, where it is not practicable to seize any such books of accounts, documents, money, bullion, jewellery or other valuable article or thing, by order passed in writing, require the owner or the person who is in immediate possession or control thereof not to remove, part with or otherwise deal with it without obtaining his previous permission; and the authorized officer may take such steps as may be necessary for ensuring compliance with the order:

Provided that if, without reasonable cause, the owner or any person fails to comply with the provisions of this sub-section and if the bullion, jewellery, valuable article or thing is transferred, or removed, diverted or otherwise disposed of, such owner or person may be identified by the Commissioner of tax as the owner and such person shall be deemed to be a tax defaulter under this Act.

(6) The authorized officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of accounts, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during the examination may thereafter be used in evidence in any proceeding under this Act.

(7) Where any books of accounts, documents, money, bullion, jewellery or other valuable article or thing is found in the possession or control of any person in the course of a search, it may be presumed that—

(a) books of account, money, bullion, jewellery, article or thing relating to income belongs to such person;

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(b) the contents of the books of accounts relating to income are true; and

(c) the signature on, or the handwriting in, any such books or documents is the signature or handwriting of the person whose signature or hand writing it purports to be.

(8) The person from whose custody any books of accounts or other documents are seized under sub-section (2) may make copies thereof, or take extracts therefrom, in the presence of the authorized officer or any other person designated by him, at such place and time as the authorized officer may appoint in this behalf.

(9) The Board may make rules on the following matters, namely:—

(a) regarding the procedure to be followed by the authorized officer—

(i) open access for search to any building, place, vessel, vehicle or aircraft to which there is no right of entry; and

(ii) for the safe custody of seized goods; and

(b) any other matter relating to search and seizure under this section.

(10) Subject to the provisions of this Act, the provisions of the Code of Criminal Procedure, 1898 (Act No. V of 1898) under this sub-section shall, as far as possible, apply to the applicable cases relating to search and seizure by rules made by the Board for this purpose.

(11) For the purposes of this section, the term "proceedings" means any proceedings under this Act in any year which are incomplete on or completed on or before the date authorized for any search under this section and all proceedings under this Act which in any year after such date shall include which has commenced.

207. **Transfer of records relating to confiscated income to Deputy Commissioner of Taxes**.—(1) If the authorized officer and the Deputy of Commissioner of Taxes are separate persons, the authorized officer shall hand over to the Deputy of Commissioner of Taxes the record relating to the income seized under section 206 within 30 (thirty) days from the date on which it is recorded.

(2) The officer empowered under sub-section (1) and the Deputy of Commissioner of Tax shall be treated as separate persons, if the authorized officer has no authority over the person from whom any account or document is seized.

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(3) If the authorized officer and the Deputy of Commissioner of Tax are the same person, the records relating to income referred to in sub-section (1) shall be deemed to have been handed over to the Deputy of Commissioner of Tax on the date on which they are seized.

(4) When records relating to the income of any person are seized from any other person, the authorized officer shall hand over such seized contents to the Deputy of Commissioner of Tax having jurisdiction over the said person within 30 (thirty) days from the date of seizure.

208. **Period of retention of records relating to seized income**.—(1) Subject to the provisions of sub-section (2), the records relating to income seized under section 206 shall not be retained by the authorized officer for a period exceeding 60 (sixty) working days from the date of seizure.

(2) Subject to the approval of the Investigating Income Tax Authority, the authorized officer may retain records relating to income for an extended period and the Investigating Income Tax Authority shall not extend the retention period of the relevant records for more than 30 (thirty) days after the completion of proceedings under this Act in any year.

(3) Any person legally entitled to records relating to income seized under section 206, if aggrieved, may file an application against the extension of such preservation, and the Board shall pass such order as it thinks fit, giving the applicant a reasonable opportunity of being heard.

209. **Provision of seized assets**.—(1) Where any money, bullion, jewelry or other valuable article or thing (hereinafter referred to as assets) seized under section 206 is handed over to the Deputy Commissioner of Taxes, the procedure as described in sub-section (2) is to be followed.

(2) The Deputy Commissioner of Taxes shall give the person concerned a reasonable opportunity of being heard and shall, within 90 (ninety) days of the seizure of the asset and shall undertake the following necessary investigation,—

(a) estimate the undisclosed income (including income from the undisclosed property), in a summary manner to the best of his judgement on the basis of such materials as are available with him;

(b) computation of the amount payable, which shall be the sum of the following items, namely:—

(i) the tax and any other sum payable on the basis of the assessment referred to in clause (a); and

(ii) the amount so required to satisfy such person's existing tax liability, in respect of which such person is in default or deemed to be in default.

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(3) For the purposes of sub-section (2), in computing the period of 90 (ninety) days, any time limit, order or injunction imposed under this section shall exclude any proceedings.

(4) In cases where it is not possible to determine whether the property seized or part thereof relates to any income year or years for the purpose of computation of total income and tax, the Deputy Commissioner of Taxes shall assign the property or part thereof, as the case may be, to the income year of the person in respect of which the property has been seized.

(5) After completing the proceedings under sub-sections (2) and (3), the Deputy Commissioner of Taxes may, with the approval of the Commissioner, order the person concerned to pay the amount referred to in clause (b) of sub-section (2).

(6) Where the person concerned makes any payment or takes satisfactory action, the Deputy Commissioner of taxes shall, release the seized property or take such initiative as may be deemed appropriate by him.

(7) Where no satisfactory arrangements have been made for payment under sub-section (2),—

(a) such person shall be deemed to be an assessee for the payment of the unpaid amount of tax; and

(b) the Deputy Commissioner of Taxes may retain in custody such amount of property seized under section 206 as is sufficient to recover the unpaid portion of the tax.

(8) If the Deputy Commissioner of Taxes is satisfied that the property seized under section 206 or any part thereof is in the possession of any person or any other person, he may take action against such person under this section and all the provisions of this section shall be duly applicable.

(9) Any person who is required to pay the amount prescribed under sub-section (4), if he is aggrieved, may raise an objection in writing to the Commissioner of Taxes, and the Commissioner shall, after giving the applicant an opportunity of being heard, pass an appropriate order.

210. **Application of Retained Assets**.—(1) Where the assets retained under sub-section (7) of section 206 consist solely of money, or partly of money and partly of other assets—

(a) the Deputy Commissioner of Taxes shall first apply such money towards payment of the amount in respect of which the person concerned is deemed to be an assessee in default under that sub-section; and thereupon such person shall be discharged of his liability to the extent of the money so applied; and

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(b) where, after application of the money under clause (a), any part of the amount referred to therein remains unpaid, the Deputy Commissioner of Taxes may recover the amount remaining unpaid, by sale of such of the assets as do not consist of money in the manner movable property may be sold by a Tax Recovery Officer for the recovery of tax; and for this purpose he shall have all the powers of a Tax Recovery Officer under this Act.

(2) Nothing contained in sub-section (1) and in sub-section (7) of section 206 shall preclude the recovery of any liability of an assessee in default by any other mode provided in this Act.

(3) Any assets or proceeds thereof which remain after the discharge of the liability in respect of the amount referred to in sub-section 7 of section 206 shall forthwith be made over or paid to the persons from whose custody the assets were seized.

CHAPTER III

SUMMONS FOR HEARING

211. **Power to take evidence on oath, etc**.—(1) The Deputy Commissioner of Taxes, the Additional Commissioner of Taxes, the Commissioner of Taxes the Director General(Central Intelligence Cell), the Commissioner of Taxes (Appeals) and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a Court under the Code of Civil Procedure, 1908 (Act No. V of 1908), when trying a suit in respect of the following matters, namely:—

(a) discovery and inspection;

(b) enforcing the attendance of any person and examining him on oath or affirmation;

(c) compelling the production of accounts or documents (including accounts or documents relating to any period prior or subsequent to the income year); and

(d) issuing commissions for the examination of witnesses.

(2) The Deputy Commissioner of Taxes shall not exercise his powers under this section for the purpose of enforcing the attendance of an employee of a scheduled bank as a witness or compelling the production of books of account of such a bank except with the prior approval of the Commissioner.

(3) Any authority mentioned in sub-section (1) may impound and retain in its custody for such period as it considers fit, any books of accounts or other documents produced before it in any proceeding under this Act.

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(4) Deputy Commissioner of Taxes—

(a) shall not seize any document relating to income without recording the cause; or

(b) shall not retain in his possession any document relating to income for more than 15 (fifteen) days (excluding holidays) without the prior approval of the Chief Commissioner or the Commissioner .

(5) Any proceedings under this Act before any authority mentioned in sub-section (1) shall be deemed to be judicial proceedings under sections 193 and 128 for the purpose of section 196 of the Penal Code, 1860 (Act No. XLV of 1860).

(6) Any order passed by the Income-tax Authority in any proceeding taken or conducted under this Act shall be deemed to be an order of a Civil Court.

PART 13

RECOVERY OF TAX EVASION

212. **Escaping tax and other payments**.—(1) If, based on the information from an audit, assessment or any other proceeding under this act or from any other source, the Deputy Commissioner of Taxes has reason to believe that any sum payable by an assessee under this Act has escaped payment in any assessment year, the Deputy Commissioner of Taxes may issue a notice in the form specified by the Board upon the assessee requiring him to:—

(a) file for the relevant assessment year, within the time as specified in the notice, a return of his income along with the applicable statement and documents; and

(b) pay on or before the filing of the return the sum that has been escaped payment.

(2) The Deputy Commissioner of Taxes shall—

(a) send a letter of acceptance of the return where all of the following conditions are fulfilled, namely:—

(i) the return is filed within the time mentioned in the notice under sub-section (1) and in compliance with the provisions of that sub-section;

(ii) the sum that escaped payment has been paid on or before the filing of the return; and

(iii) the issue for which the sum escaped payment has been duly addressed in the return;

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(b) proceed to make assessment under section 183 or 184, as the case may be, where any of the conditions mentioned in clause (a) is not fulfilled.

(3) The Deputy Commissioner of Taxes shall obtain the approval of the Additional Commissioner of Taxes in writing before issuing a notice under sub-section (1) where—

(a) return for the relevant assessment year was filed in compliance with the provision of sub-section (1) of section 180; or

(b) the assessment of the relevant assessment year is completed under any other provision of this Act.

(4) A notice under sub-section (1) may be issued by the Deputy Commissioner of Taxes—

(a) at any time where, for the relevant assessment year, no return was filed and no assessment was made;

(b) in other cases, from the assessment year in which notice to be issued to sixth preceding assessment year:

Provided that—

(i) in a case where a fresh assessment is made for any assessment year in pursuance of any provision under this Act, the period referred to in this sub-section shall commence from the end of the year in which the fresh assessment is made;

(ii) where any undisclosed wealth of a person is acquired more than the sixth tax year referred to in clause (b), the said wealth shall be deemed to have been acquired in the said sixth assessment year.

(5) In computing the period of limitation for the purpose of making an assessment or taking any other proceedings under this act, the period, if any, for which such assessment or other proceedings has been stayed by any Court, Tribunal or any other authority, shall be excluded.

(6) Notwithstanding anything contained in sub-section (4), where an assessment or any order has been annulled, set aside, cancelled or modified, the concerned income tax authority may start the proceedings from the stage next preceding the stage at which such annulment, setting aside, cancellation or modification took place, and nothing contained in this Act shall render necessary the re-issue of any notice which has already been issued or the re-furnishing or refilling of any return, statement or other particulars which has already been furnished or filed, as the case may be.

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(7) An assessment under sub-section (2) of an assessee who was already assessed for the relevant year shall be confined to the issues that have been mentioned in the notice served under sub-section (1).

(8) The Deputy Commissioner of Taxes shall not be barred from taking proceedings under this section for an assessment year on the grounds that the proceeding under sub-section (2) is earlier concluded in respect of that assessment year.

(9) For the purpose of this section,—

(a) any sum payable by an assessee under this Act shall be deemed to have escaped payment if—

(i) the income or a part thereof has escaped assessment;

(ii) the income has been understated;

(iii) excessive loss, deduction, allowance or relief in the return has been claimed;

(iv) the liability of tax or any other amount payable under this Act has been shown or computed lower by concealment or misreporting of any income or by concealment or misreporting of any assets, expenditure or any other particulars in a statement submitted under section 167 or 168;

(v) income chargeable to tax has been under-assessed, or income has been assessed at a lower than due tax rate;

(vi) income that is subject to tax has been made the subject of tax exemption;

(vii) income has been made the subject of excessive relief, or excessive loss or depreciation allowance or any other allowance under this Act has been computed; or

(viii) a tax or an amount, payable under this Act, has been computed or paid lower than due amount by reason of lower base;

(b) relevant assessment year is the assessment year for which any sum payable by an assesseeunder this Act has escaped payment.

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213. **Power of Inspecting Additional Commissioner to revise the erroneous order.**—(1) The Inspecting Additional Commissioner of Taxes may call for and examine the record of any proceeding under this Act if he considers that any order passed therein by the Deputy Commissioner of Taxes is erroneous in so far as it is prejudicial to the interests of the revenue, and may, after giving the assessee an opportunity of being heard, and after making or causing to be made, such inquiry as he thinks necessary, pass such order thereon as in his view the circumstances of the case would justify, including an order enhancing or modifying the assessment or cancelling the assessment and directing a fresh assessment to be made.

(2) Where the power of the Deputy Commissioner of Taxes is exercised by a higher income tax authority under the provision of section 12, the proceedings mentioned in sub-section (1) shall be taken by the Inspecting Additional Commissioner of Taxes.

(3) No order shall be made under sub-section (1) after the expiry of 4 (four) years from the date of the order sought to be revised.

(4) Nothing in section 212 shall bar any proceeding under this section in applicable cases.

(5) In this section, an order shall be deemed to be erroneous if, in the opinion of the Inspecting Additional Commissioner—

(a) any income is misclassified in the order;

(b) any provision of this Act is misinterpreted in making the order;

(c) the order is passed without making verification which should have been made;

(d) the order is passed allowing any relief without inquiring into the claim;

(e) the order, direction or instruction issued by the Board under section 10 has not been observed or followed in the order; or

(f) the order is erroneous for reasons apparent from the record.

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PART 14

RECOVERY OF ARREAR TAX, SET OFF AND REFUND

CHAPTER I

RECOVERY OF TAX

214. **Notice of Demand**.—(1) Where any amount of tax is payable as a result of any order or proceedings under this Act, the Deputy Commissioner of Taxes shall serve upon the assessee (including any other person liable to pay such tax) a notice of demand in the prescribed form specifying therein the sum payable and the time within which, and the manner in which, it is payable, together with a copy of demand notice.

(2) Where certain amount of tax is refundable in pursuance of any order, or proceedings under this Act, the Deputy Commissioner of Taxes shall specify in the notice referred to in sub-section (1) the sum refundable to the assessee and the manner in which the refund will be paid unless such refund is set off against arrear tax as per provision of section 225.

(3) The Deputy Commissioner of Taxes shall not set off against refund without giving the assessee an opportunity of being heard.

(4) Where the assessee upon whom a notice of demand has been issued under sub-section (1) makes an application in this behalf before the expiry of the date of payment specified in the notice, the Deputy Commissioner of Taxes may extend the time for payment or allow payment by instalments subject to such conditions, including payment of interest on the amount payable, as he may think fit in the circumstances of the case.

(5) If the sum payable is not paid within the time specified in the notice of demand issued under sub section (1) or, as the case may be, within the time as extended under sub-section (4), the assessee shall be deemed to be an assesse-in-default.

(6) Where the assessee has presented an appeal under this Act in respect of the assessment of imposition of the tax or of the amount thereof, the Deputy Commissioner of Taxes shall treat the assessee as not being in default for so long as such appeal is not disposed of.

(7) If, in a case where payment by installment has been allowed under sub-section (4), the assessee commits default in paying any one of the installments within the time fixed therefor, the assessee shall be deemed to be in default as to the whole of the amount then outstanding, and the other instalment or instalments shall be deemed to have been due on the same date as the instalment in respect of which default bas actually been committed was due for payment.

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(8) Where an assessee has been assessed in respect of income arising outside Bangladesh in a country the laws of which prohibit or restrict the remittance of money to Bangladesh, the Deputy Commissioner of Taxes shall not treat the assessee as in default in respect of that part of the tax which is due in respect of such amount of income as cannot, by reason of the prohibition or restriction, be brought into Bangladesh, and shall continue to treat the assessee as not in default in respect of such part of the tax until the prohibition or restriction is removed.

(9) For the purposes of this section, income shall be deemed to have been brought into Bangladesh if it has been or could have been utilized for the purposes of any expenditure actually incurred by the assessee outside Bangladesh or if the income, whether capitalized or not, has been brought into Bangladesh in any form.

215. **Direct collection of tax and refund**.—(1) Recovery of tax may also be collected from the assessee through direct transfer from the assessee's bank account to the government bank account.

(2) The amount owed to the assessee shall be refunded through electronic transfer to the assessee's bank account.

(3) Notwithstanding anything contained in this Act or any other law, if the assessee files the return in the self-assessment manner, if the return process is completed by the Deputy Commissioner and there is a refund, the said refund shall be electronically transferred within 60 (sixty) days to the bank mentioned in the assessee's return.

(4) The Board may make rules prescribing the procedure, conditions, qualifications and limits for collection or refund of tax by bank transfer as described in sub-sections (1), (2) and (3).

216. **Certificate for recovery of tax**.—(1) When an assessee is in default or is deemed to be in default in making payment of tax, the Deputy Commissioner of Taxes may forward to the Tax Recovery Officer a certificate for recovery of the tax, under his signature specifying the amount of arrears due from the assessee; and such certificate may be issued notwithstanding that proceedings for recovery of the arrears by any other mode have been taken.

(2) Any certificate under sub-section (1) shall be forwarded to the following Tax Recovery Officers, namely:—

(a) the Tax Recovery Officer within whose jurisdiction the assessee carried on his business or the principal place of business of the assessee is situated;

(b) the Tax Recovery Officer within whose jurisdiction the assessee resides or any movable or immovable property of the assessee is situated; or

(c) the Tax Recovery Officer who has jurisdiction in relation to the assessee whose income is assessable by the Deputy Commissioner of Taxes forwarding the certificate.

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217. **Method of recovery by Tax Recovery Officer**.—(1) Upon receipt of a certificate forwarded to him under section 216, the Tax Recovery Officer shall, notwithstanding anything contained in any other law for the time being in force, proceed in accordance with the rules made in this behalf by the Board, to recover from the assessee the amount specified in the certificate by one or more of the following modes, namely:—

(a) attachment and sale, or sale without attachment, of any movable or immovable properties of the assesses;

(b) arrest of the assessee and his detention in prison;

(c) appointment of a receiver for the management of the movable and immovable properties of the assessee.

(2) While recovering under sub-section (1) the amount specified in the certificate forwarded to him, the Tax Recovery Officer may also recover in the same manner from the assessee in default, in addition to such amount, any cost and charges, including expenses on the service of any notice or warrant, incurred in the proceedings for the recovery of the tax in arrears.

(3) If the Tax Recovery Officer to whom a certificate is forwarded under section 216 is not able to recover the entire amount by the sale of movable and immovable properties of the assessee within his jurisdiction, but has information that the assessee has property within the jurisdiction of another Tax Recovery Officer, he may send the certificate to such other Tax Recovery Officer or to the Tax Recovery Officer within whose jurisdiction the assessee resides; and the Tax Recovery Officer to whom the certificate has been so sent shall proceed to recover under this Chapter the amount remaining unrecovered as if the certificate was forwarded to him by the Deputy Commissioner of Taxes.

218. **Power of withdrawal of certificate and stay of proceedings**.—(1) Notwithstanding the issue of a certificate for recovery of tax under section 216, the Deputy Commissioner of Taxes shall have power to withdraw, or correct any clerical or arithmetical error in the certificate by sending an intimation to that effect to the Tax Recovery Officer.

(2) Where the order giving rise to a demand of tax for which a certificate for recovery has been issued has been modified in appeal or other proceedings under this Act and, as a consequence thereof, the demand is reduced but the order is the subject matter of further proceedings under this Act, the Deputy Commissioner of Taxes shall stay the recovery of such part of the amount of the certificate as pertains to the said reduction for the period for which the appeal or other proceedings remain pending.

(3) Where a certificate for recovery has been issued and subsequently the amount of outstanding demand is reduced as a result of appeal or other proceedings under this Act, the Deputy Commissioner of Taxes shall, when the order, which was the subject-matter of such appeal or other proceeding, has become final and conclusive, amend the certificate or withdraw it, as the case may be.

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(4) The Deputy Commissioner of Taxes shall communicate to the Tax Recovery Officer any orders of cancellation, correction, stay of proceeding, withdrawal or amendment, as the case may be, of a certificate for recovery.

219. **Validity of certificate for recovery not open to dispute.**—When the Deputy Commissioner of Taxes forwards a certificate for recovery under section 216 to a Tax Recovery Officer, it shall not be open to the assessee to dispute before the Tax Recovery Officer the correctness of the assessment; and the Tax Recovery Officer shall not entertain any objection to the certificate on any ground whatsoever.

220. **Recovery of Tax through Collector of District**.—(1) The Deputy Commissioner of Taxes may forward to the Collector of District in which the office of the Deputy Commissioner of Taxes is situate or the District in which the assessee resides or owns property or carries on business, a certificate under his signature specifying the amount of arrears due from an assessee, and the Collector, on receipts of such certificate shall proceed to recover, from such assessee the amount specified therein as if it were an arrear of land revenue.

(2) Without prejudice to any other powers which the Collector of District may have in this behalf, he shall, for the purposes of recovery of the amount specified in the certificate for recovery forwarded to him under sub-section (1), have the powers which a Civil Court has under the Code of Civil Procedure, 1908 (Act No. V of 1908), for the purposes of recovery of an amount due under a decree.

(3) The Deputy Commissioner of Taxes may, at any time, recall from the Collector of District a certificate forwarded to him under sub-section (1) and upon such recall, all proceedings commenced in pursuance of the certificate shall abate.

(4) That recall of a certificate shall not affect any recoveries made by the Collector before the recall as if the certificate had not, to the extent of such recovery, been recalled; or shall the recall of a certificate issued at any time prevent this recovery, by issue of a fresh certificate, of any amount which was recoverable at the time the certificate so recalled was issued.

221. **Other modes of recovery**.—(1) Notwithstanding the issue of a certificate for recovery of tax under section 216 or section 220, the Deputy Commissioner of Taxes may also recover the tax in the manner provided in sub-section (2) or (3).

(2) For the purpose of recovery of tax payable by an assessee which is not disputed in appeal to any appellate forum, the Deputy Commissioner of Taxes may, with the previous approval of the Commissioner, after giving the assessee an opportunity of being beard, stop movement of any goods and services from the business premises of such assessee and also shutdown such business premises till the recovery of the tax referred to above or any satisfactory arrangement has been made for the recovery of such tax.

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(3) For the purpose of recovery of tax payable from the assessee, the Deputy Commissioner of Tax may, by notice in writing, direct any of the following persons to deposit or deduct and deposit the amount in the public treasury specified in the notice and, as the case may be, direct the further action to be taken in respect of the transfer of money or assets, namely:—

(a) from whom any money or goods is due or may become due to the assessee;

(b) who controls or may subsequently control the holding or receiving or disposal of money or goods owned by the assessee;

(c) who holds or supervises or manages, on behalf of the assessee, any asset of the assessee, of whatever nature;

(d) who, as an agent of a non-resident assessee, controls or may subsequently control the holding or receipt or disposal of any assets or goods on behalf of the non-resident;

(e) who is responsible for payment of any sum in respect of income from employment of the assessee; or

(f) who pays any amount under the head "Income from Rent" of the assessee.

(4) A person who has paid any sum as required by sub-section (3) shall be deemed to have paid such sum under the authority of the assessee and the receipt by the Deputy Commissioner of Taxes shall constitute a good and sufficient discharge of the liability of such person to the assessee to the extent of the sum specified in the receipt.

(5) If the person to whom a notice under sub-section (3) is sent fails to make payment or to make deductions in pursuance of the notice, he shall be deemed to be an assessee in default in respect of the amount specified in the notice and proceedings may be taken against him for realization of the amount as if it were an arrear of tax due from him; and the provisions of this Chapter shall apply accordingly.

(6) The Deputy Commissioner of Taxes may at any time amend or revoke any notice issued under sub-section (3) or extend the time for making any payment in pursuance of such notice.

(7) The Deputy Commissioner of taxes shall by notice direct the person responsible for the supply to disconnect or stop the connection of gas, electricity, water or other services to the assessee for the purpose of recovery of the tax due and the person responsible for the supply of gas, electricity, water or other services shall, on receipt of the notice under this section Disconnect or stop the said services within 21 (twenty-one) days.

(8) If any person fails to comply with the notice received under sub-section (6), such person shall himself be deemed to be a defaulting assessee and shall be personally liable for the payment of the tax due.

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(9) Where any person has disconnected or stopped the connection of any gas, electricity, water or other service in compliance with the notice received under sub-section (7), he shall restore the connection of such service after obtaining permission from the Deputy Commissioner of Tax.

(10) In any area with respect to which the Commissioner has directed that any arrears may be recovered by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of Bangladesh, the Deputy Commissioner of Taxes may proceed to recover the amount due by such process.

(11) For collection of municipal tax, local tax or other tax under sub-section (10) by any method applicable under any statutory law or under the Value Added Tax Act, 2012 (Act No. 47 of 2012), [1][the Customs Act, 2023 (Act No. LVII of 2023)] shall be prescribed by the Commissioner of Taxes as to the nature and extent of the powers and duties to be exercised by any authority by means of any procedure applicable to the collection of taxes.

222. **Simultaneous measures for tax collection**.—If tax collection proceedings are on-going under any other law for the time being in force or any section or provision of this Act, it shall not prevent the taking of tax collection proceedings in any other manner under this Act or any other section or provision of any other law.

CHAPTER II

INTERIM ATTACHMENT OR SEIZURE OF PROPERTY

223**. Interim attachment or seizure of property**.—(1) Where in the course of discharging functions under this Act, the Director General (Central Intelligence Cell) or the Commissioner has specific information to the effect that any person has concealed information relating to his income or investment, he may, by order issued in writing, require any person in whose possession for the time being any money, bullion, ornaments, financial documents, financial assets, valuables or any other property, not to remove, transfer or otherwise dispose of it without the prior permission of the concerned authority issuing such order.

(2) Such order shall cease to have any effect after the expiry of one year from the date of the passing of the order under sub-section (1).

(3) The Income-tax authority referred to in sub-section (1) may, subject to the approval of the Board, extend the said period:

Provided that the period of extension shall in no case exceed 1 (one) year in total.

(4) In computing the period referred to in sub-sections (2) and (3), if the order made under sub-section (1) is stayed by the Court for any period, such period, if any, shall be excluded.

[1] The words, comma, figures and brackets "the Customs Act, 2023 (Act No. LVII of 2023)" were substituted for the words, comma, figures and brackets "the Customs Act, 1969 (Act No. IV of 1969)" by section 14(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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CHAPTER III

REFUND AND SET OFF

224. **Right of refund**.—(1) Where any person satisfies the Deputy Commissioner of Taxes that the amount of tax paid by him or on his behalf in any year, or the amount of tax deemed to have been paid by him or on his behalf, is more than the amount of tax claimed from him under this Act in that year, in that case, he shall be entitled to refund of the excess amount paid.

(2) Where the income of any person is included in the total income of any other person under any provision of this Act, such other person shall be entitled to return under this Act solely in respect of such income.

225. **Adjustment of the claims and refund**.—(1) If any amount is due to an assessee for any period the provisions of this Act, the Income-tax Ordinance, 1984 (Ordinance No. XXXVI of 1984), the Gift Tax Act, 1963 (Act No. XIV of 1963) or the Gift Tax Act, 1990 (Act No. XLIV of 1990) or Wealth Tax Act, 1963 (Act No. XV of 1963), the said arrears shall be adjusted before payment of the refundable amount to the said assessee.

(2) Where a refundable amount is adjusted against any amount due for any period, the adjusted amount shall be deemed to have been paid to the assessee and the Deputy Commissioner of Taxes shall duly enter the same in the tax records of the assessee to that effect.

226. **Claim of refund**.—If any amount is refundable as a result of any order or proceeding under this Act, and the refundable amount is not transferred electronically to the assessee's bank account, the assessee may claim the refund in the prescribed manner.

227. **Claim of refund on behalf of deceased or incapacitated person**.—If a person is unable to claim or receive recovery of money due to him by reason of death, incapacity, bankruptcy, retirement or otherwise, his legal representative or trustee, guardian or, as the case may be, receiver may claim or accept the said refund for the benefit of his landed property.

228. **No question to be raised as to correctness of assessment of tax, etc**.— No claimant in claiming any refund under this chapter shall raise any question as to the correctness or validity of any order of assessment of tax or any other matter which has become final and conclusive or request reconsideration of the matter and the claimant shall not be entitled to any remedy other than a refund on account of excess tax paid.

229. **Refund on the basis of appeal order**.—Where, as a result of any order passed in appeal or other proceeding under this Act, refund of any amount becomes due to an assessee, the Deputy Commissioner of Taxes shall, refund the amount, unless set off against tax or treated as payment of tax as per provisions of section 225, to the assessee, within 60 (sixty) days from the date on which the refund has become due without his having to make any claim in that behalf.

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PART 15

PREVENTION OF TAX AVOIDANCE

CHAPTER I

GENERAL PROVISIONS RELATING TO PREVENTION OF TAX AVOIDANCE

230. **Definitions**.—For the purposes of this Chapter,—

(1) "tax benefit" shall include the following, namely:—

(a) directly or indirectly avoiding or reducing the liability of income-tax;

(b) directly or indirectly relieving a person from liability to pay income-tax or from a potential or prospective liability to future income-tax;

(c) directly or indirectly, avoiding, deferring or reducing any income tax liability, or any potential or prospective liability to future income-tax;

(d) delay in payment of income-tax;

(e) avoidance of the obligation to deduct or collect tax at source and deposit such tax in the Government treasury;

(2) **"arrangement"** means any consent, agreement, scheme or consensus enforceable or not enforceable and all acts and transactions through which it is executed;

(3) **"abuse of tax arrangement"** means any arrangement, whether executed by the person affected by the arrangement or any other person—

(a) which, in the absence of this section, directly or indirectly creates one or more tax benefits unless the arrangement is reasonably adopted or created for a bona-fide purpose other than the purpose of obtaining a tax benefit; or

(b) which, is a part of a multiple arrangement and the multiple arrangement, in the absence of this section, creates directly or indirectly 1 (one) or more tax benefits unless the multiple arrangement are reasonably adopted or created for any purpose other than the purpose of obtaining tax advantage.

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231. **Adjustment of tax benefits**.—(1) In cases where, in the course of any proceedings, it appears to the Deputy Commissioner of Taxes that an assessee has taken tax advantage by abusing a tax arrangement in any income year, the Deputy Commissioner of Taxes may make the necessary adjustments following the procedure mentioned in this section in pursuance of taking actions against such tax advantage received through abuse.

(2) The adjustment referred to in sub-section (1) shall include the following matters, namely:—

(a) enhancement of income;

(b) amendment of tax liability;

(c) adjustment of tax refunds;

(d) amendment of allowances, rebate etc.;

(e) any other order withdrawing the tax benefit.

(3) Any adjustment under this section shall have effect for all purposes under this Act.

232. **Procedure for adjustment**.—(1) In order to take action against the tax advantage, the Deputy Commissioner of Taxes shall issue a notice to the assessee specifying the following issues, namely:—

(a) the Deputy Commissioner of Taxes has reason to believe that the assessee has taken advantage of the tax through abuse of the tax arrangement;

(b) where applicable, details of the measures intended to be taken, including the purpose of the adjustment;

(c) to appear before the Deputy Commissioner of Taxes on the date specified in the notice to the assessee;

(d) submission of statements, documents and information necessary for decision on receipt of tax advantage.

(2) For the adjustment of tad benefit, the assessee shall be given an opportunity of being heard and be allowed at least 30 (thirty) days from the date on which notice was served on the assessee to the date of hearing.

(3) The Deputy Commissioner of Taxes shall issue an adjustment order subject to the prior approval of the Commissioner of Taxes after considering all the information presented to him on the basis of records, documents submitted by the assessee and presented during the hearing and shall notify the same to the assessee within 30 (thirty) days from the date of issuance of the order of adjustment.

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CHAPTER II

TRANSFER PRICING

233. **Definitions**.—For the purposes of this Chapter,—

(1) **"arm's length price"** means a price in a transaction, the conditions (e.g. price, margin or profit split) which do not differ from the conditions that would have prevailed in a comparable uncontrolled transaction between independent entities carried out under comparable circumstances;

(2) **"associated enterprise"** means any enterprise, directly or indirectly or through 1 (one) or more intermediate entities, participates in the management or control or capital of the other enterprise, and is bound by the following relationship with any other enterprise, namely:—

(a) the same person or persons (including his/her spouse, successors or predecessors), directly or indirectly or through 1 (one) or more intermediary entities, participates in the management or control or capital of both enterprise;

(b) one enterprise holds, directly or indirectly, shares carrying more than twenty-five percent of the voting power in the other enterprise;

(c) the same person or persons, [including his/her spouse, successors or predecessors) carrying more than 25% (twenty-five percent of the voting power] holds, directly or indirectly, both shares;

(d) more than half of the Board of directors or members of the governing Board of one enterprise are appointed by the other enterprise;

(e) any executive director or executive member of the governing Board of one enterprise is appointed by, or is in common with the other enterprise;

(f) the same person or persons appoint more than half of the Board of directors or member in both enterprises;

(g) the same person or persons appoint any executive director or executive member in both enterprises;

(h) one enterprise has the practical ability to control the decision of the other enterprise;

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(i) both organizations are members, subsidiaries or concerns of the same parent company or group;

(j) the two enterprises are bounded by such relationship of mutual interest as may be prescribed;

(k) the cumulative amount of borrowings of one enterprise from the other enterprise constitutes more than 50% (fifty percent) of the book value of the total assets of that other enterprise; or

(l) the cumulative amount of guarantees provided by one enterprise in favour of the other enterprise constitutes more than 10% (ten percent) of the book value of the total borrowings of the other enterprise.

(3) **"enterprise"** means a person or a venture of any nature (including a permanent establishment of such person or venture);

(4) **"independent enterprise"** means an enterprise that is not an associated enterprise;

(5) **"international transaction"** means any transaction between any associated enterprise, either or both of which is non-resident, by way of purchase, sale or lease of property, tangible or intangible, or provision of services, or lending or borrowing of money, or any other transaction bearing on the profit, income, loss, means any other transaction relating to assets, financial position or economic value, and includes any transaction of C with B if A has control over such transaction, in which case—

(a) B and A are associated enterprise; and

(b) C is not an associated enterprise of B;

(6) **"property"** includes goods, articles, things or items, patent, invention, formula, process, design, pattern, know-how, copyright, trademark, trade name, brand name, literary, musical, or artistic composition., franchise, license or contract, method, program, software, database, system, procedure, campaign, survey, study, forecast, estimate, customer list, technical data, any aspects of advertising and marketing, any item which has substantial value, or any other intangible property;

(7) **"record"** includes electronically held information, documents and records;

(8) **"Transfer Pricing Officer"** means any income tax authority authorized by the Board to perform the function of a Transfer Pricing Officer;

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(9) **"transaction"** includes an arrangement, understanding or action between two or more parties, whether or not such arrangement, understanding or action is final or in writing; or whether or not it is intended to be enforceable by legal proceeding;

(10) **"uncontrolled transaction"** means a transaction undertaken between enterprises not being the associated enterprises.

234. **Determination of income from international transaction having regard to arm's length price**.—Notwithstanding anything contained in Part 15 of this Act, the amount of any income, or expenditure, arising from an international transaction shall be determined having regard to the arm's length price.

235. **Computation of arm's lengths Price**.—(1) The arm's length price in relation to an international transaction shall be determined by applying the most appropriate method or methods selected from the following methods based on the nature of transaction, the availability of reliable information, functions performed, assets employed, risks assumed or such other factors as may be prescribed, namely:—

(a) comparable uncontrolled price method;

(b) resale price method;

(c) cost plus method;

(d) profit split method;

(e) transactional net margin method;

(f) any other method where it can be demonstrated that,—

(i) none of the methods mentioned in clause (a) to (e) can be reasonably applied to determine the arm's length price for the international transaction; and

(ii) such other method yields a result consistent with the arm's length price.

(2) Where the most appropriate method applied is a method other than the method referred to in clause (d) or clause (f) of sub-section (1) and the dataset of the arm's length price consists of 6 (six) or more entries, an arm's length range beginning from the 30 (thirty) percentile of the dataset and ending on the 70 (seventy) percentiles of the dataset shall be constructed and the arm's length price shall be—

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(a) if the price at which the international transaction has actually been undertaken is within the range referred as above, then the price at which such international transaction has actually been undertaken shall be deemed to be the arm's length price;

(b) if the price at which the international transaction has actually been undertaken is outside the arm's length range referred as mentioned above, the arm's length price shall be taken to be the median of the dataset;

(c) in a case the dataset is less than six entries, the arm's length price shall be the arithmetical mean of all the values included in the dataset.

(3) the most appropriate method referred to in sub-section (1) shall be applied for determination of arm's length price in the manner as may be prescribed:

Provided that the arm's length price determined under this section shall not result in total income lower than the total income that would have been resulted if the price at which international transaction has actually been undertaken were taken as the price charged or paid in the said international transaction.

(4) Where in the course of any assessment under Part 10, the Deputy Commissioner of Taxes is of the opinion that—

(a) the price charged or paid in an international transaction has not been determined by the assessee in accordance with sub-sections (1) and (3);

(b) the assessee has failed to maintain the information, documents or records in accordance with the provisions of section 237; or

(c) the information or data based on which the arm's length price was computed by the assessee is not reliable or correct,

in such case, the Deputy Commissioner of Taxes may determine the arm's length price in relation to the said international transaction in accordance with provisions of sub-sections (1) and (3) on the basis of information or documents or other evidence available to him.

(5) In determining the arm's length price under sub-section (4), the Deputy Commissioner of Taxes shall give an opportunity to the assessee by serving a notice calling upon him to show cause, on a date and time to be specified in the notice, why the arm's length price should not be so determined on the basis of information or documents or other evidence available to the Deputy Commissioner of Taxes.

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(6) Where an arm's length price is determined under sub-section (4) of this section or under sub-section (4) of section 236, the Deputy Commissioner of Taxes shall by an order in writing, proceed to compute the total income of the assessee having regard to the arm's length price so determined.

236. **Reference to Transfer Pricing Officer**.—(1) Notwithstanding anything contained in section 235 of this Act,—

(a) the Deputy Commissioner of Taxes, with prior approval of the Board, may refer the determination of the arm's length price under section 235 to the Transfer Pricing Officer;

(b) the Transfer Pricing Officer, with prior approval of the Board, may proceed to determine the arm's length price in relation to any international transaction.

(2) Where a reference is made or any proceedings have been initiated under sub-section (1), the Transfer Pricing Officer shall serve a notice on the assessee requiring him to produce or cause to be produced on a date to be specified therein, any evidence on which the assessee may rely in support of his computation of the arm's length price in relation to the international transaction in question.

(3) The Transfer Pricing Officer shall, after considering the evidence produced before him or available to him including the evidence as he may require on any specified points from the assessee or from any other person, and after taking into account all relevant materials which he has gathered shall, by order passed in writing, determine the arm's length price in relation to the international transaction in accordance with section 235 of this Act and send a copy of his order to the Deputy Commissioner of Taxes.

(4) The Deputy Commissioner of Taxes, upon receipt of the order under sub-section (3), shall proceed to compute the total income of the assessee in conformity with the arm's length price so determined by the Transfer Pricing Officer and in computing the income of a person that is exempted from tax or is subject to a reduced rate of tax, the adjustment made in conformity with the arm's length price so determined by the Transfer Pricing Officer shall be treated as income of such person and tax will be payable on such income at the regular rate.

(5) The Transfer Pricing Officer may rectify any order passed by him under sub-section (3) so as to correct any mistake apparent from the record either of his own motion or on the mistake having been brought to his notice by the assessee or any other income tax authority, and the provisions of section 330 of this Act shall, so far as may be, apply accordingly.

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(6) Where any rectification is made under sub-section (5), the Transfer Pricing Officer shall send a copy of his order to the Deputy Commissioner of Taxes who shall thereafter proceed to amend the order of assessment in conformity, with such order of the Transfer Pricing Officer.

237. **Maintenance and keeping of information, documents and records**.—(1) Every person who has entered into an international transaction shall keep and maintain such information, documents and records as may be prescribed.

(2) Without prejudice to the provisions of sub-section (1), the Board may prescribe the period for which the information, documents and records shall be kept and maintained.

(3) The Deputy Commissioner of Taxes may, by notice in writing, require any person to furnish any information, documents and records as prescribed under sub-section (1) within the period as may be specified in the notice.

238. **Statement of international transactions to be submitted**.— Every person who has entered into an international transaction shall furnish, along with the return of income, a statement of international transactions in the form and manner as may be prescribed.

239. **Report from an accountant to be furnished**.—The Deputy Commissioner of Taxes may, by notice in writing. requite that a person who has entered into international transaction or transactions the aggregate value of which, as recorded in the books of accounts, exceeds Taka 3 (three) crore during an income year shall furnish within the period as may be specified in the notice and in the form and manner as may be prescribed, a report from a Chartered Accountant or a Cost and Management Accountant regarding all or of a part of information, documents and records furnished under section 237.

CHAPTER III

OTHER PROVISIONS RELATING TO AVOIDANCE OF TAX

240. **Avoidance of tax through transactions with non-residents**.— Where any business is carried on between a resident and a non-resident and it appears to the Deputy Commissioner of Taxes that, owing to the close connection between them, the course of business is so arranged that the business transacted between them produces to the resident either no profits or profits less than the ordinary profits which might be expected to yield in that business, the Deputy Commissioner of Taxes shall determine the amount of income which may reasonably be considered to have accrued to the resident from such business and include such amount in the total income of the resident.

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241. **Avoidance of tax through transfer of assets**.—(1) Any income which becomes payable to a non-resident by virtue, or in consequence, of any transfer of assets whether alone or in conjunction with associated operations shall be deemed to be the income of the person who—

(a) has acquired, by means of such transfer or associated operations, any right by virtue, or in consequence, of which he has power to enjoy whether forthwith or in future, the income which becomes so payable to the non-resident,

(b) has received or is entitled to receive at any time, for reasons attributable to such transactions or associated operations, any sum paid or payable by way of loan or repayment of loan or any other sum, not being a sum paid or payable as income or for full consideration of money or money's worth.

(2) The income which becomes payable to a non-resident and is deemed under sub-section (1), to be the income of the person referred to therein shall be so deemed for all purposes of this Act, whether such income would or would not have been chargeable to tax apart from the provisions of this section.

(3) The provisions of this section shall not apply if the Deputy Commissioner of Taxes is satisfied that—

(a) such transfer or any associated activities did not involve one or more purposes of tax avoidance; or

(b) that the transfer and all associated activities were bona fide commercial transaction and were not intended for avoidance.

(4) Where any person has been charged to tax on any income which is deemed under sub-section (1) to be his income, no tax on that income shall again be charge considering it to form part of his income.

(5) For the purposes of this section, a person shall be deemed to have power to enjoy the income payable to a non-resident if—

(a) such income is in fact so dealt with as to be computed to ensure at any time for the benefit of such person in any form;

(b) the receipt or accrual of such income operates to increase the value of any assets held by such person or for his benefit;

(c) such person receives or is entitled to receive at any time any benefit provided or to be provided—

i. out of such income; or

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ii. out of money which is, or will be, available for the purpose by reason of the effect or successive effects of associated operations on such income and on any assets representing the income;

(d) such person has, by means of the exercise of any power of appointment, revocation or otherwise, power to obtain for himself, with or without the consent of any other person, the beneficial enjoyment of such income; or

(e) such person is able to control, directly or indirectly, the application of such income, in any manner whatsoever.

(6) In determining whether a person has power to enjoy income, regard shall be had to the substantial result and effect of the transfer and any associated operations, and to all benefits which may at any time accrue to such person as a result of the transfer and associated operations irrespective of the nature or form of the benefit.

(7) For the purposes of this section,—

(a) "assets" includes property or rights of any kind and "transfer", in relation to assets being rights, includes creation of those rights;

(b) "associated activities", in relation to any transfer, means an operation of any kind effected by any person in relation to—

i. any of the assets transferred;

ii. any income arising from such assets; or

iii. any assets representing, directly or indirectly, any of the assets transferred, or the accumulation of the income arising from such assets;

(c) "benefit" includes a payment of any kind;

(d) "references to assets representing any assets transferred, or any income or accumulation of income arising therefrom" includes references to shares in or obligation of any company to which, or the obligation of any other person to whom, any such assets or that income or accumulation of income is or has been transferred; and

(e) any body corporate incorporated outside Bangladesh shall be treated as a non-resident.

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242. **Avoidance of tax by transactions in securities**.—(1) Where the owner of any securities sells or transfers those securities and buys them back or reacquires them, or buys or acquires similar securities, and the result of the transactions is that any interest becoming payable in respect of the original securities sold or transferred by the owner is not receivable by the owner, the interest payable as aforesaid shall be deemed, for all purposes of this Act, to be the income of such owner and not of any other person, whether the interest payable as aforesaid would or would not have been chargeable to tax apart from the provisions of this sub-section.

(2) Where any person has had for any period during an income year any beneficial interest in any securities and the result of any transactions, within that year relating to such securities or the income thereof is that no income is received by him, or that the income received by him is less than the sum which the income would have amounted to had the income from such securities accrued from day to day, and been apportioned to the said period, then the income from such securities for the said period shall be deemed to be the income of such person.

(3) Where, any person carrying on a business which consists wholly or partly in dealing in securities buys or acquires any securities from any other person and either sells back or retransfers those securities, or sells or transfers similar securities, to such other person, and the result of the transactions is that the interest becoming payable in respect of the securities bought or acquired by him is receivable by him but is not deemed to be his income by reason of the provisions of sub-section (I), no account shall be taken of the transactions in computing for any of the purposes of this Act any income arising from, or loss sustained in, the business.

(4) The Deputy Commissioner of Taxes may, by notice in writing, require any person to furnish him, within such time, not being less than 28 (twenty-eight) days, as may be specified in the notice, such particulars in respect of all securities of which such person was the owner, or in which he had beneficial interest at any time during the period specified in the notice, as the Deputy Commissioner of Taxes may consider necessary for the purpose of ascertaining whether tax has been borne in respect of the interest on all those securities and also for other purposes of this section.

(5) For the purposes of this section,—

(a) "interest" includes dividend; and

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(b) securities shall be deemed to be similar if they entitle their holders to the same right against the same persons as to capital and interest and the same remedies for the enforcement of these rights, notwithstanding any difference in the total nominal amounts of the respective securities or in the form in, which they are held or in the manner in which they can be transferred.

243. **Tax clearance certificate required for persons leaving Bangladesh**.—(1) Subject to such exceptions as the Board may make in this behalf, a person who is not domiciled in Bangladesh, or a person who being domiciled in Bangladesh at the time of his departure is not, in the opinion of an income tax authority likely to return to Bangladesh, shall not leave Bangladesh without obtaining from the Deputy Commissioner of Taxes authorized in this behalf by the Board-

(a) a tax clearance certificate, or

(b) if he has the intention of returning to Bangladesh, an exemption certificate which shall be issued only if the Deputy Commissioner of Taxes is satisfied that such person has such intention; and such exemption certificate may be either for a single journey or for all journeys within the period specified in the certificate.

(2) The owner or charterer of any ship or aircraft, who issues any authority to any person referred to in sub-section (1) for travel by such ship or aircraft from any place in Bangladesh to any place outside Bangladesh unless such person has a certificate required by that sub-section, shall—

(a) be liable to pay the amount of tax, if any, which has or may become due and payable by the person referred to in sub-section (1) and also to a penalty which may extend to Taka 20 (twenty) thousand; and

(b) be deemed, for the purposes of recovery of such tax and penalty, to be an assessee in default, and all the provisions of this Act shall apply accordingly.

(3) For the purposes of this section,—

(a) "Exemption certificate", in relation to any person means a certificate to the effect that such person is exempt from the requirement of having tax clearance certificate for the purpose of the journey or journeys specified therein;

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(b) "Owner" or "charterer" includes any representative, agent or employee who may be empowered by the owner or charterer of a ship or aircraft to issue an authority to travel by the ship or aircraft;

(c) "Tax payment certificate" in relation to a person means a certificate to the effect that such person has no tax liability under this Act or the Gift Tax Act, 1990 (Act No. 44 of 1990), or that satisfactory arrangements have been made for the payment of all or any of such taxes which are or may become payable by such person.

PART 16

INTERNATIONAL AGREEMENT MANAGEMENT

CHAPTER I

TAX AGREEMENT

244. **Tax agreement**.—(1) The Government may enter into agreements with the Government of any other country in respect of the following matters, namely:—

(a) tax relief in respect of the following matters:

(i) such income on which tax has been paid under this Act any corresponding law in force in other countries; or

(ii) any tax leviable under this Act and any corresponding law in force in that country for the purpose of encouraging mutual economic relations, trade and investment;

(b) determination of income from sources within and outside Bangladesh;

(c) avoidance of double taxation and prevention of fiscal evasion under this Act and corresponding law in force in that countries;

(d) exchange of information for prevention of fiscal evasion or avoidance of tax on income or investigation of cases relating to such evasion under this Act and corresponding law in force in other countries;

(e) recover taxes under this Act and under corresponding law in force in other countries; and

(f) for the purposes of this Act and any corresponding law in force in another country.

(2) Board, by notification in the official Gazette, make such provisions as may be necessary for implementing the agreement.

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(3) Any agreement made in pursuance of sub-section (1) may include provisions for relief from tax for any period before the commencement of this Act or before the making of the agreement and provisions as to income which are not themselves subject to double taxation.

(4) In cases where the agreement entered into under this section includes any provision for granting set off against the tax payable in Bangladesh in respect of the tax payable under the law of the country concerned, the provisions relating to the said foreign tax adjustment in Chapter II of this Part shall apply.

CHAPTER II

EXEMPTION AND FOREIGN TAX CREDIT

245. **Definition**.—(1) For the purposes of this section,—

(a) **"Bangladesh tax"** means income tax levied under the provisions of this Act;

(b) **"Foreign tax"** means, in accordance with the provisions of section 244 of this Act, in relation to an agreement in force with a foreign state, the tax leviable under the laws of that state which is admissible for adjustment under the agreement;

(c) **"Foreign income tax"** means any foreign income tax corresponding to income tax.

(2) Where any tax leviable under the laws of concerned country is deemed to be an income tax, in accordance with the agreement in force under section 244, that tax shall be deemed to be a foreign tax other than a foreign tax or a foreign income tax, as the case may be.

(3) Any reference to foreign tax or foreign income tax in respect of concessions allowed under any agreement under this Chapter shall be deemed to be a reference to tax imposed by the Government of the country with which agreement is concluded.

246**. Relief in respect of income arising outside Bangladesh**.—If any person who is resident in Bangladesh in any year proves to the satisfaction of the Deputy Commissioner of Taxes that in respect of any income which has accrued or arisen to him during that year outside Bangladesh, he has paid tax, by deduction or otherwise, in any country with which there is no reciprocal agreement for relief or avoidance of double taxation, the Deputy commissioner of Taxes may, in accordance with the existing provisions, deduct from the tax payable by him in Bangladesh a sum equal to the tax calculated on such doubly taxed income al the average rate of tax of Bangladesh or the average rate of tax of the said country, whichever is the lower.

Explanation.—The expression **"average rate of tax"** means the rate arrived at by dividing the amount of tax calculated on the total income by such income.

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247. **Foreign tax credit**.—(1) Subject to the provisions of this Act, where, under an agreement executed under section 244, set off benefit is allowed against Bangladesh tax levied on any income, subject to the provisions of the said agreement, the tax chargeable shall be reduced by an amount equal to such set off benefit.

(2) An adjustment under sub-section (1) shall not be admissible against the said income tax if the assessee whose income is chargeable to tax in any assessment year is not a resident during the period on which such income is assessed.

(3) The amount of adjustment admissible on account of payment of foreign tax against Bangladesh tax in respect of any income shall not exceed the amount assessed at the average rate of tax prescribed on double taxable income.

248. **Effect of computation of income on approval of foreign tax adjustment**.—(1) Where the income includes dividends, and in case of such dividends under the agreement, it necessary to consider any foreign tax (directly claimable or whether deductible on the basis of dividends or not) for the purpose of determining whether any rebate shall be allowed against Bangladesh tax or the amount of rebate payable, then the relevant income shall be deemed to have been increased by an equivalent portion of the foreign tax related to the dividends considered for the purpose of determining the amount of rebate.

(2) Where, under sub-section (1), an amount of income is deemed to have been increased, the foreign tax paid on the dividend paid at any particular time by the statutory body paying the dividend, unless foreign tax, directly or by way of deduction, is chargeable or if the said dividend is not paid within the prescribed period, the dividend paid at the time of preparation of the last accounts completed by the said statutory body before the dividend is payable shall be taken into consideration.

Explanation.—For the purposes of this sub-section, **"paid"** shall be deemed to be paid, deposited or distributed or to have been paid, deposited or distributed.

(3) Notwithstanding anything contained in the preceding provisions of this section and in section 55, if any portion of foreign tax on any source of income is not allowed a rebate against Bangladesh tax, the amount of such income shall be deemed to be reduced by an amount equal to the portion of such foreign tax.

(4) Where any income tax is payable on the basis of money received from Bangladesh, in that case the amount of the said money shall be deemed to have increased by the amount of allowance allowed as concession against income tax.

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(5) The provisions of sub-sections (1) and (3) of this section shall not apply in computing the total income of a person for the purpose of determining the rate referred to in sub-section (3) of 247, and in accordance with sub-section (4) of this section 'allowable against income-tax' concessional benefit' shall be substituted by 'foreign tax paid at source of income'.

249. **Limitation of claim of foreign tax credit**.—(1) Subject to the provisions of sub-section (2), a claim for approval as credit for foreign tax paid in respect of any income shall be 2 (two) years after the assessment year in which such income was or would have been chargeable in Bangladesh within the year the office in which the income tax of the said assessee has been imposed should be raised with the Commissioner of Taxes.

(2) For the purpose of claiming refund of tax or reassessment of tax in circumstances arising as a result of the adjustment, where the benefit provided under the agreement is deemed to be excessive or insufficient as a result of adjustment of any tax payable in Bangladesh or as a result of adjustment of any tax payable under the law of any other State, as provided in this Act the time limit shall not apply if the assessment or refund claim is not satisfied within 2 (two) years after all such assessments, adjustments and other assessments arising therefrom have been completed in Bangladesh or elsewhere.

250. **Appeal**.—Where an order passed by the Deputy Commissioner of Taxes disallows the foreign tax rebate claimed by an assessee, in whole or in part, the assessee may appeal to the Appellate Joint Commissioner within 30 (thirty) days of the delivery of the said order passed by the Deputy Commissioner of Taxes to the assessee and similarly, the provisions of Chapter II of Part 20 of this Act shall apply with necessary modifications.

251. **Provisions for deduction of tax at source in case of Double Taxation Agreement.**—(1) Where any agreement entered into with the Government is in force in accordance with the provisions of section 244 of this Act, any particular class of income accruing to a person resident in any of the contracting countries shall be exempt from tax in Bangladesh and in accordance with the provisions of this Act, tax shall be deductible from the said income, in which case the provisions of this section shall apply.

(2) Where a person, (referred to in this section as a Bangladeshi assesse) pays any such class of income to a person entitled to enjoy the income of the specified country (referred to in this section as a non-resident), such person shall, subject to notice directed by or under the Board to the non-resident, pay any such income to the non-resident. may be paid without deduction and on the date on which such notice is issued, to the Bangladeshi payee, any amount of income, without any deduction under the provisions of this section, from the source specified in the notice to the non-resident person specified in the notice, or the probable income for any such year, of which the above contract remains in force, to be paid.

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(3) Any notice given under sub-section (2) shall be deemed to be invalid if in any case, whether or not such description is made, it is invalidated by an order made by the Board or by a cancellation notice issued thereunder; and if any such event occurs to the knowledge of the Bangladeshi assessee or any notice of cancellation is given to him, then income of making any payment by the Bangladeshi assessee to the non-resident, tax shall be deducted in accordance with the provisions of this Act after such event has become known to the Bangladeshi assessee or, as the case may be, after the Bangladeshi assessee has received the notice.

PART 17

AGENCY, REPRESENTATIVE AND RELATED MATTERS

252. **Liability of representatives in certain cases**.—(1) Every person who is a representative of another person in respect of any income shall, for the purpose of this section, in respect of such income—

(a) be subject to the same duties, responsibilities and liabilities as if such income were received by, or accruing to, or in favor of, him beneficially;

(b) be liable to assessment in his own name; and

(c) be deemed, subject to other provisions of this Part, to be the assessee for all purposes of this Act.

(2) A person who is assessed in pursuance of this section as a representative in respect of any income, shall not, in respect of the same income, be assessed under any other provision of this Act.

(3) Nothing in this section shall prevent either the direct assessment of the person for whom, or on whose behalf or for whose benefit, the representative is entitled to receive any income or recovery from such person of the tax payable in respect of such income.

(4) For the purposes of this section—

(a) the guardian, manager or trustee who receives or is entitled to receive any income for, or on behalf or for the benefit, of any minor, lunatic or idiot, shall be the representative in respect of such income;

(b) the Administrator-General, the Official Trustee, or any receiver, manager or other person, however designated, appointed by or under any order of a Court, who receives or is entitled to receive any income for, or on behalf or for the benefit, of any other person shall be the representative in respect of such income;

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(c) the trustee or trustees appointed under trust declared by a duly executed instrument in writing, whether testamentary or otherwise, including a legally valid deed of waqf, who receive or are entitled to receive any income for, or on behalf or for the benefit, of any person shall be the representative in respect of such income;

(d) a person who is treated under section 253 as an agent in relation to a non-resident, shall be the representative in respect of such income of the non-resident as is deemed to accrue or arise in Bangladesh under section 27.

253. **Persons to be treated as an agent**.—(1) For the purposes of this Act, the following persons shall, subject to the provisions of sub-sections (2) and (3), be treated as agent in relation to a non-resident, namely:—

(a) any person in Bangladesh—

(i) who is employed by, or on behalf of, the non-resident;

(ii) who has any business connection, with the non-resident,

(iii) who holds, or controls the receipt or disposal of, any money belonging to the non-resident;

(iv) who is a trustee of the non-resident; or

(v) from or through whom the non-resident is in receipt of any income, whether directly or indirectly;

(b) any person, whether a resident or non-resident, who has acquired, by means of transfer, a capital asset in Bangladesh from a person residing outside Bangladesh;

(c) any person who, for any other reasonable cause, is declared or treated as an agent of the non-resident.

(2) An independent broker in Bangladesh, who, in respect of any transaction, does not deal directly with, or on behalf of, a non-resident principal but deals with, or through, a non-resident broker, shall not be treated as an agent in relation to a non-resident in respect of such transaction, if—

(a) the transaction is carried on in the ordinary course of business through the non-resident broker; and

(b) the non-resident broker is carrying on such transaction in the ordinary course of business.

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(3) No person shall be treated under this Act as an agent in relation to a non-resident unless he has been given by the Deputy Commissioner of Taxes and opportunity of being heard.

254. **Right of representative to recover tax paid**.—(1) A representative who, on account of his liability under section 252, pays any sum, shall be entitled to recover the sum so paid from the person on whose behalf it paid or to retain out of any money that may be in his possession or may come to him in his possession or may come to him in his capacity as a representative, an amount equivalent to the sum so paid.

(2) A representative, or any person who apprehends that he may be assessed as a representative, may retain out of any money payable to the person (hereinafter referred as "the beneficiary") on whose behalf be is liable to tax under section 252, a sum not exceeding estimated liability.

(3) In the event of any disagreement between the beneficiary and the representative or, as the case may be, the person apprehensive of being assessed as representative as to the amount to be retained under sub-section (2), such representative or person may secure from the Deputy Commissioner of Taxes a certificate stating the amount to be so retained pending the settlement of the liability and the certificate so obtained shall be deemed to be a warrant for retaining that amount.

255. **Liability of firm or association for unrecoverable tax due from partners or members**.—(1) Where any tax payable by partner of a firm or a member of an association of persons in respect of his share of the income from the firm or association, as the case may be, cannot be recovered from him, the Deputy Commissioner of Taxes shall notify the amount of the tax to the firm or association of persons.

(2) Upon notification of the amount of tax under sub-section (1), the firm or association of persons so notified shall, notwithstanding anything contained in any other law for the time being in force, be liable to pay the said tax and shall, for the purposes of recovery thereof, deemed to be an assessee in respect of such tax, and the provisions of this Act shall apply accordingly.

256. **Liability of partners, etc. for discontinued business of a firm, etc**.—(1) Where any business or profession carried on by a firm or an association of persons has been discontinued, or where a firm or an association of persons is dissolved, assessment of the total income or the firm or association may be made as if no such discontinuance or dissolution had taken place; and all the provisions of this Act shall, so far as may be, apply accordingly.

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(2) Where an assessment is made under sub-section (1) in respect or a firm or an association of persons, every person who was a partner of the firm or member of the association at the time of discontinuance of business, or as the case may be, dissolution of the firm or association, and the legal representative of any such person who is deceased, shall be jointly and severally liable for the said tax found payable by the firm or association upon such assessment and shall, for the purpose of recovery of such tax, including penalty and other sum payable, be deemed to be an assessee; and the provisions of this Act shall apply accordingly.

257. **Liability of directors for unrecoverable tax of private companies**.—(1) Where any private company is wound up or has discontinued business for 3 (three) successive years and any tax assessed on the company, whether before, or in the course of, or after its liquidation, in respect of any income of any income year cannot be recovered, every person who was, at any time during the relevant income year, a director of that company, shall, notwithstanding anything contained in the Companies Act, 1994 (Act No. XVIII of 1994), be liable to pay the said tax and shall, for the purposes of recovery thereof, be deemed to be an assessee in respect of such tax; and the provisions of this Act shall apply accordingly.

(2) Notwithstanding the provisions of sub-section (1), the liability of any person there under in respect of the income of a private company shall cease if he proves to the Deputy Commissioner of Taxes that non-recovery of tax from the company cannot be attributed to any gross neglect, misfeasance or breach of any duty on his part in relation to affair of the company.

258. **Liability of liquidator for tax of private companies under liquidation.**—(1) A liquidator of a private company which is wound up, whether under the orders of a court or otherwise, shall, within 30 (thirty) days after he has become such liquidator, give notice of his appointment as such to the Deputy Commissioner of Taxes having jurisdiction to assess the company.

(2) The Deputy Commissioner of Taxes shall, after making such enquiries or, calling for such information as he may consider necessary, notify to the liquidator, within 3 (three) months of the date of receipt of the notice under sub-section (1), the amount which, in his opinion, would be sufficient to provide for any tax which is then, or is likely thereafter to become, payable by the company.

(3) On being notified under sub-section (2), the liquidator shall set aside an amount equal to the amount so notified and shall not, before be sets aside such amount, part with any of the assets of the company except for the purpose of payment of tax payable by the company or for making payment to secure such creditors as are entitled under the law to priority of payment over debts due to the Government on the date of liquidation.

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(4) The liquidator shall be personally liable for payment of the tax on behalf of the company to the extent of the amount notified, under sub-section (2), if he—

(a) fails to give notice as required by sub-section (1); or

(b) contravenes the provisions of sub-section (3).

(5) Where more than one liquidator are appointed, the obligations and liabilities of a liquidator under this section shall attach to all the liquidators jointly and severally.

(6) This section shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

(7) In this section. "liquidator" includes any person who has been appointed to be receiver of the assets of the company under liquidation.

259. **Liability to tax in case of shipping business of non-resident**.—(1) Notwithstanding anything contained in this Act, where a non-resident carries on the business of operation of ships as the owner or charterer thereof, hereinafter in this section referred to as the principal, tax shall be levied and collected in respect of such business in accordance with the provisions of this section.

(2) Before the departure from any port in Bangladesh of any ship, the master of the ship shall prepare and furnish to the Deputy Commissioner of Taxes a return showing—

(a) the amount paid or payable whether in or out of Bangladesh to the principal, or to any person on his behalf, on account of the carriage of passengers, livestock, mail or goods shipped at the port since the last arrival of the ship; and

(b) the amount received, or deemed to be received in Bangladesh by, or on behalf of, the principal on account of the carriage of passengers, livestock, mail or goods shipped at any port outside Bangladesh.

(3) On receipt of the return, the Deputy Commissioner of Taxes shall determine the aggregate of the amounts referred to in sub-section (2) and, for this purpose, may call for such particulars, accounts or documents, as he may require and the aggregate of the said amounts so determined shall be deemed to be income received in Bangladesh by the principal from the said business chargeable to tax under this Act under the head "Income from business", and tax thereon shall be charged at the rate of 8% (eight percent) of such income.

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(4) Where the Deputy Commissioner of Taxes is satisfied that it is possible for the master of the ship or the principal to furnish the return required under sub-section (2) before the departure of the ship from the port and the principal has made satisfactory arrangements for the filing of the return and payment of the tax by any other person on the behalf, the Deputy Commissioner of Taxes may, if the return is filed within 30 (thirty) days of the departure of the ship deemed the filing of the return by the person so authorized by the principal as sufficient compliance with sub-section (2):

Provided that where any charge mentioned in sub-section (8) is accrued after the expiry of said 30 (thirty) days, the other person mentioned in this sub-section shall file a supplementary return in respect of such charge and pay tax thereon within next 30 (thirty) days from the end of the month in which the charge has accrued.

(5) No port clearance shall be granted to the ship until the Commissioner of Customs or any other officer duly authorized to grant the same, is satisfied that the tax payable under sub-section (3) has been duly paid or that satisfactory arrangements have been made for the payment thereof.

(6) Nothing contained in this Act shall be so construed as to allow any expense against the aggregate amount of receipts as determined under sub-section (3).

(7) The tax paid under this section shall be deemed to be the final discharge of the tax liability of the assesseeunder this Act, and the assessee shall not be required to file the return of total income under section 166 nor shall he be entitled to claim any refund or adjustment on the basis of such return.

(8) For the purpose of this section, the amount referred to in sub-section (2) shall include the amount paid or payable by way of demurrage charge or handling charge or any other amount of similar nature.

260. **Liability to tax in case of air transport business of non-residents**.—(1) Notwithstanding anything contained in this Act, where a non-resident person carries on the business of operation of aircraft, as the owner or charterer thereof (hereinafter in this section referred to as "the principal"), and any aircraft owned or chartered by him calls on any airport in Bangladesh, the aggregate of the receipts arising from the carriage of passengers, livestock, mail or goods loaded at the said airport into that aircraft shall be deemed to be income received in Bangladesh by the principal from the said business chargeable to tax under the head "Income from business", and tax thereon shall be charged at the rate of 3% (three percent) of such income.

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(2) The principal or an agent authorized by him in this behalf shall prepare and furnish to the Deputy Commissioner of Taxes, within 45 (forty-five) days from the last day of each quarter of every financial year, that is to say, 30 September, 31 December, 31 March and 30 June, respectively, return in respect of each quarter as aforesaid showing—

(a) the amount paid or payable whether in or out of Bangladesh to the principal, or to any person on his behalf, on account of the carriage of passenger, livestock, mail or goods loaded at the said airport; and

(b) the amount received, or deemed to be received, in Bangladesh by, or on behalf of, the principal on account of the carriage of passengers, livestock, mail or goods at any airport outside Bangladesh.

(3) On receipt of the return, the Deputy Commissioner of Taxes may, after calling for such particulars, accounts or documents, as he may require, determine the aggregate of the amounts referred to in sub-section (2), and charge tax as laid down in sub-section (1).

(4) Where, the principal fails to pay the tax payable under sub-section (1) for more than 3 (three) months, the Commissioner of Taxes may issue to the authority by whom clearance may be granted to that aircraft, a certificate containing the name of the principal and the amount of tax payable by him, and on receipt of such certificate, the said authority shall refuse clearance from any airport in Bangladesh to any aircraft owned or chartered by such person until the tax payable has been paid.

(5) Nothing contained in this Act shall be so construed as to allow any expense against the aggregate amount of receipts as determined under sub-section (3).

(6) The tax paid under this section shall be deemed to be the final discharge of the tax liability of the assessee under this Act, and the assessee shall not be required to file the return of total income under section [1][166] nor shall he be entitled to claim any refund or adjustment on the basis of such return.

[1] The figure “166” was substituted for the figure “167” by section 14(e) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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PART 18

REGISTRATION OF ASSESSEE

261. **Registration of assessee.**—(1) A person shall register himself as an assessee if he—

(a) is an assessee;

(b) is liable to file a return under section 166;

(c) is bound to furnish proof of submission of return under section 264;

(d) is willing to pay tax or file return.

(2) The Board shall issue a Taxpayer's Identification Number (TIN) to the registered assessee.

(3) The Board may, by general or special order, direct any TIN holder or class of persons to produce any information or documents for the purpose of up-gradation or re-registration.

(4) Where a person who is eligible to be a registered assessee under sub-section (1) but fails to obtain a TIN upon registration, the Income Tax Authority may register such person and issue a TIN.

262. **Cancellation of registration of assessee**.—(1) A person shall apply for cancellation of registration, if such person—

(a) is no longer obliged to furnish proof of filing of return under section 264 and—

(i) is no longer defined as an assessee under clause (22) of section 2;

(ii) had zero taxable income for the past 3 (three) consecutive years and in future taxable income will be zero due to physical disability or any other reason; or

(iii) no longer required to return under section 166;

(b) ceases to exist due to death, termination, dissolution or similar;

(c) leaves Bangladesh permanently and does not engage in any income-generating activities in Bangladesh;

(d) duplicate registration or obtained registration mistakenly;

(e) changes legal status;

(f) shows any other lawful reason.

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(2) On receipt of an application for cancellation of registration, the Income Tax Authority may, after scrutinizing the application, cancel the registration of the assessee, if he is satisfied that—

(a) there is no outstanding liability payable by the assessee;

(b) no tax assessment is pending against the assessee;

(c) no income tax dispute is pending in any forum; and

(d) the reason given by the assessee for cancellation of registration under sub-section (1) is true.

(3) The Board may, by its own discretion, cancel the registration of an assessee in the following cases, namely:—

(a) there is a ground for deregistration of an assessee under sub-sections (1) and (2);

(b) there is a reasonable ground to believe that assessee has no income from an actual or legitimate source;

(c) the registration is taken for the purpose of committing a financial crime or as part of a money laundering scheme; or

(d) the information provided during the registration process was incorrect and untrue.

(4) The Board may retain all information and records of a deregistered assessee for such period as it thinks fit.

(5) For the purposes of this section, "cancellation registration" means to make a TIN inactive, dormant and unusable publicly, but does not include the deletion or erasure of information already obtained.

263. Withholder Identification Number (WIN).—(1) Every person liable to deduct or collect tax under Part 7 shall obtain a withholder identification number, hereinafter referred to as WIN, in the manner prescribed by the Board.

(2) Nothing in this section shall prevent any person referred to in sub-section (1) from taking any action against him, including imposing personal liability, even if he does not receive WIN.

(3) Where a person is required to obtain WIN, but fails to do so, a Temporary Withholder Number (TWIN) shall be issued to such person in the manner prescribed by the Board.

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264. **Obligation to file proof of submission of return**.—(1) Notwithstanding anything contained in this Act, a person shall be required to furnish a proof of submission of return in the cases mentioned in sub-section (3).

(2) "Proof of submission of return" means—

(a) a certificate or acknowledgment receipt of return;

(b) a system generated certificate containing name of assessee, TIN and the assessment year; or

(c) a certificate issued by the Deputy Commissioner of Taxes containing assessee's name, TIN and the assessment year.

(3) The "proof of submission of return" shall be furnished in the following cases, namely:—

1. applying for a loan exceeding Taka 20 (twenty) lakh, subject to non-taxable income;

2. becoming a director or a sponsor shareholder of a company;

3. obtaining or continuing an import registration certificate or export registration certificate;

4. obtaining or renewal of a trade license in the area of a city corporation or paurashava;

5. obtaining registration of co-operative society;

6. obtaining or renewal of license or enlistment as a surveyor of general insurance;

7. obtaining registration, by a resident, of the deed of transfer, baynanama or power of attorney or selling of a land, building or an apartment situated within a city corporation or a paurashava or cantonment Board, where the deed value exceeds Taka 10 (ten) lakh;

8. obtaining or maintaining a credit card;

9. obtaining or continuing the membership of the professional body as a doctor, dentist, lawyer, chartered accountant, cost and management accountant, engineer, architect or surveyor or any other similar profession;

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10. obtaining and retaining a license or appointment, as the case may be, as a Nikah Registrar under the Muslim Marriages and Divorces (Registration) Act, 1974 (LII of 1974), Hindu Marriage Registrar under the Hindu Marriage Registration Act, 2012 (Act No. XL of 2012) and Special Marriage Act, 1872 (Act No. III of 1872);

11. obtaining or continuing the membership of any trade or professional body;

12. obtaining or renewal of a drug license, a fire license, environment clearance certificate, BSTI licenses and clearance;

13. obtaining or continuing commercial and industrial connection of gas in any area and obtaining or continuing residential connection of gas in city corporation area;

14. obtaining or continuing a survey certificate of any water vessel including launch, steamer, fishing trawler, cargo, coaster and dumb barge etc., plying for hire;

15. obtaining the permission or the renewal of permission for the manufacture of bricks by Deputy Commissioner's office in a district or Directorate of Environment, as the case may be;

16. obtaining the admission of a child or a dependent in an English medium school, situated in any city corporation, district headquarter or paurashava;

17. obtaining or continuing the connection of electricity in the area of a city corporation or cantonment Board;

18. obtaining or continuing the agency or the distributorship of a company;

19. obtaining or continuing a license for arms;

20. opening a letter of credit for the purpose of import;

21. opening postal savings accounts of Taka exceeding 5 (five) lakhs;

22. opening and continuing term deposit exceeding Taka 10 (ten) lakhs;

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23. purchasing savings instruments (Sanchayapatra) of Taka exceeding 5 (five) lakhs;

24. participating in any election in upazilla, zilla parishad, city corporation or Jatiya Sangsad, paurashava;

25. participating in a shared economic activity by providing motor vehicle, space, accommodation or any other assets;

26. receiving salary and benefits by any person employed in the management or administrative function or in any supervisory position in the production function;

27. receiving salary and benefits by public servants;

28. receiving any commission, fee or other sum in relation to money transfer through mobile banking or other electronic means or in relation to the recharge of mobile phone account;

29. receiving any payment by a resident from a company on account of any advisory or consultancy service, catering service, event management service, supply of manpower or providing security service;

30. receiving any amount from the Government under the Monthly Payment Order (MPO) if the amount of payment exceeds Taka 16 (sixteen) thousand per month;

31. registration or renewal of agency certificate of an insurance company;

32. registration, change of ownership or renewal of fitness of a motor vehicle of any types excluding two and three wheelers;

33. releasing overseas grants to a non-government organization registered with NGO Affairs Bureau or to a Micro Credit Organization having license with Micro Credit Regulatory Authority;

34. selling of any goods or services by any using any digital platforms to consumers in Bangladesh;

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35. submitting application for the membership of a club registered under the Companies Act, 1994 (Act No. XVIII of 1994) and Societies Registration Act, 1860 (Act No. XXI of 1860);

36. submitting tender documents by a resident for the purpose of supply of goods, execution of a contract or providing a service;

37. accepting the supply of any goods or services by any company or firm;

38. submitting a bill of entry for import goods into or export from Bangladesh;

39. submitting plan for construction of building for the purpose of obtaining approval from Rajdhani Unnayan Kartripakkha (RAJUK), Chittagong Development Authority (CDA), Khulna Development Authority (KDA), Rajshahi Development Authority (RDA),Gazipur Development Authority, Cox's Bazar Development Authority or same type of Authority constituted by the Government, from time to time, or other concerned authority in any city corporation or paurashava;

40. obtaining or continuing of registration, enlistment or license as vendor of stamps, court fees and cartridge or as a writer of deed;

41. opening and continuing bank accounts by a Trusts, Funds, Foundations, NGOs, Microcredit Organizations, Societies and Cooperative Societies;

42. renting or leasing the house to a specified person in the city corporation area by a house owner;

43. in case of receiving goods or services by a particular person, the supplier or service provider[1][;]

[2][44.receiving and renewing of licence of hotels, restaurants, motels, hospitals, clinics, diagnostic centres;

45. availing services from community centres, convention halls located in the city corporation area or any similar services;]

(4) The Board may, by a general or special order, exempt any person from furnishing proof of submission of return.

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[1] The semi-colon ";" was substituted for full-stop "." by section 72 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clause 44 and 45 were inserted by section 72 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(5) The person responsible for processing any nomination application, or approving any license, certificate, membership, permission, admission, agency or distributorship, sanctioning any loan, issuing any credit card, allowing connection or operation, executing registration or making any payment shall not so process, approve, sanction, issue, allow, execute or make payment, as the case may be, unless the proof of submission of return is furnished or the person who is required to furnish the proof of submission of return provides a certificate from the Board that he is exempted from furnishing such proof.

(6) The person to whom the proof of submission of return is furnished shall verify the authenticity of it in such manner as may be specified by the Board.

(7) Where the proof of return submission is mandatory, the person responsible for processing any application or nomination, or approving any license, certificate, membership, permission, admission, agency or distributorship, sanctioning any loan, issuing any credit card, allowing connection or operation, executing registration or making any payment, as the case may be, shall ensure submission of proof of return, and if he fails to verify the authenticity of proof of return submitted, shall be liable to pay a penalty not exceeding Taka 10 (ten) lakh as imposed by the Deputy Commissioner of Taxes.

(8) No penalty under this section shall be imposed upon a person without giving a reasonable opportunity of being heard.

(9) A person, not being a natural person, incorporated, registered or formed, as the case may be, under any law or instruments having the force of law, instead of furnishing a proof of submission of return, shall furnish a certificate containing name and Assessee's Identification Number (TIN) for following years—

(a) in the year of incorporation, registration or formation; and

(b) in the year following the year of incorporation, registration or formation.

265. **Displaying proof of submission of return**.—(1) An assessee having income from business, obliged to submit his return of income under this Act shall display the proof of submission of return at a conspicuous place of such assessee's business premises.

(2) Where an assessee fails to comply with the provision of sub-section (1), he shall be liable to pay a penalty of minimum Taka [1][20 (twenty) thousand and not exceeding Taka 50 (fifty) thousand] as imposed by the Deputy Commissioner of Taxes.

[1] The figures, words and brackets "20 (twenty) thousand and not exceeding Taka 50 (fifty) thousand" were substituted for the figures, words and brackets "5 (five) thousand and not exceeding 20 (twenty) thousand" by section 73 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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PART 19

PENALTY

266. **Penalty for failure to file return, etc**.—(1) Where any person has, without reasonable cause, failed to file a return of income required by or under sections 166, 172, 191, 193 or 212, the Deputy Commissioner of Taxes may impose upon such person a penalty amounting to 10% (ten percent) of tax imposed on last assessed income which shall be a minimum of Taka 1 (one) thousand, and in the case of a continuing default, a further penalty of Taka 50 (fifty) for every day during which the default continues:

Provided that such penalty shall not exceed—

(a) in case of a assessee, being an individual, whose income was not assessed previously, Taka 5 (five) thousand;

(b) in case of a assessee, being an individual, whose income was assessed previously, 50% (fifty percent) of the tax payable on the last assessed income or Taka 1 (one) thousand, whichever is higher.

(2) Where any person has, without reasonable cause,—

(a) failed to file or furnish any return, or information required under section 177, the Deputy Commissioner of Taxes may impose a penalty amounting to 10% (ten percent) of tax imposed on last assessed income or Taka 5 (five) thousand, whichever is higher, and in the case of a continuing default, a further penalty of Taka 1 (one) thousand for every month or fraction thereof during which the default continues;

(b) failed to furnish any certificate required under section 145, the Deputy Commissioner of Taxes may impose a penalty amounting up to Taka 5 (five) thousand, and in the case of a continuing default, a further penalty of Taka 1 (one) thousand for every month or fraction thereof during which the default continues;

(c) fails to file or furnish any information as required under section 200, in which case the Income-tax authority requiring the information under section 200, may impose a penalty amounting up to Taka 50 (fifty) thousand, and in the case of a continuing default, a further penalty of Taka 500 (five hundred) for every day during which the default continues.

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267. **Penalty for not maintaining accounts in the prescribed manner**.—(1) Where any person, not having income from tangible property, has, without reasonable cause, failed to comply with the provisions of any order or rule made in pursuance of, or for the purposes of sub-section (3) of sectiohn 72, the Deputy Commissioner of Taxes, may impose upon him a penalty in the following manner, namely:—

(a) an amount not exceeding one and a half times the amount of tax payable by him; and

(b) Taka 5 (five) thousand where the total income of such person does not exceed the tax free limit.

(2) Where any person, having income from tangible property, has, without reasonable cause, failed to comply with the provisions of any order or rule made in pursuance of, or for the purposes of sub-section (3) of section 72, the Deputy Commissioner of Taxes, may impose upon him a penalty of 50% (fifty percent) of taxes payable on tangible property income or 5 (five) thousand Taka, whichever is higher.

268. **Penalty for using fake Tax-payer's Identification Number (TIN)**.—Where a person has, without reasonable cause, used Taxpayer's Identification Number (TIN) of another person or used fake TIN on a return of income or any other documents where TIN is required under this Act, the Deputy Commissioner of Taxes may impose a penalty not exceeding Taka 20 (twenty) thousand on that person.

269. **Penalty for failure to pay advance tax, etc**.—Where, in the course of any proceeding in connection with the assessment of tax under Part 10, the Deputy Commissioner of Taxes is satisfied that any person has—

(a) without reasonable cause, failed to pay advance tax as required by section 154; or

(b) furnished under section 155 any estimate of tax payable by him which he knew, or had reason to believe, to be untrue,

then he may impose upon such a person a penalty of a sum not exceeding the amount by which the tax actually paid by him falls short of the amount that should have been paid.

270. **Penalty for non-compliance with notice**.—Where any person has, without reasonable cause, failed to comply with any notice issued under sections 167, 168, 179, 181 or [, 183 or 212], the Deputy Commissioner of Taxes may impose upon him a penalty not exceeding the amount of tax chargeable on the total income of such person.

[1] The comma, figures and word ", 183 or 212" were substituted for the word and figure "or 183" by section 74 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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271. **Failure to pay tax on the basis of return.—**Where, in the course of any proceeding under this Act, the Deputy Commissioner of Taxes is satisfied that any person has not paid [admitted tax liability], he may impose upon such person a penalty of a sum not exceeding 25% (twenty-five) percent of the whole of the tax or, as the case may be, of such portion of the tax as has not been paid.

272. **Penalty for concealment of income**.—(1) Where, in the course of any proceeding under this Act, the proceeding conducting Authority is satisfied that any person has, either in the said proceeding or in any earlier proceeding relating to an assessment in respect of the same income year, has evaded tax payable under this Act by misrepresenting particulars of income, assets, liabilities, expenses or other important information relating to the payable tax of the assessee, the proceedings conducting authority shall impose on the said person a penalty equal to A + B, where—

A= amount of tax evaded x 15%,

B= amount of tax evaded x 10% x C,

C= the total number of years from the assessment year in which the evasion occurred to the assessment year in which the evasion was discovered.

(2) For the purposes of this section,—

(a) "Proceeding conducting Authority" means—

(i) income tax authority not below the rank of Deputy Commissioner of Taxes; and

(ii) Taxes Appellate Tribunal;

(b) "amount of tax evaded" means— C-D in any assessment year,

where—

C= taxes and other amount payable in any assessment year, if income, assets, liabilities, expenses or any other important information were not misrepresented,

D= amount actually paid in the relevant assessment year.

273. Penalty for incorrect or false audit report by chartered accountant.—Where, in the course of any proceeding under this Act, the Deputy Commissioner of Taxes, the Additional Commissioner of Taxes (Appeals), the Commissioner of Taxes (Appeals) or the Appellate Tribunal is satisfied beyond reasonable doubt that the audit report—

[1] The words "admitted tax liability" were substituted for the words "tax as required by section 173" by section 75 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) is not certified by a chartered accountant to the effect that the accounts are maintained and the statements are prepared and reported in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and are audited in accordance with the International Standards on Auditing (ISA), or

(b) is false or incorrect,

in such cases, he shall impose upon such chartered accountant a penalty of a sum not less than Taka 50 (fifty) thousand but not more than Taka 2 (two) lakh.

274. **Penalty for furnishing fake audit report**.—Where, in the course of any proceeding under this Act, the Deputy Commissioner of Taxes, the Additional Commissioner of Taxes (Appeals), the Commissioner (Appeals) or the Appellate Tribunal is satisfied beyond reasonable doubt that any audit report furnished by an assessee along with the return of income or thereafter for any income year is not signed by a chartered accountant or is believed to be false, such authority or the Tribunal, as the case may be, shall impose upon such assessee a penalty of a sum of Taka 1 (one) lakh for that income year.

275. **Penalty for default in payment of tax**.—Where an assessee defaults in payment of tax or is deemed to be in default, the Deputy Commissioner of Taxes may direct to collect as penalty such an amount, in addition to the unpaid tax, shall not be exceeded the said unpaid tax.

276. **Penalty for failure to comply with the provision under section 235**.—Where any person fails to comply with the notice or requisition under section 235 of this Act, the Deputy Commissioner of Taxes may impose upon such person a penalty not exceeding 1% (one percent) of the value of each international transaction entered into by such person.

277. **Penalty for failure to comply with the provision under section 237**.—Where any person fails to keep, maintain or furnish any information or documents or records as required by section 237 of this Act, without prejudice to the provisions of Part 19 of this Act, the Deputy Commissioner of Taxes may impose upon such person a penalty not exceeding 1% (one percent) of the value of each international transaction entered into by such person.

278. **Penalty for failure to comply with the provision under section 238**.—Where any person fails to comply with the provisions of section 238 of this Act, the Deputy Commissioner of Taxes may impose upon such person a penalty not exceeding 2% (two percent) of the value of each international transaction entered into by such person

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279. **Penalty for failure to comply with the provision under section 239**.— Where any person fails to furnish a report as required by section 239 of this Act, the Deputy Commissioner of Taxes may impose upon such person a penalty of a sum not exceeding Taka 3 (three) lakh.

280. **Bar to imposition of penalty without hearing**.—No order imposing a penalty under this Part shall be made on any person unless such person has been heard or has been given a reasonable opportunity of being heard.

281. **Previous approval of Inspecting Additional Commissioner of Taxes for imposing penalty**.—The Deputy Commissioner of Taxes shall not impose any penalty under this Part without the previous approval of the Inspecting Additional Commissioner of Taxes except in the cases referred to in sections 266, 275, 276, 277, 278 and 279.

282. **Orders of penalty to be sent to Deputy Commissioner of Taxes**.— The Appellate Tribunal or any income tax authority, not being the Deputy Commissioner of Taxes himself, making an order imposing any penalty under this Act shall forthwith send a copy of the order to the Deputy Commissioner of Taxes, and thereupon all the provisions of this Act relating to the recovery of penalty shall apply as if such order were made by the Deputy Commissioner of Taxes.

283**. Penalty to be without prejudice to other liability**.—The imposition on any person of any penalty under this Part shall be without prejudice to any other liability which such person may incur, or may have incurred, under this Act or under any other law for the time being in force.

284. **Revision of penalty based on the revised amount of income**.—(1) Where a penalty imposed under this Part is directly related to the amount of income assessed under the provision of this Act and the amount of income is revised subsequently by an order made under this Act, the Deputy Commissioner of Taxes shall pass an order revising the order of penalty at the time of revising the income.

(2) No order of enhancement of penalty shall be made unless the parties affected thereby have been given a reasonable opportunity of being heard.

(3) Where, in the case mentioned in sub-section (1), an order of the revision of penalty is not issued despite the fact that the relevant assessment order has been revised, the person affected may make an application to the Deputy Commissioner of Taxes requesting the revision of the amount of penalty and if no order has been made by within 180 (one hundred eighty) days from the receipt of such application, the amount of penalty shall be deemed to have been revised according to the revised amount of income and all the provisions of this Act shall have effect accordingly.

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PART 20
REVISION, APPEAL AND REFERENCE
CHAPTER I
REVISION

285. **Revisional Power of Commissioner**.—(1) The Commissioner may on an application made by the assessee, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him and may make such enquiry or cause such enquiry to be made and, subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the interest of the assessee, as he thinks fit.

(2) The application for revision of an order under this Act passed by any authority subordinate to the Commissioner shall be made within 60 (sixty) days of the date on which such order is communicated to the assessee or within such further period as the Commissioner may consider fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within the said 60 (sixty) days.

(3) The Commissioner shall not exercise his power under sub-section (1) in respect of any order—

(a) where an appeal against the order lies to the Additional Commissioner of Taxes (Appeals) or to the Commissioner of Taxes (Appeals) or to the Appellate Tribunal and the time within which such appeal may be made has not expired or the assessee has not waived his right of appeal; and

(b) where the order is pending on an appeal before the Additional Commissioner of Taxes (Appeals) or the Commissioner of Taxes (Appeals) or to the Appellate Tribunal.

[1][(4) No application under sub-section (1) shall be entertained, unless–

(a) it is accompanied by a fee of Taka 200 (two hundred); and

(b) admitted tax liability has been paid.]

Explanation.—The "undisputed portion of the tax" means the tax payable under section 173.

(5) For the purposes of this section, an order by the Commissioner declining to interfere shall not be construed as an order prejudicial to the assessee.

[1] Sub-section (4) was substituted by section 76 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(6) Notwithstanding anything contained in this Act, an application for revision made under sub-section (1) shall be deemed to have been allowed if the Commissioner fails to make an order thereon within a period of 60 (sixty) days from the date of filing the application.

(7) For the purposes of this section, the Additional Commissioner of Taxes (Appeals) shall be deemed to be an authority subordinate to the Commissioner to whom the Deputy Commissioner of Taxes, whose order was the subject-matter of the appeal order under revision, is subordinate.

CHAPTER II

APPEAL AND REFERENCE

286. **Appeal to appellate income-tax authority**.—(1) Any assesse aggrieved by an order of an income-tax authority may appeal to the respective appellate income-tax authority, regarding the following matters, namely:—

(a) assessment of income;

(b) computation of payable tax liability;

(c) set off or carry forward of loss;

(d) imposition of any penalty or interest;

(e) charge and computation of surcharge or any other sum;

(f) computation of refund;

(g) credit of tax; and

(h) regarding any refund.

(2) Subject to sub-section (3), an appeal in the following cases shall be made only to the Commissioner of Taxes (Appeals)—

(a) appeal by a company;

(b) appeal against an order under section 213; and

(c) appeal against an order of adjustment or penalty involving international transactions;

(3) The Board may—

(a) assign any appeal to resolve to any appellate income-tax uthority; and

(b) transfer an appeal to resolve from one appellate income-tax authority to another appellate income-tax authority.

(4) No appeal shall lie in respect of an income which is computed as a share of the taxed income.

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(5) No appeal shall lie against any order of assessment in the following cases given in the table—

Table

Status of Submission of Return	Condition
(1)	(2)
Where the return of income has been filed	[1][admitted tax liability] has not been paid
Where no return of income has been filed	at least 10% (ten percent) of the tax as determined by the Deputy Commissioner of Taxes has not been paid:

Provided that where the tax on the basis of return has been paid by the appellant before filing the appeal and the appellate income-tax authority is convinced that the appellant was barred by sufficient reason from paying the tax before filing the return, it may allow the appeal for hearing.

287. Form, procedure and time limit of appeal.—(1) Subject to the provisions of sub-section (2), every appeal under section 286 shall be drawn up in such form and verified in such manner as may be prescribed.

(2) The Board may, by notification in the official Gazette,—

(a) specify the cases in which the appeal shall be filed electronically or in any other machine readable or computer readable media; and

(b) specify the form and manner in which such appeal shall be filed.

(3) The appellant shall, on the day of filing the appeal or prior, pay a fee of Taka 200 (two) hundred.

(4) Subject to sub-section (5), the appellant shall have to prefer an appeal within 45 (forty-five) days, if—

(a) it relates to any assessment or penalty, from the date of service of the notice of demand relating to the assessment or penalty, as the case may be; and

(b) in any other case, from the date on which the intimation of the order to be appealed against is served.

(5) The Appellate Income-tax Authority may admit an appeal after the expiration of the period of limitation specified in sub-section (4) if he is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within that period.

[1] The words “admitted tax liability” were substituted for the words and figure “tax under section 173” by section 77 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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288. **Procedure to be followed to dispose of appeals**.—(1) The Appellate Income Tax Authority shall fix a day and place for the hearing of the appeal and give notice thereof to the appellant and the Deputy Commissioner of Taxes against whose order the appeal has been preferred.

(2) The appellant and the Deputy Commissioner of Taxes shall have the right to be heard at the hearing of the appeal either in person or by a representative.

(3) The Appellate Income Tax Authority may, if he considers it necessary to do so, adjourn the hearing of the appeal, from time to time.

(4) The Appellate Income Tax Authority may, before or at the hearing of an appeal, allow the appellant to go into any ground of appeal not earlier specified in the grounds of appeal already filed if he is satisfied that the omission of that ground from the form of appeal was not wilful or unreasonable.

(5) The Appellate Income Tax Authority may, before disposing of an appeal, make such enquiry as he thinks fit or call for such particulars as he may require respecting the matters arising in appeals or cause further enquiry to be made by the Deputy Commissioner of Taxes.

(6) While hearing an appeal the Appellate Income Tax Authority shall not admit any documentary material or evidence which was not produced before the Deputy Commissioner of Taxes unless he is satisfied that the appellant was prevented by sufficient cause from producing such material or evidence before the Deputy Commissioner of Taxes.

289. **Decision in appeal**.—(1) In disposing of an appeal, the Appellate Income Tax Authority may—

(a) in the case of an order of assessment, confirm, reduce, enhance, set aside or annul the assessment;

(b) in the case of an order imposing a penalty, confirm, set aside or cancel such order or vary it so as either to enhance or to reduce the penalty; and

(c) in any other case, pass such order as the authority thinks fit.

(2) An order of assessment or penalty shall not be set aside except in a case where the Additional Commissioner of taxes (Appeals) or the Commissioner (Appeals) is satisfied that a notice on the assessee has not been served in accordance with the provisions of section 335.

(3) The Appellate Income Tax Authority shall not enhance as assessment or a penalty or reduce the amount of refund unless the appellant has been given a reasonable opportunity of showing cause against such enhancement or reduction.

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(4) The order of the Appellate Income Tax Authority disposing of an appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for the decision.

(5) Where, as a result of an appeal, any change is made in the assessment of a firm or an association of persons, the Appellate Income Tax Authority may direct the Deputy Commissioner of Taxes to amend accordingly any assessment made on any partner of the firm or any member of the association.

(6) On the disposal of an appeal, the Appellate Income Tax Authority shall communicate the order passed by him to the appellant, the Deputy Commissioner of Taxes and the Commissioner within 30 (thirty) days of the passing of such order.

(7) Notwithstanding anything contained in this Act, an appeal to the Appellate Income Tax Authority shall be deemed to have been allowed if the Appellate Income Tax Authority fails to make an order thereon within 150 (one hundred and fifty) days from the end of the month on which the appeal was filed.

290. **Appeal against order of Tax Recovery Officer**.—Any person aggrieved by an order of the Tax Recovery Officer under section 217 may, within 30 (thirty) days from the date of service of the order, appeal to the Inspecting Additional Commissioner specified by the Commissioner and the decision of the Inspecting Additional Commissioner on such appeal shall be final.

291. **Appeal to the Appellate Tribunal.**—(1) An assessee may appeal to the Appellate Tribunal if he is aggrieved by an order of the Additional Commissioner of Taxes (Appeal) or as the case may be, the Commissioner (Appeals) under section 272 or 289.

(2) No appeal under sub-section (1) shall lie against an order of the Additional Commissioner of Taxes (Appeals) or the Commissioner of Taxes (Appeals), as the case may be, unless the assessee has paid 10% (ten percent) of the amount representing the difference between the tax as determined on the basis of the order of the Additional Commissioner of Taxes (Appeals) or the Commissioner of Taxes (Appeals), as the case may be, and the [1][admitted tax liability].

(3) On an application made in this behalf by the assessee, the Commissioner of Taxes, may reduce, the requirement of such payment if the grounds of such application appears reasonable to him and shall pass such order in this regard as he thinks fit within 30 (thirty) days from date of the receipt of such application under sub-section (2).

(4) The Deputy Commissioner of Taxes may, with the prior approval of the Commissioner of Taxes, appeal to the Appellate Tribunal against the order of an Additional Commissioner of Taxes (Appeals), or the Commissioner of Taxes (Appeals), as the case may be, under section 289.

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[1] The words "admitted tax liability" were substituted for the words and figure "tax payable under section 173" by section 77 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(5) Every appeal under sub-section (1) or sub-section (3) shall be filed within 60 (sixty) days of the date on which the order sought to be appealed against is communicated to the assessee or to the Commissioner, as the case may be:

Provided that the Appellate Tribunal may admit an appeal after the expiry of 60 (sixty) days if it is satisfied that there was sufficient cause for not presenting the appeal within that period.

(6) An appeal to the Appellate Tribunal shall be filed in such form and verified in such manner as may be prescribed and shall except in the case of an appeal under sub-section (2), be accompanied by a fee of Taka 1 (one) thousand.

(7) The Board may, by notification in the official Gazette,—

(a) specify the cases in which the appeal shall be filed electronically or in any other machine readable or computer readable media; and

(b) specify the form and manner in which such appeal shall be filed.

292. **Disposal of appeal by the Appellate Tribunal**.—(1) The Appellate Tribunal may, after giving both the parties to the appeal an opportunity of being heard, pass such orders on the appeal as it thinks fit.

(2) Before disposing of any appeal, the Appellate Tribunal may call for such particulars as it may require respecting the matters arising in the appeal or cause further enquiry to be made by the Deputy Commissioner of Taxes.

(3) Where, as a result of the appeal, any change is made in the assessment of a firm or association of persons, or a new assessment of a firm or association of person, is ordered to be made, the Appellate Tribunal may direct the Deputy Commissioner of Taxes to amend accordingly any assessment made on any partner of the firm or any member of the association.

(4) The Appellate Tribunal shall communicate its order on the appeal to the assessee and to the Commissioner within 30 (thirty) days from the date of such order.

(5) Save as hereafter provided in this Chapter, the orders passed by the Appellate Tribunal on appeal shall be final.

(6) Notwithstanding anything contained in this Act, an appeal filed by an assessee to the Appellate Tribunal shall be deemed to have been allowed if the Appellate Tribunal fails to make an order thereon within a period of 180 (one hundred and eighty) days from the end of the month in which the appeal was filed and where a case is heard by 2 (two) members and an additional member is appointed for hearing the case because of the difference of decision of the two members, the period shall be 240 (two hundred and forty) days from the end of the month in which the appeal was filed.

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293**. Reference to the High Court Division.**—(1) The assessee or the Commissioner may, within 90 (ninety) days from the date of receipt of the order of the Appellate Tribunal communicated to him under section 292, by an application in the prescribed form, refer to the High Court Division any question of law arising out of such order:

Provided that no reference under sub-section (1) shall lie against an order of the Taxes Appellate Tribunal, unless the assessee has paid the tax and fee at the following rate, namely:—

(a) in the case of a assessee, a fee of Taka 2000 (two thousand) along with the application; and

(b) 15% (fifteen percent) of the difference between the tax as determined on the basis of the order of the Taxes Appellate Tribunal and the [2][admitted tax liability] where tax demand does not exceed Taka 10 (ten) lakh;

(c) 25% (twenty-five percent) of the difference between the tax as determined on the basis of the order of the Taxes Appellate Tribunal and [3][admitted tax liability] where tax demand exceeds Taka 10 (ten) lakh.

(2) The Board may, on an application made in this behalf, modify or waive, in any case, the requirement of such payment except the fees under sub-section (1).

(3) An application under sub-section (1) shall be in triplicate and shall be accompanied by the following documents, namely:—

(a) certified copy, in triplicate, of the order of the Appellate Tribunal out of which the question of law has arisen;

(b) certified copy, in triplicate, of the order of the Deputy Commissioner of Taxes, the Inspecting Additional Commissioner of Taxes or the Appellate Additional or Joint Commissioner of Taxes or the Commissioner (Appeals), as the case may be, which was the subject-matter of appeal before the Appellate Tribunal; and

[2] The words “admitted tax liability” were substituted for the words and figure “tax payable under section 173” by section 78 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words “admitted tax liability” were substituted for the words and figure “tax payable under section 173” by section 79 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(c) certified copy, in triplicate, of any other document the contents of which are relevant to the question of law formulated in the application and which was produced before the Deputy Commissioner of Taxes, the Inspecting Additional Commissioner of Taxes or the Commissioner (Appeals), as the case may be, in the course of any proceedings relating to any order referred to in clause (a) or (b).

(4) Where the assessee is the applicant, the Commissioner shall be a respondent and where the Commissioner is the applicant the assessee shall be deemed to be a respondent:

Provided that where an assessee dies or is succeeded by another person or is a company which is being wound up, the application shall not abate and may, if the assessee was the applicant, be continued by, and if he was the respondent, be continued against, the executor, administrator or successor or other legal representative of the assessee, or by or against the liquidator or receiver, as the case may be.

(5) On receipt of the notice of the date of hearing of the application, the respondent shall, at least 7 (seven) days before the date of hearing submit in writing a reply to the application; and he shall therein specifically admit or deny whether the question of law formulated by the applicant arises out of the order of the Appellate Tribunal.

(6) If the question formulated by the applicant is, in the opinion of the respondent, defective, the reply shall state in what particular the question is defective and what is the exact question of law, if any, which arises out of the said order; and the reply shall be in triplicate and be accompanied by any documents which are relevant to the question of law formulated in the application and which were produced before the Deputy Commissioner of Taxes, the Inspecting Additional Commissioner of Taxes, the Additional Commissioner of Taxes (Appeals), or the Commissioner (Appeals) or the Appellate Tribunal, as the case may be, in the course of any proceedings relating to any order referred to in clauses (a) or (b) of sub-section (2).

(7) Section 5 of the Limitation Act, 1908 (Act No. IX of 1908) shall apply to an application under sub-section (1).

294. **Decision of the High Court Division.**—(1) Where any case has been referred to the High Court Division under section 293, it shall be heard by a Bench of not less than 2 (two) judges and the provisions of section 98 of the Code of Civil Procedure, 1908 (Act No. V of 1908), shall, so far as may be, apply in respect of such case.

(2) The High Court Division shall, upon hearing any case referred to it under section 293, decide the questions of law raised thereby and shall deliver its judgment thereon stating the grounds on which such decision is founded and shall send a copy of such judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal which shall pass such orders as are necessary to dispose of the case in conformity with the judgment.

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(3) The costs in respect of a reference to the High Court Division under section 293 shall be in the discretion of the Court.

(4) Notwithstanding that a reference has been made under section 293 to the High Court Division, tax shall be payable in accordance with the assessment made in the case unless the recovery thereof has been stayed by the High Court Division.

295. **Appeal to the Appellate Division**.—(1) An appeal shall lie to the Appellate Division from any judgment of the High Court Division delivered under section 294 in any case which the High Court Division certifies to be a fit one for appeal to the Appellate Division.

(2) The provisions of the Code of Civil Procedure, 1908 (Act No. V 1908), relating to appeals to the Appellate Division shall, so far as may be, apply in the case of appeals under this section in like manner as they apply in the case of appeals from Decrees of the High Court Division:

Provided that nothing in this sub-section shall be deemed to affect the provisions of sub-section (2) or (4) of section 294:

Provided further that the High Court Division may, on petition made for the execution of the order of the Appellate Division in respect of any costs awarded thereby, transmit the order for execution to any Court subordinate to the High Court Division.

(3) Where the judgment of the High Court Division is varied or reversed in appeal under this section, effect shall be given to the order of the Appellate Division in the manner provided in sub-sections (2) and (4) of section 294 in respect of a judgment of the High Court Division.

(4) The provisions of sub-sections (3) and (4) of section 294 relating to costs and payment of tax shall apply in the case of an appeal to the Appellate Division as they apply to a reference to the High Court Division under section 294.

CHAPTER III

ALTERNATIVE DISPUTE RESOLUTION

296. **Definition.**—For the purposes of this Chapter, unless the context otherwise requires,—

(1) **"authorized representative"** means an authorized representative mentioned in sub-section (2) of section 327;

(2) **"bench"** means bench of Taxes Appellate Tribunal;

(3) **"Commissioner's Representative"** means an officer or officers nominated by the Commissioner of Taxes from among the income tax authorities under section 4 to represent in the Alternative Dispute Resolution process under this Chapter;

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(4) **"court"** means the Supreme Court;

(5) **"dispute"** means an objection of an assessee regarding—

(a) when the assessment of income exceeds the income declared by him in his return of income for the relevant year; or

(b) order of an appellate authority under Chapter II of Part 20 which results in assessment of income exceeding the declared amount in his return of income.

297. **Alternative Dispute Resolution**.—Any dispute of an assessee lying with any income tax authority, Taxes Appellate Tribunal or Court may be resolved through Alternative Dispute Resolution in the manner described in the sections of this Chapter and rules made thereunder and subject to any procedures, conditions, qualifications and limits specified by the Board, by notification in the official Gazette.

298. **Application for alternative dispute resolution**.—(1) Subject to sub-section (4), an assessee may apply, for resolution through Alternative Dispute Resolution, of a dispute lying with any Income Tax Appellate Authority or Taxes Appellate Tribunal or any division of the Supreme Court.

(2) An assessee shall, before submitting an application under sub-section (1) with respect to a dispute pending before any division of the Supreme Court, take permission of such Court:

Provided that where any dispute has already been filed in the form of Writ petition shall not be a subject of Alternative Dispute Resolution.

(3) The application of Alternative Dispute Resolution shall be submitted—

(a) in such form, within such time, accompanied with such fees and verified in such manner as may be prescribed;

(b) to the respective Appellate Income Tax Authority or Taxes Appellate Tribunal or the Registrar of the Court, as the case may be.

(4) An assessee shall submit a statement of the relevant documents, evidence, and legal basis along with the application.

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(5) An assessee shall not be eligible to submit an application for alternative dispute resolution if they have not paid the [1][admitted tax liability] for the relevant assessment year.

299. **Commissioner's Representative**.—(1) The respective Commissioner of Taxes may nominate any income-tax authority subordinate to him, not below the rank of Deputy Commissioner of Taxes to represent him in the negotiation process of the Alternative Dispute Resolution.

(2) The representative so nominated under sub-section (1) shall attend the meeting(s) of Alternative Dispute Resolution negotiation process and sign the agreement of such negotiation process, where an agreement is reached.

300. **Facilitator in Alternative Dispute Resolution Process**.—(1) The process of Alternative Dispute Resolution between an assessee and the representative of the Commissioner shall be conducted by a Facilitator appointed by the Board.

(2) The facilitator shall perform the designated responsibilities and duties and shall receive the prescribed fee.

301. **Rights and duties of the assessee for Alternative Dispute Resolution**.—(1) The assessee applying for Alternative Dispute Resolution shall have the right to negotiate himself personally or with along an authorized representative, with the Commissioner's Representative for the concerned dispute.

(2) In the mediation for the resolution of alternative disputes, the assesse shall be limited to presenting arguments with legal and factual papers and documents related to the concerned dispute.

(3) Where an agreement is reached, the assessee shall pay any tax imposed as per the agreement within the agreed time-limit.

302. **Procedures of disposal by the Alternative Dispute Resolution**.—(1) Upon receiving the application of Alternative Dispute Resolution, the Facilitator shall forward a copy of the application to the respective Deputy Commissioner of Taxes and also call for his opinion on the grounds of the application and also whether the conditions referred to in section 298 have been complied with.

(2) If the Deputy Commissioner of Taxes fails to give his opinion regarding fulfillment of the conditions within 5 (five) working days from receiving the copy mentioned in clause (c) of sub-section (3), the Facilitator may deem that the conditions thereto have been fulfilled.

(3) The Facilitator may—

[1] The words "admitted tax liability" were substituted for the words and figure "due tax under section 173" by section 80 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) notify in writing the applicant and the Commissioner of Taxes or the Commissioner's Representative to attend the meetings for settlement of disputes on a date mentioned in the notice;

(b) if he considers it necessary to do so, adjourn the meeting from time to time;

(c) call for records or evidences from the Deputy Commissioner of Taxes or from the applicant before or at the meeting, with a view to settle the dispute; and

(d) before disposing of the application, cause to make such enquiry by any income tax authority as he thinks fit.

(4) The Facilitator shall assist the applicant-assessee and the Commissioner's Representative to agree on resolving the dispute or disputes through consultations and meetings.

303. **Stay of proceeding in case of pending appeal or reference at Appellate Tribunal or High Court Division**.—Where an assessee has filed an application for Alternative Dispute Resolution for any income year and for the same income year, the Deputy Commissioner of Taxes has filed an appeal before the Appellate Tribunal or the Commissioner has made a reference before the High Court Division and no decision has been made in that respect by the Appellate Tribunal or High Court Division as the case may be, the proceeding of such appeal or reference shall remain stayed till disposal of the application for Alternative Dispute Resolution.

304. **Decision of the Alternative Dispute Resolution**.—(1) A dispute may be resolved by an agreement either wholly or in part where both the parties of the dispute accept the points for determination of the facts or laws applicable in the dispute.

(2) Where an agreement is reached, either wholly or in part, between the assessee and the Commissioner's Representative, the Facilitator shall record, in writing, the details of the agreement in the manner as may be prescribed.

(3) The recording of every such agreement shall describe the terms of the agreement including any tax payable or refundable and any other necessary and appropriate matter, and the manner in which any sums due under the agreement shall be paid and such other matters as the Facilitator may think fit to make the agreement effective.

(4) The agreement shall be void if it is subsequently found that it has been concluded by fraud or misrepresentation of facts.

(5) The agreement shall be signed by the assessee and the Commissioner's Representative and the facilitator.

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(6) Where no agreement, whether wholly or in part, is reached or the dispute resolution is ended in disagreement between the applicant-assessee and the concerned Commissioner's Representative for non-cooperation of either of the parties, the Facilitator shall communicate it, in writing recording reasons thereof, within 15 (fifteen) days from the date of disagreement, to the applicant and the Board, the concerned court, Tribunal, Appellate Authority and income tax authority, as the case may be, about such unsuccessful dispute resolution.

(7) Where the agreement is reached, recorded and signed accordingly containing time and mode of payment of payable dues or refund, as the case may be, the Facilitator shall communicate the same to the assessee and the concerned Deputy Commissioner of Taxes for compliance with the agreement as per provisions of this Act.

(8) No agreement shall be deemed to have been reached if the Facilitator fails to make an agreement within 3 (three) months from the end of the month in which the application is filed.

(9) Where there is a successful agreement, the Facilitator shall communicate the copy of the agreement to all the parties mentioned in sub-section (6) within 15 (fifteen) days from the date on which the Facilitator and the parties have signed the agreement.

305**. Effects of agreement**.—(1) Notwithstanding anything contained in any provision of this Act, where an agreement is reached, under sub-section (9) of section 304, it shall be binding on both the parties and it cannot be challenged in any authority, Tribunal or Court either by the assessee or any other income-tax authority.

(2) Every agreement, concluded under section 304 shall be conclusive as to the matters stated therein and any matter not covered by such agreement shall be reopened in any proceeding under this Act.

306. **Limitation for appeal where agreement is not concluded**.— (1) Notwithstanding anything contained in any provision of this Act, where an agreement is not reached, wholly or in part, the assessee may prefer an appeal—

(a) to the Commissioner of Taxes (Appeals) or Additional Commissioner of Taxes (Appeals) or Commissioner of Taxes (Appeals), as the case may be, where the dispute arises out of an order of a Deputy Commissioner of Taxes;

(b) to the Taxes Appellate Tribunal where the dispute arises out of an order of Additional Commissioner of Taxes (Appeals) or Commissioner of Taxes (Appeals), as the case may be;

(c) to the respective Appellate Authority or Court from where the assessee-applicant has got permission to apply for Alternative Dispute Resolution.

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(2) In computing the period of limitation for filing appeal, the time elapsed between the filing of the application and the decision or order of the Alternative Dispute Resolution shall be excluded.

307. **Post verification of the agreement**.—(1) The Board may, monitor the progress of disposal of the application for Alternative Dispute Resolution in the manner as may be prescribed and ensure necessary support and coordination services.

(2) Copies of all agreement or matter of disagreement shall be sent by the Facilitator to the respective Commissioner and Board for verification and ascertainment of whether the agreement is legally and factually correct.

(3) After receiving the copy of agreement or matter of disagreement, if it appears to the Board that the alleged agreement is obtained by fraud, misrepresentation or concealment of fact causing loss of revenue, then such agreement shall be treated as void and the matter shall be communicated to the concerned authorities, Tribunal or Court for taking necessary action.

308. **Bar on suit or prosecution**.—No civil or criminal action shall lie against any person involved in the Alternative Dispute Resolution process before any Court, Tribunal or authority for any action taken or agreement reached in good faith.

PART 21

PROTECTION OF INFORMATION

309. **Statement, returns, etc., to be confidential**.—(1) Notwithstanding anything contained in any other law for the time being in force, subject to the provisions of this section, all particulars or information contained the following matters shall be confidential and shall not be disclosed, namely:—

(a) any statement made, return furnished or accounts or documents produced under the provisions of this Act;

(b) any evidence given, or affidavit or deposition made or document submitted, in the course of any proceedings under this Act other than proceedings under Part 22; and

(c) any record of any assessment proceedings or any proceeding relating to the recovery of demand under this Act.

(2) Notwithstanding anything contained in the Evidence Act, 1872 (Act I of 1872), the Anti-Corruption Commission Act, 2004 (Act No. V of 2004), or any other law for the time being in force, no Court or other authority shall, save as provided in this Act, be competent to require any public servant to produce before it any return, accounts or documents contained in, or forming a part of, the records relating to any proceeding under this Act or to give evidence before it in respect thereof.

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(3) The prohibition under sub-section (1) and (2) shall not apply to the disclosure of—

(a) any paper, or any statement, return, accounts, documents, evidence, affidavit or matter submitted required for the purposes of prosecution of an offence by any authority under the following laws, namely:—

(i) Penal Code (Act No. XLV of 1860), or

(ii) Anti-Corruption Commission Act, 2004 (Act No. 5 of 2004):

Provided that in cases where the presentation or provision of such required papers, or statements, returns, accounts, documents, evidence, affidavits, or filed subjects is necessary for the purpose of investigation, only the necessary papers, statements, returns, accounts, documents, evidence, affidavits, or filed subjects shall be presented or provided under the orders of the relevant court;

(b) any paper or document filed for the prosecution of any offence under this Act, or any statement, return, account, document, evidence, affidavit, or filed subject to such prosecution;

(c) any particulars or information which is necessary for the purposes of this Act to any person acting in the execution of this Act, or of any particulars to any person being an expert whose services have been placed at the disposal of the Government by any international organization of which Bangladesh is a member;

(d) any particulars or information which is occasioned by the lawful employment under this Act of any process for the service of any notice or the recovery of any demand;

(e) any particulars of the amount due from an assessee under this Act by the Board or any officer authorized by it, or by the Commissioner, to any department of the Government, local authority, bank, corporation or other organization for the purpose of the recovery of any demand;

(f) any particulars to a Civil Court in any suit which relates to any matter arising out of any proceeding under this Act and to which Government is a party;

(g) any particulars to the Comptroller and Auditor-General of Bangladesh for the purpose of enabling him to discharge his functions under the Constitution;

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(h) any particulars to any officer appointed by the Comptroller and Auditor-General of Bangladesh or the Board for the purpose of auditing tax receipts or refunds;

(i) any particulars relevant to any inquiry into the conduct of any official of the income tax department to any person appointed to hold such inquiry or to a Public Service Commission established under the Constitution when exercising its functions in relation to any matter arising out of any such inquiry;

(j) any particulars relevant to any inquiry into a charge of misconduct in connection with income tax proceedings against a tax practitioner to any authority empowered to take disciplinary action against such tax practitioner;

(k) any particulars by a public servant where the disclosure is occasioned by the lawful exercise by him of the powers under the Stamp Act, 1899 (Act No. II of 1899), to impound an insufficiently stamped document;

(l) any facts to an authorized officer of the Government of any country outside Bangladesh with which the Government of the People's Republic of Bangladesh has entered into an agreement for the avoidance of double taxation and the prevention of fiscal evasion where such disclosure is required under the terms of the agreement;

(m) any such facts to any officer of the Government as may be necessary for the purpose of enabling the Government to levy or realize any tax imposed by it;

(n) any such facts to any authority exercising power under the Excise and Salt Act, 1944 (Act No. I of 1944), the Gift-tax Act, 1963 (Act No. XIV of 1963), the Gift Tax Act, 1990 (Act No. XLIV of 1990), [4][the Customs Act, 2023 (Act No. LVII of 2023)], or Value Added Tax and Supplementary Act, 2012 (Act No. 47 of 2012) the Value Added Tax and Supplementary Customs Act, 2012 (Act No. LVII of 2012), as may be necessary for the purpose of enabling it duly to exercise such powers;

(o) so much of any such particulars, to the appropriate authority as may be necessary to establish whether a person has or has not been assessed to income tax in any particular year or years, where, under the provisions of any law for the time being in force, such fact is required to be established;

[4] The words, comma, figures and brackets "the Customs Act, 2023 (Act No. LVII of 2023)" were substituted for the words, comma, figures and brackets "the Customs Act, 1969 (Act No. IV of 1969) by section 14(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(p) any such information as may be required by any officer or department of the Government for the purpose of investigation into the conduct and affairs of a public servant;

(q) any such information as may be required for the purpose of investigation relating to money laundering and terrorist financing if the information is requested by the authority responsible for giving approval to a prosecution relating to money laundering and terrorist financing;

(r) any such particulars as may be required by any order made under sub-section (2) of section 19 of the Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947);

(s) any particulars not filed or presented by the assessee but disclosed in the course of any proceedings conducted under this Act;

(t) the particulars of any assessee for the purpose of filing, presentation, and verification under any provision of this Act;

(u) a list of highest taxpayers prepared in accordance with rules made or guidelines issued by the Board on this behalf.

(4) Nothing in this section shall apply to the production by a public servant before a Court of any document, declaration or affidavit filed, or the record of any statement or deposition made in a proceeding under section 192, or to the giving of evidence by a public servant in respect thereof.

(5) Any person to whom any information is communicated under this section, and any person or employee under his control, shall in respect of that information, be subject to the same rights, privileges, obligations and liabilities as if he were a public servant and all the provisions of this Act shall, so far as may be, apply accordingly.

(6) This section shall not be construed as prohibiting the voluntary disclosure of any particulars referred to in sub-section (1) by the person by whom the statement was made, return furnished, accounts or documents produced, evidence given or affidavit or deposition made, as the case may be.

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PART 22

OFFENCES AND PROSECUTION

310. **The provisions of this part shall be consistent with other provisions**.—(1) Without prejudice to the provisions of other laws, the provisions of this Part shall be applicable in the conduct of criminal offences.

(2) The provisions of this Part shall operate independently without prejudice to any other order made or to be made under this Act and shall not be a defence to the non-issue of an order by reason of limitation of time or for any other reason.

311. **Punishment for not providing information and non-compliance of certain obligations**.—A person is guilty of an offence punishable with rigorous imprisonment for a term which may extend to 1 (one) year, or with fine, or with both, if he, without reasonable cause,—

(a) fails or refuses to furnish information within the time prescribed under section 200, 201, 204 or 205;

(b) refuses to permit inspection or to allow copies to be taken in accordance with the provisions of section 202;

(c) fails to comply with the requirement under sub-section (2) of section 204;

(d) fails to afford necessary facilities or to furnish the required information to an income tax authority exercising power under section 205;

(e) refuses to permit or in any manner obstructs the exercise of powers under section 147 or 206 by an income tax authority;

(f) fails to comply with the order made under sub-section (1) of section 223.

312. **Punishment for attempt to evade tax**.—(1) If any person wilfully attempts to evade the tax payable under this Act by any means, he shall be punished with imprisonment for a term which may extend to 5 (five) years but not less than 6 (six) months, or with fine or with both.

(2) A person shall be deemed to have wilfully attempted to evade any tax payable under this Act by any scheme, if he—

(a) conceals particulars of income;

(b) wilfully furnishes false information about assets, liabilities and expenses to reduce liability to pay income tax;

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(c) furnishes any false information or statement in respect of any account or other document under his possession or control, which is connected with any proceeding under this Act; or

(d) prepares or causes any false information, or statement, in accounts or other statements;

(e) intentionally omits or makes any relevant information or statement in the accounts or other statements; or

(f) takes any other initiative for the purpose of non-payment of income-tax payable under this Act.

313. **Penalty for false statement proved subject to verification**.—If any person gives any such account or statement which is false, and he knows or believes that it is false or does not believe it to be true, he shall be punished with rigorous imprisonment for a term not exceeding 5 (five) years but not less than 6 (six) months and with fine.

314. **Penalty for false certificate**.—If any person signs or issues any such certificate under this Act, which he knows or believes to be false or does not believe to be true, he shall, for signing or issuing such certificate, be punished with imprisonment for a term not exceeding 1 (one) year, but not less than 3 (three) months.

315. **Penalty for failure to deduct or collect tax at source and deposit the same in the Government treasury**.—(1) Any person shall be punished with rigorous imprisonment for a term which may extend to 1 (one) year, or with fine, or with both, if he, without reasonable cause—

(a) fails to levy or collect and pay the tax required under the provisions of Part 7;

(b) fails to collect and pay tax as required under sub-section (3) of section 221.

(2) If the amount of tax deducted, collected or paid does not exceed Taka 25 (twenty-five) thousand, then the provisions of sub-section (1) shall not apply.

(3) Where a person voluntarily deducts tax under sub-section (1) before being identified by the Income-tax authority, no case shall be instituted against such person for failure to deduct, collect or pay tax within the prescribed time.

(4) In case of continuing default, the penalty mentioned in sub-section (1) shall be calculated at such a rate which shall not be less than 100 (one hundred) Taka nor more than 500 (five hundred) Taka for each day during the consecutive failure period.

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316. **Punishment for furnishing false audited statement subject to verification**.—If any person files with the return or pursuant thereto any audited statement which is fake or false and he knows or believes that it is false, or does not believe it to be true, he shall be punished with rigorous imprisonment for a term not exceeding 5 (five) years but not less than 6 (six) months.

317. **Punishment for improper use of Taxpayer's Identification Number**.—Any person who wilfully makes false or improper use of the Taxpayer's Identification Number of another person shall be guilty of an offence and shall be liable to imprisonment for a term which may extend to 1 (one) year or to a fine which may extend to Taka 1 (one) lakh or with both.

318. **Punishment for obstructing an income tax authority**.—A person who obstructs an income tax authority in discharge of functions under this Act he shall be punished with imprisonment for a term not exceeding 1 (one) year, or with a fine, or with both.

319. **Punishment for disposal of property to prevent attachment**.— If the owner of any property, or a person acting on his behalf or claiming under him, sells, mortgages, charges, leases or otherwise so deals with the property after the receipt of a notice from the Tax Recovery Officer, as to prevent its attachment by that officer, he shall be punished with imprisonment for a term which may extend to 5 (five) years, or with fine, or with both.

320. **Penalty for non-compliance with sub-section (7) of section 221**.—If any person, without reasonable cause, fails to comply with the directions required under sub-section (7) of section 221, he shall be punished with imprisonment for a term which may extend to 1 (one) year, or with fine, or with both.

321. **Punishment for abetment**.—If any person knowingly aids, abets or incites, or induces any other person to commit an offence under this Act, the first-mentioned person shall be punished with imprisonment for a term which may extend to 2 (two) years, or with fine, or with both.

322**. Punishment for disclosure of protected information**.—If a public servant, or any person assisting, or engaged, or any person acting in the execution of this Act, discloses any particulars or information in contravention of the provisions of section 309, he shall be punished with imprisonment for a term which may extend to 6 (six) months, or with fine, or with both.

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323. **Commission of offence by any company, firm or association of persons**.—(1) Where any offence under this Act is committed by a company, firm or association of persons—

(a) the said company, firm or association shall only be fined; and

(b) every such person who is directly responsible for the management of the company or business related thereto, or for the management or exercise of power of the firm or private association, shall be punished with rigorous imprisonment for a term not exceeding 6 (six) years, but not less than 6 (six) months, and with fine.

(2) Every company, firm or association of persons and every person referred to in clause (b) of sub-section (1) shall, subject to the provisions of this Act, be prosecuted and punished accordingly.

(3) The person mentioned in clause (b) of sub-section (1) shall not be punished if he is able to prove that—

(a) the offence was committed without his knowledge, consent or implied consent;

(b) the offence was not committed by reason of any negligence on his part; and

(c) he made due diligence to prevent such an offence.

324. **Sanction for prosecution**.—No prosecution for an offence punishable under any provisions of this Part shall be instituted except with the prior approval of the commissioner of Taxes.

325. **Power to compound offences**.—The Commissioner may, with prior approval of the Board, either before or after the institution of any proceedings or prosecution for an offence punishable under this Part, compound such offence.

326. **Trial by Special Judge**.—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act No. V of 1898), or in any other law for the time being in force, an offence punishable under this Chapter, other than an offence under section 322, shall be tried by a Special Judge appointed under the Criminal Law Amendment Act, 1958 (Act No. XL of 1958), as if such offence were an offence specified in the Schedule to that Act.

(2) A Special Judge may, subject to the provision of section 324, upon a written complaint made by a Deputy Commissioner of Taxes, take cognizance of an offence, except an offence under section 322.

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PART 23

AUTHORIZED REPRESENTATIVE

327. **Authorized representative for appearance**.—(1) Any assessee, who is entitled or required to appear before any income tax authority or the Appellate Tribunal in connection with any proceedings under this Act, may, except when required under section 221 to attend personally, appear by an authorized representative.

(2) For the purposes of this section, **"authorized representative"** means any person authorized in writing to appear on behalf of the assessee and who is—

(a) father, mother, husband or wife, son, daughter, brother or sister of the assessee;

(b) any full-time regular employee of the assessee;

(c) a tax lawyer.

(3) For the purpose of clause (c) of sub-section (2), **"tax lawyer"** means—

(a) any person registered as an advocate with the Bangladesh Bar Council;

(b) practicing Chartered Accountant;

(c) practicing Cost and Management Accountant;

(d) practicing Chartered Secretaries of Bangladesh;

(e) has served as an income tax authority for a minimum 5 (five) years in such capacity not below the rank of Deputy Commissioner of Taxes; or

(f) any person certified as a tax lawyer by the Board.

(4) Every tax lawyer shall be a member of a Taxes Bar Association registered with the Board.

(5) The Board shall grant registration of Tax Bar Associations and any Bar Association, not being registered with the Board, shall not be deemed to be a Taxes Bar Association.

(6) The Board may make rules on the following matters, namely:—

(a) obtaining and cancelling certificates as tax lawyers;

(b) Code of Conduct for tax lawyers;

(c) ineligibility for representation as a tax lawyer;

(d) discipline and appeals of tax lawyers; and

(e) obtaining registration and identification as a tax lawyer.

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PART 24

ELECTRONIC TAX MANAGEMENT

328. **Electronic tax management**.—(1) Where any return, return of withholding tax, statement, application or document of any kind under any provision of this Act is required to be filed with any Income Tax Authority or Tax Appellate Tribunal, such return, statement, application or document shall be filed in an electronic, computer-readable or machine-readable form and manner accepted and approved by the Board.

(2) Any notice, order, demand letter, certificate, communication, letter or acknowledgment of receipt received or sent in the specified computer or electronic system accepted or approved by the Board shall be considered as a notice, order, demand letter, certificate, communication, letter or acknowledgment of receipt under this Act.

(3) The Board may, under any provision of this Act, develop, use and introduce any computer or electronic system for the electronic confirmation of any appearance or hearing before the Income Tax Authority or in the Tax Appellate Tribunal and issue necessary orders for confirmation of attendance and hearing through the said system.

(4) The Board may, by special order, in respect of any specified class of persons or any specified class of income, make the filing of returns, returns of tax at source, any statement, application or document to any income-tax authority or to the Tax Appellate Tribunal compulsory.

(5) The Board may issue special orders regarding payment of tax or other matters relating to tax compliance through electronic means.

PART 25

MISCELLANEOUS

329. **Assistance to income tax authorities**.—All officers and staff of Government and semi-government organizations, law enforcement agencies, autonomous bodies, statutory bodies, [1][finance companies], educational institutions, private organizations, and local authorities and non-government organizations shall assist the income tax authorities in the discharge of their functions under this Act.

330. **Correction of errors**.—(1) Where an income tax authority or the Appellate Tribunal finds by own motion or based on written application from the assessee or information from any other source that an error apparent in any order passed thereby, the income tax authority or the Appellate Tribunal may amend the error by order passed in writing:

Provided that no amendment under this sub-section shall be made after the expiration of 4 (four) years from the date of the order sought to be amended.

[1] The words "finance company" were substituted for the words "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Where an assessee, by an application in writing in relation to an assessment year, brings to the notice of the Deputy Commissioner of Taxes of the claim that—

(a) a sum payable under this Act has been paid in amount higher than the due amount, or

(b) the due credit of a sum paid under this Act has not been given,

in such cases the Deputy Commissioner of Taxes shall create refund, or as the case may be, give credit of the amount in the assessment year in which the sum was to be given credit if the claim of the assessee is found valid and correct after due verification.

(3) No amendment under sub-section (1) which has the effect of enhancing an assessment or reducing a refund or otherwise increasing the liability of the assessee shall be made unless the parties affected thereby have been given a reasonable opportunity of being heard.

(4) Where any such error as is referred to in sub-section (1) is brought to the notice of the authority concerned by the assessee and no amendment is made by such authority within the financial year next following the date in which the error is brought to its notice, the amendment under that sub-section shall be deemed to have been made so as to correct the error and all the provisions of this Act shall have effect accordingly.

(5) Where in respect of any completed assessment of a partner in a firm it is found on the assessment of the firm or on any reduction or enhancement made in the income of the firm under sections 213, 285, 289, 292, 294, 295 or 304 that the share of the partner in the profit or loss of the firm has not been included in the assessment of the partner, or, if included, is not correct, the inclusion of the share in the assessment or the correction thereof, as the case may be, shall be deemed to be correction of an error apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply thereto accordingly.

(6) Where as a result of proceedings initiated under section 212, a firm or an association of persons is assessed, and the Deputy Commissioner of Taxes concerned is of opinion that it is necessary to compute the total income of a partner in the firm or a member of the association of persons, as the case may be, the Deputy Commissioner of Taxes may proceed to compute the total income and determine the sum payable on the basis of such computation as if the computation is a correction of an error apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply accordingly.

331. **Tax to be calculated to nearest Taka**.—In the determination of the amount payable or of a refund payable under this Act, fractions of a Taka equal to or exceeding 50 (fifty) poisa shall be regarded as 1 (one) Taka.

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332. **Receipts to be given for money paid or recovered**.—A receipt shall be given for any money paid or recovered under this Act.

333. **Computation of the period of limitation**.—(1) In computing the period of limitation prescribed for an appeal or application under this Act, the day on which the order complained of was served, or, if the assessee was not furnished with a copy of the order when the notice of the order was served upon him, the time requisite for obtaining the copy of the order shall be excluded.

(2) Where the period of limitation prescribed for an appeal or application under this Act expires on a day which is a holiday, the appeal or application may be made on the day next following such holiday.

[1][334. **Power to extend period or condone limitation**.— Notwithstanding anything contained in any other provisions of this Act,—

(a) the Board may, by order, extend the tax day by not more than 1 (one) month;

(b) the Board may, in the public interest, with the prior approval of the Government, by issuing an order, condone or extend the period for complying with any provision of this Act in cases where there is a declaration or order of the Government due to epidemic, pandemic, any other acts of God, and war.]

335. **Service of notice**.—(1) A notice, an assessment order, a form of computation of tax or refund, or any other document may be served on the person named therein by registered post or by sending from the official electronic mail of the sender to the specified electronic mail address of the person or in the manner provided for service of a summons to be issued by a Court under the Code of Civil Procedure, 1908 (Act V of 1908).

(2) Where a notice, an assessment order, a form of computation of tax or refund, or any other document is received by an authorized representative as referred to in section 327, such receipt by the authorized representative, shall be construed as valid service on that person.

(3) A notice may be addressed in the following way—

(a) in the case of a firm or a Hindu undivided family, to any member of the firm, or the manager or any adult male member of the family;

(b) in the case of a local authority or a company, to the principal officer thereof, by whatever name it may be called;

[1] Section 334 was substituted by section 81 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(c) in the case of other body or association of persons, to the principal any member thereof;

(d) in a case where a firm or association of persons is dissolved, to any person who was a member of the firm or association, as the case may be, immediately before such dissolution;

(e) in a case where a business is discontinued to which section 191 applies, if the business discontinued was—

(i) that of an individual, to the person whose income is to be assessed;

(ii) that of a company, to the principal officer thereof; and

(iii) that of a firm or association of persons, to any person who was a partner of such firm or a member of such association, as the case may be, at the time of the discontinuance;

(f) in a case where a finding of partition has been recorded under section 192 in respect of a Hindu undivided family, to the person who was the last manager of the family or, if such person is dead, to all adult male persons who were members of the family immediately before the partition; and

(g) in any other case, not being an individual, to the person who manages or controls the affairs of the person or institution concerned.

(4) The validity of any notice or of the service of any notice shall not be called in question after the return in response to the notice has been filed or the notice has been complied with.

Explanation—for the purposes of this section—

(a) "notice" includes order or requisition made or issued under this Act;

(b) "electronic mail" shall have the same meaning as assigned to Information and Communication Technology Act, 2006 (Act No. 39 of 2006);

(c) "official electronic mail of the sender" means the electronic mail designated by the Board to the income tax authority serving the notice;

(d) "specified electronic mail address of the person" means the electronic mail address—

(i) that has been mentioned in the return of income of the person submitted for the respective income year;

(ii) that has been specified by a person, in writing, to the income tax authority, as the electronic mail address of such person.

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336. **Certain errors not to vitiate assessment, etc**.—No assessment, order, notice, warrant or other document made, issued or executed, or purporting to be made, issued or executed, under this Act, shall be void or otherwise inoperative, merely for want of form, or for an error, defect or omission therein, if such want of form, error, defect or omission is not of a substantial nature prejudicially affecting the assessee.

337. **Proceeding against companies under liquidation**. — Notwithstanding anything contained in the Companies Act, 1994 (Act No. 18 of 1994), "leave of the Court" shall not be required for continuing any proceeding, or commencing any proceeding, under this Act against a company in respect of which a winding up order has been made or provisional liquidator appointed.

338. **Indemnity**.—(1) Every person deducting, retaining or paying any tax in pursuance of this Act in respect of income belonging to another person is hereby indemnified for the deduction, retention or payment thereof.

(2) No suit shall lie in any civil court to set aside or modify any assessment of tax or for any other order made under this Act.

(3) No criminal prosecution or other proceedings under any other law shall be instituted against any public servant for any act or attempt to act in good faith under this Act.

339. **Implementation of pending legal provisions for taxation**.—If, on the first day of July in any year provision has not been made by Act of Parliament for the charging of income tax for that year, this Act shall nevertheless have effect until such provision is made, as if the provision in force in the preceding year, or the provision proposed in the Bill which may then be before the Parliament, whichever is more favorable to the assessee, were actually in force.

340. **Reward to officers and employees**.—(1) Notwithstanding anything contained in any other provision of this Act or any other law for the time being in force, the Board may, by order published in official gazette, grant reward to the following persons:—

(a) an officer or employee of the Board and Income Tax Department for outstanding performance, collection of taxes and detection of tax evasion;

(b) to the officers and employees of the Board and Income Tax Department for collection of revenue in excess of the prescribed target of revenue collection in any financial year; or

(c) any other person for furnishing information leading to detection of tax evasion.

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341. **Power to amend Schedule**.—The Board may, by notification in the Official Gazette, amend any Schedule of this Act:

Provided that, such amendment shall not impose or increase the rate of any tax.

342. **Removal of difficulty**.—If any difficulty arises in the execution of any provision of this Act, the Board may, with a view to removing the difficulty, issue notifications, clarifications, explanations or directions consistent with this Act.

343. **Power to make rules**.—The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

344. **Repeal and Saving**.—(1) Upon the commencement of this Act, the Income-tax Ordinance, 1984 (Ordinance No. XXXVI of 1984), hereinafter referred to as the repealed Ordinance, shall be hereby repealed.

(2) Notwithstanding such repeal, under the repealed Ordinance—

(a) any act done, any measure taken or any proceeding instituted shall be deemed to have been done, taken or instituted under this Act;

(b) any action taken or proceedings instituted, if pending or continuing, shall be carried out as if they had been taken or instituted under this Act;

(c) any rule made or order or direction given or notification or policy issued or notice published or any other legal instrument executed, in force immediately before such repeal, shall, subject to consistency with this Act, remain in force until it is repealed or amended under this Act; and

(d) if any suit or legal proceeding is pending in any Court, it shall be disposed of as if the repealed Ordinance had not been repealed.

345. **Publication of Text translated in English**.—(1) After the commencement of this Act, the Government shall, by notification in the Official Gazette, publish an Authentic English Text of the original Bangla Text of this Act.

(2) In case of any conflict between the Bangla and English Text, the Bangla Text shall prevail.

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THE FIRST SCHEDULE

SPECIAL TAX RATE

[See section 24]

PART-1

SPECIAL TAX TREATMENT IN RESPECT OF INVESTMENT

(1) Special tax treatment in respect of investment in building or apartment.—(1) source of any sum invested by any natural person, in the construction or purchase of any building or apartment shall be deemed to have been explained if the assessee pays, before the assessment for the relevant assessment year in which the investment is completed, tax at the rate mentioned in the following table:

Table

Sl No.	Description of Property	Tax rate
(1)	(2)	(3)
1.	Building or apartment the plinth area of which does not exceed 200 (two hundred) square meters for areas of Gulshan Model Town, Banani, Baridhara, Motijheel Commercial Area and Dilkusha Commercial Area of Dhaka.	Taka 4000 (four thousand) per square meter
2.	Building or apartment the plinth area of which exceeds 200 (two hundred) square meters for areas of Gulshan Model Town, Banani, Baridhara, Motijheel Commercial Area and Dilkusha Commercial Area of Dhaka.	Taka 6000 (Six thousand) per square meter
3.	Building or apartment the plinth area of which does not exceed 200 (two hundred) square meter for areas of Dhanmondi Residential Area, Defence Officers Housing Society (DOHS), Mohakhali, Lalmatia Housing Society, Uttara Model Town, Bashundhara Residential Area, Dhaka Cantonment, Kawran Bazar, Bijaynagar, Segunbagicha, Nikunja of Dhaka, and Panchlaish, Khulshi, Agrabad and Nasirabad Area of Chattogram.	Taka 3000 (three thousand) per square meter
4.	Building or apartment the plinth area of which exceed 200 (two hundred) square meter for areas of Dhanmondi Residential Area, Defence Officers Housing Society (DOHS), Mohakhali, Lalmatia Housing Society, Uttara Model Town, Bashundhara Residential Area, Dhaka Cantonment, Shiddheshwari, Kawran Bazar, Banasree, Bijaynagar, Segunbagicha, Nikunja of Dhaka, and Panchlaish, Khulshi, Agrabad and Nasirabad Area of Chattogram.	Taka 3000 (three thousand) and 500 (five hundred) per square meter

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(1)	(2)	(3)
5.	Building or apartment the plinth area of which does not exceed 120 (one hundred and twenty) square meters for areas of City corporation other than the area mentioned in Sl No. 1, 2, 3, 4	Taka 800 (eight hundred) per square meter
6.	Building or apartment the plinth area of which exceeds one hundred and twenty square meters but does not exceed 200 (two hundred) square meters for areas of City corporation other than the area mentioned in Sl no. 1,2,3,4	Taka 1000 (one thousand) per square meter
7.	Building or apartment the plinth area of which exceeds 220 (two hundred and twenty) square meters for areas of City corporation other than the area mentioned in Sl No. 1, 2, 3 and 4	Taka 1500 (one thousand and five hundred) per square meter
8.	Building or apartment the plinth area of which does not exceed 120 (one hundred and twenty) square meters for areas of a Pourasabha of any district headquarters.	Taka 300 (three hundred) per square meter
9.	Building or apartment the plinth area of which exceeds 120 (one hundred and twenty) square meters but does not exceed 200 (two hundred) square meters for areas of a Pourasabha of any district headquarters.	Taka 500 (five hundred) per square meter
10.	Building or apartment the plinth area of which exceeds 200 (two hundred) square meters for areas of a Pourasabha of any district headquarters.	Taka 800 (eight hundred) per square meter
11.	Building or apartment the plinth area of which does not exceed 120 (one hundred and twenty) square meters for areas other than the area mentioned in Sl No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Taka 200 (two hundred) per square meter
12.	For building or apartment the plinth area of which exceeds 120 (one hundred and twenty) square meters but does not exceed 200 (two hundred) square meters for areas other than the area mentioned in Sl No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Taka 300 (three hundred) per square meter

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(1)	(2)	(3)
13.	Building or apartment the plinth area of which exceeds 200 (two hundred) square meters for areas other than the area mentioned in Sl No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Taka 500 (five hundred) per square meter

(2) The rate of tax mentioned in sub-paragraph (1) shall be 20% (twenty percent) higher in case where the assessee already owns a building or an apartment in any City Corporation before such investment is completed, or the assessee makes such investment in two or more buildings or apartments.

[1][(2A) The rate of tax mentioned in sub-section (1) shall be 100% (one hundred percent) higher in case where the building, house or floor space has been constructed for commercial purpose.]

(3) The rate of tax mentioned in sub-paragraph (1) shall be [2][150% (one hundred fifty percent)] higher in case, where—

(a) a notice under section 212 has been issued before submission of such return of income for the reason that any income, asset or expenditure has been concealed or any income or a part thereof has escaped payment of tax;

(b) a notice under section [3][172] has been issued before submission of such return of income;

(c) any proceeding under sections 311-313 has been initiated before submission of such return of income [4][;

(d) any proceeding under section 200 of this Act has been initiated and is in progress; or

(e) any proceeding relating to tax evasion under this Act is in progress.]

[1] Sub-paragraph (2a) was inserted by section 82(a)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The figures, marks, brackets and words "150% (one hundred fifty percent)" were substituted for the figure, marks, brackets and words "100% (one hundred percent)" by section 82(a)(ii)(1) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The figure "172" was substituted for the figure "171" by section 82(a)(ii)(2) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] Semi-colon ";" was substituted for full-stop "." and new clause (d) and (e) were inserted by section 82(a)(ii)(3) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(4) The provisions in this part shall not apply where the source of such investment, made by the assessee for the construction or purchase of such building or apartment, is—

(a) derived from any criminal activities under any other law for the time being in force; or

(b) not derived from any legitimate source.

[1][***]

PART-2

VOLUNTARY DISCLOSURE OF INCOME

Voluntary disclosure of income.—(1) any person—

(a) who has not been assessed to tax for previous assessment year or years and he has not submitted his return of income for those year or years may disclose such income in the respective heads of income in the return of income along with the income for the current assessment year; or

(b) who has been assessed to tax for previous assessment year or years and any income has escaped assessment in those assessments or the amount of income assessed is less than the actual income, may disclose that income for respective heads of income in the return of income along with the income for the current assessment year.

(2) Return of income mentioned in sub-paragraph (1) shall be treated as valid, if—

(a) the assessee pays before the submission of return—

(i) tax payable at applicable rate on total income including such income; and

(ii) penalty at the rate of 10% (ten precent) of tax proportionate to such undisclosed income;

(b) the return of income is submitted within the time specified in section 171; and

(c) a declaration is enclosed with the return of income in respect of the following:

(i) name of the person declaring;

(ii) head of the declared income and amount thereof; and

(ii) amount of tax and penalty paid thereof.

[1] Paragraph 2 was omitted by section 82(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(3) The provisions of this paragraph shall not apply, where—

(a) a notice under section 212 has been issued before submission of such return of income for the reason that any income, assets or expenditure has been concealed or any income or a part thereof has escaped payment of tax;

(b) a notice on a banking company under sub-section (2) of section 200 has been issued before submission of such return of income;

(c) any proceeding under sections 311-313 has been initiated before submission of such return of income;

(d) any income declared under this paragraph is—

(i) not derived from any legitimate source of income; or

(ii) derived from any criminal activities under any other law for the time being in force; or

(e) any income declared under this paragraph which is exempted from tax in the concerned income year;

(4) The income shown under this paragraph may be invested in any income generating activities or any sector, including the following, namely:—

(a) industrial undertaking including its expansion;

(b) balancing, modernization, renovation and extension of an existing industry;

(c) building or apartment or land;

(d) securities listed with a Stock Exchange in Bangladesh; or

(e) any trade, commercial, or industrial venture engaged in production of goods or services.

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[1][PART 3

DISCLOSURE OF UNDISCLOSED ASSET

Special treatment in respect of disclosure of undisclosed asset.—(1) Notwithstanding anything contained in the Income-tax Act, 2023 or any other law, no statutory government authority including the income-tax authority shall raise any question as to the source of acquisition of any asset by a person, if such person shows in between July 1, 2024 and June 30, 2025 (both days inclusive) the undisclosed asset in the return of assessment year 2024-2025 with the payment of tax at the rates specified in the following tables before the submission of return or revised return of assessment year 2024-2025, namely:

Table

Serial No.	Location	Tax rate of building, house, flat, apartment or floor space	Tax rate of land
(1)	(2)	(3)	(4)
1.	All moujas under Gulshan thana, Banani thana, Motijheel thana, Tejgaon thana, Dhanmondi thana, Wari thana, Tejgaon industrial area thana, Shahbag thana, Ramna thana, Paltan thana, Kafrul thana, New Market thana and Kalabagan thana of Dhaka district	Taka 6000 (six thousand) per square metre	Taka 15000 (fifteen thousand) per square metre
2.	All moujas under Bangshal thana, Mohammadpur thana, Sutrapur thana, Jatrabari thana, Uttara model thana, Cantonment thana, Chawkbazar thana, Kotwali thana, Lalbag thana, Khilgaon, Shyampur thana, Shahjahanpur thana, Mirpur model thana, Darus Salam thana, Dakshinkhan thana, Uttarkhan thana, Turag thana,	Taka 3500 (three thousand and five hundred) per square metre	Taka 10000 (ten thousand) per square metre

[1] Part 3 were inserted by section 82(c) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(1)	(2)	(3)	(4)
	Shah Ali thana, Sabujbag thana, Kadamtali thana, Kamrangir char thana, Hazaribag thana, Demra thana, Adabor thana, Gendaria thana, Khilkhet thana, Bimanbandar thana, Uttara west thana, Mugda thana, Rupnagar thana, Bhashantek thana, Badda thana, Pallabi thana and Vatara thana of Dhaka district; all moujas under Khulshi thana, Panchlaish thana, Pahartoli thana, Halishahar thana and Kotwali thana of Chattogram district; all moujas under Sadar thana, Sonargaon thana, Fatulla thana, Siddhirganj thana and Bandar thana of Narayanganj District, and all moujas under Sadar thana of Gazipur District		
3.	All moujas under Dohar, Nababganj, Keraniganj, Savar and Dhamrai upazilla of Dhaka district; all moujas under Akbar Shah thana, EPZ thana, Karnaphuli thana, Chawkbazar thana, Chandgaon thana, Doublemooring thana, Patenga thana, Bandar thana, Bakalia thana, Bayezid Bostami thana and Sadarghat thana of Chattogram district; all moujas under Joydebpur thana, Kaliganj thana, Bason thana, Konabari thana, Gacha thana, Tongi East thana and Tongi West thana of Gazipur district, and all moujas under Rupganj thana and Araihajar upazila of Narayanganj district	Taka 1500 (one thousand and five hundred) per square metre	Taka 3000 (three thousand) per square metre

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(1)	(2)	(3)	(4)
4.	Not belonging to serial no. 1 to 3 but all moujas under city corporations other than Dhaka South City Corporation, Dhaka North City Corporation, Chattogram City Corporation, Narayanganj City Corporation and Gazipur City Corporation, and any other development authorities and all pouroshavas of district sadar	Taka 1000 (one thousand) per square metre	Taka 2000 (two thousand) per square metre
5.	All moujas under any other pouroshavas not belonging to serial no. 1 to 4	Taka 850 (eight hundred and fifty) per square metre	Taka 1000 (one thousand) per square metre
6.	All moujas under any other areas not belonging to serial no. 1-5	Taka 500 (five hundred) per square metre	Taka 300 (three hundred) per square metre]

]

[1][***]

(2) In respect of payment of tax under this paragraph–

(a) undisclosed asset in respect of income year 2022-23 and income years preceding to it could be disclosed;

(b) the asset shall be disclosed in the wealth statement of return or, in applicable case, in the statement of assets and liabilities or balance sheet furnished with the return filed for the assessment year 2024-25;

(c) the tax rate mentioned in column (3) of table-1 shall be 100% (one hundred) percent higher if such building, house or floor space is constructed for commercial purpose;

(d) tax paid under this paragraph shall be deducted, in applicable cases, from the net wealth in the assessment year 2025-2026;

[1] Table 2 was omitted by S.R.O. No. 303-Law/Income-tax-46/2024, Dated September 02, 2024

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(e) applicable tax shall be paid separately for building and land in case of building, house, flat or apartment;

(f) tax payable shall be paid only through a-challan;

(g) no penalty or surcharge or any other amount or tax computed under section 174 shall not be payable other than the tax computed in accordance with table-1 [1][***] against the disclosed asset;

(h) any subsequent depreciation or amortization under the third schedule of this Act shall not be claimed against the asset if such asset under table-1 of clause (1) is disclosed.

(3) No tax shall be payable under this paragraph in the following cases, namely:—

(a) any proceedings relating to tax evasion under this Act is in progress; or

(b) any proceeding under section 200 of this Act has been initiated and is in progress; or

(b) any criminal proceeding under any Act including this Act is in progress.]

THE SECOND SCHEDULE

APPROVED FUNDS

[See section 2]

PART I

APPROVED SUPERANNUATION FUND OR PENSION FUND

1. **Conditions for approval of superannuation or pension fund.—A** Superannuation Fund or Pension Fund shall receive approval and the approval shall remain in force, subject to the fulfilment of the following conditions, namely:—

(a) the fund shall be a fund established under an irrevocable trust in connection with a trade or undertaking carried on in Bangladesh;

(b) the sole purpose of the fund shall be for providing annual financial annuities for any one among the appointed employees in the trade or industry on their retirement at or after the specified age or on becoming incapacitated to work prior to such retirement, or for the widows, children or dependents, if any, on death of the said employee;

[1] The word, mark and figure were omitted by S.R.O. No. 303-Law/Income-tax-46/2024, Dated September 02, 2024.

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(c) the employer in the trade or undertaking shall be a contributor to the fund;

(d) all annuities, pensions and other benefits granted from the fund shall be payable only in Bangladesh;

(e) the fund shall fulfil such other conditions as may be prescribed by the Board:

Provided that the Commissioner of Taxes, hereinafter referred to as the Commissioner in this part, may, if he thinks fit to attach such other conditions to the approval, subject to the fulfilment of above conditions, approve the fund or any part thereof on the following subjects, namely—

(i) Notwithstanding any rules of the fund, in case of returning contributions paid to the fund to bear the certain incidental expenses;

(ii) though the main purpose of the fund is to provide financial annuities at a time as aforesaid, if it is not the sole purpose of this fund in some cases, or

(iii) though the trade or undertaking, in connection with which the fund is established, is carried on only partly in Bangladesh.

2. **Procedure for approval.**—(1) An application for approval of a Superannuation fund or Pension Fund shall be made by any trustee of the respective fund to the Commissioner under whom its tax is assessed as an assessee in a prescribed manner.

(2) If any alteration in the rules, constitution, objects or conditions of the fund is made at any time after the date of the application for approval, the applicant shall immediately communicate to the Commissioner of such alteration.

(3) The Commissioner shall consider the application, related records and documents in his possession and he may require such further information to be supplied as he thinks proper for consideration.

(4) While considering the application, the Commissioner may, if necessary, direct the applicant to appear before him.

(5) The Commissioner shall, give his decision on the application by written order, within 180 (one hundred and eighty) days from the date of receipt of the application, and for any failure to do so, such funds shall be deemed to have been approved.

(6) If the application is approved, the approved order shall be included the following, namely:—

(a) conditions and qualifications of approval;

(b) effective date of approval; and

(c) expiry date of approval.

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(7) If the approval is given for a certain period, the trustee shall apply for the extension before the expiration of the said period.

3. **Withdrawal of approval.**—(1) If the Commissioner is satisfied that the conditions mentioned in paragraphs 2 and 3 have been violated or not fulfilled by the concerned Superannuation Fund or Pension Fund, the Commissioner may withdraw the said approval at any time.

(2) Where the effective date of withdrawal is not specified, it shall take effect from the date on which the order of withdrawal has been issued.

(3) The Commissioner shall not withdraw the approval without giving the applicant a reasonable opportunity of being heard.

(4) Where the approval is withdrawn under sub-paragraph (1), the Commissioner shall notify the Trustee of the Fund in writing stating the following:

(a) reasons for such withdrawal; and

(b) effective date of withdrawal.

(5) Where approval is given for a specified period, it shall automatically terminate on the expiry of such period, if further approval is sought again the trustee shall apply freshly under paragraph 2.

4. **Provisions relating to income and subscriptions to the fund.**—(1) Subject to other provisions of this Act, income derived from investments or deposits of an approved Superannuation Fund or Pension Fund and any capital gains arising from the transfer of capital assets of such fund shall be exempted from payment of tax.

(2) Any sum, subject to the limit mentioned in this Act, paid by an employer as contribution towards an approved Superannuation Fund or Pension Fund shall be deducted in computing his income, profits and gains for the purpose of assessment.

5**. Liabilities of trustees on cessation of approval of fund.**—If the approval of a superannuation fund, for any reason, ceased fully or partly, the trustees of the fund shall nevertheless remain liable to account for tax on any sum paid—

(a) on account of returned contributions (including interest on contributions, if any);

(b) on amount paid in return or in lieu of annuities; and

(c) on amount paid for fund or part of fund before cessation the fund.

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6. **Particulars to be furnished in respect of superannuation fund or pension fund.**—The Deputy Commissioner of Taxes may, by notice, direct the trustee of any approved Superannuation Fund or Pension Fund or contributing employer of any Superannuation Fund or Pension fund to furnish the following particulars, namely:—

(a) a return with the following information—

(i) the name and place of residence of every person in receipt of an annuity from the fund;

(ii) the amount of the annuity payable to each annuitant;

(iii) particulars of every contribution (including interest on contribution, if any) returned to the employer or to employees; and

(iv) particulars of sums paid in commutation or in lieu of annuities; and

(b) accounts of the fund to the last date prior to such notice to which such accounts have been made up, together with such other information and particulars as the Board may require.

7. **Explanation.** —For the purposes of this part**,**—

(a) the expressions **'employer', 'employee', 'contribution'** and **'salary'** of Superannuation Fund or Pension Fund shall have the same meaning as in relation to provident fund; and

(b) **'Annual General Contribution'** means an annual contribution of fixed amount or earnings of members of fund, amount of contribution or number of members a fixed annual contribution etc., quantified on a certain basis.

PART-2

APPROVED GRATUITY FUND

1. **Conditions for approval.**—(1) In order that a Gratuity Fund may receive and retain approval, it shall satisfy the conditions hereinafter specified and any other conditions which the Board may prescribe—

(a) the fund shall be a fund established under an irrevocable trust in connection with trade or undertaking carried on in Bangladesh and not less than 90% (ninety per cent) of the employees of such trade or undertaking shall be employed in Bangladesh;

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(b) the fund shall have for its sole purpose the provision of a gratuity to employees in the trade or undertaking on their retirement or after a specified age or on their becoming incapacitated prior to such retirement, or on termination of their employment after a minimum period of service specified in the regulations of the fund or to the widows, children or dependents of such employees on their death;

(c) the employer in the trade or undertaking shall be a contributor to the fund; and

(d) all benefits granted by the fund shall be payable only in Bangladesh.

(2) The order shall come into effect from the date on which the Board communicates to the Trustee of the fund in writing of the order by approving or withdrawing the same.

2. **Procedure for approval.**—(1) An application for approval of a Gratuity Fund shall be made by any trustee of the respective fund to the Commissioner under whom its tax is assessed as an assessee in a prescribed manner.

(2) If any alteration in the rules, constitution, objects or conditions of the fund is made at any time after the date of the application for approval, the applicant shall immediately communicate to the commissioner of such alteration.

(3) The Commissioner shall consider the application, related records and documents in his possession and he may require such further information to be supplied as he thinks proper for consideration.

(4) While considering the application, the Commissioner may, if necessary, direct the applicant to appear before him.

(5) The Commissioner shall give his decision on the application by written order, within 180 (one hundred eighty) days from the date of receipt of the application and for any failure to do so, such funds shall be deemed to have been approved.

(6) The approved order shall be included the following, namely:—

(a) conditions and qualifications of approval;

(b) effective date of approval; and

(c) expiry date of approval.

(7) In cases where the date of approval is not specified, it shall be effective from the date on which the approval order is passed.

(8) If the approval is given for a certain period, the trustee shall apply for the extension before the expiration of the said period.

3. Withdrawal of approval.—(1) If the Commissioner is satisfied that the conditions mentioned in paragraphs 2 and 3 have been violated or not fulfilled by the concerned Gratuity Fund, the Commissioner may withdraw the said approval at any time.

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(2) Where the effective date of cancellation is not specified, it shall take effect from the date on which the order of cancellation is approved.

(3) The Commissioner shall not withdraw the approval without giving the applicant a reasonable opportunity of being heard.

(4) Where the approval under sub-paragraph (1) is withdrawn, the Commissioner shall notify the Trustee of the fund in writing stating the following—

(a) reasons for such withdrawal; and

(b) effective date of withdrawal

(5) Where approval is given for a specified period, it shall automatically terminate on the expiry of such period, if the further approval is sought again the trustee shall apply newly under paragraph 2.

4. Provisions relating to income and subscriptions to the Fund.—Any sum paid by an employer as contribution towards an approved Gratuity Fund shall be deducted in computing his income, profits and gains for the purpose of assessment.

5. Management of repaid subscriptions.—Where the contribution paid by an employer (including interest on the contribution, if any) is repaid to the said employer, such refund shall be shown as income in his tax assessment in the assessment year in which such refund is received by the employer.

6. Particulars to be furnished in respect of Gratuity Fund.—The trustees of an approved Gratuity Fund and any employer who contributes to an approved Gratuity Fund shall, when required by notice from the Deputy Commissioner of taxes, furnish, within such period as may be specified in the notice, such return, statement, particulars or information as the Deputy Commissioner of Taxes may require.

7. The provisions of this Part shall prevail over the rules of the fund.—Where there is any inconsistency with any regulation of the Gratuity Fund and any provision of this Part or any rule made under this Part, the inconsistent part of the Gratuity Fund Regulations shall be deemed to be invalid and the Board may at any time direct the removal of the inconsistent part of the Gratuity Fund Regulations.

8. Explanation.—For the purposes of this part, the expressions 'contribution, employee, employer', 'regulation of fund' and 'salary' of the fund shall have the same meaning as in relation to provident fund.

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PART 3

RECOGNIZED PROVIDENT FUND

1. **Non applicability**.—The provisions of this Part shall not apply to any provident fund to which the Provident Fund Act, 1925 (Act No. 19 of 1925) applies.

2. **Conditions to be satisfied by recognized provident fund**—

(a) all employees shall be employed in Bangladesh or shall be employed by an employer whose principal place of business is in Bangladesh:

Provided that the Commissioner (hereinafter referred to as "Commissioner") may, if he thinks fit and subject to such conditions, if any, as he thinks proper to attach to the recognition, accord recognition to a fund maintained by an employer whose principal place of business is not in Bangladesh notwithstanding that a proportion not exceeding 10% (ten precent) of the employees is employed outside Bangladesh;

(b) the contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the employer from the employee's salary in that proportion at each periodical payments of such salary in that year and credited to the employee's individual account in the fund;

(c) the contributions of an employer to the individual account of an employee in any year shall not exceed the amount of the contributions of the employee in that year, and shall be credited to the employee's individual account at intervals not exceeding 1 (one) year:

Provided that, subject to any rules which the Board may make in this behalf, the Commissioner may, in respect of any particular fund, relax the provisions of this clause—

(i) so as to permit the payment of larger contributions by an employer to the individual accounts of employees whose salaries do not, in each case, exceed 500 (five hundred) Taka per menses; and

(ii) so as to permit the crediting by employers to the individual accounts of employees of periodical bonuses or other contributions of a contingent nature, where the calculation and payment of such bonuses or other contributions is provided for on definite principles by the regulations of the fund.

(d) the fund shall consist of contributions as above specified and of donations, if any, received by the trustees, of accumulations thereof, and of interest, credited in respect of such contributions, donations and accumulations, and of securities purchased therewith and of any capital gains arising from the sale, exchange or transfer of capital assets of the fund, and of no other sums;

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(e) the fund shall be vested in two or more trustees or in the official trustee under a trust which shall not be revocable save with the consent of all the beneficiaries;

(f) the employer shall not be entitled to recover any sum whatsoever from the fund, save in cases where the employee is dismissed for misconduct or voluntarily leaves his employment otherwise than on account of ill health or other unavoidable cause before the expiration of the term of service specified in this behalf in the regulations of the fund:

Provided that in such cases the recoveries made by the employer shall be limited to the contributions made by him to the individual account of the employee, and to interest credited in respect of such contributions and accumulations thereof, in accordance with the regulations of the fund;

(g) the accumulated balance due to an employee shall be payable on the day he ceases to be an employee of the employer maintaining the fund;

(h) save as provided in clause (g), or in accordance with such conditions and restrictions as the Board may prescribe, no portion of the balance to the credit of an employee shall be payable to him;

(i) The fund shall fulfil such other conditions as may be prescribed by the Board, through Government Gazette, by general or special order.

3. **Method of recognition of Provident Funds**.—(1) In order to approve the Provident Fund, the employer shall apply to the commissioner in the prescribed manner under whom the tax is assessed as an assessee.

(2) The Commissioner shall consider the application, related records and documents in his possession and may request other documents from the Trustee in writing for consideration.

(3) While considering the application, the Commissioner may, if necessary, direct the applicant to appear before him.

(4) The Commissioner shall, by written order, give his decision on the application within 60 (sixty)days from the date of receipt of the application and if such decision is not given, such fund shall be deemed to have been approved.

(5) If approval is granted, the order shall include the following—

(a) conditions and qualifications of approval;

(b) the effective date of the approval;

(c) duration of grant of approval.

(6) The effective date of the approval shall not be later than the last date of the financial year in which the approval decision is issued.

(7) If approval is granted for a specific period, the employer shall apply for extension of the period before the expiry of the period.

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4. **Withdrawal of recognition of Provident Funds**.—(1) If the Commissioner is of the opinion that the conditions prescribed in paragraphs 3 and 4 of this Part have been violated or not complied with by the concerned Provident Fund, the Commissioner may withdraw the said approval at any time.

(2) The Commissioner shall not withdraw the approval without giving the applicant a reasonable opportunity of being heard.

(3) In the case, where the approval is withdrawn under sub-paragraph (1), the Commissioner shall notify the same in writing to any trustee of the fund mentioning in the following—

(a) the reason for such withdrawal; and

(b) effective date of withdrawal.

(4) Where approval is granted for a specified period, it shall automatically terminate on the expiry of that period, and fresh application shall be made by the trustee under paragraph 2 if approval is sought again:

Provided that the Commissioner may, if he thinks fit, consider the continued recognition of the fund after the expiry of the period of the fund.

5**. Treatment relating to income and contribution to the Fund**.—(1) Contributions made by an employer to any recognized Provident Fund shall, subject to the limits prescribed in this Act, be deducted from the income, profits and gains in the assessment of the assessee.

(2) Where any income is received from the Fund as interest or otherwise, except contribution, in such case—

(a) a sum not exceeding A shall be tax exempted, if A < (B X 33%);

(b) a sum equivalent to A – (B X 33%) shall be included in income of the person received the money, if A > (B X 33%),

When—

A = amount of money received from the fund during the income year,

B = income from employment (excluding the said income) in the income year.

6. **Tax on accumulated balance.**—(1) Where an employee participating in a recognized Provident Fund has rendered continuous service with his employer for a period of not less than five years, and the accumulated balance due to him becomes payable, such accumulated balance shall be exempt from payment of tax and shall be excluded from the computation of his total income:

Provided that the Commissioner may allow such exemption and exclusion where the employee has rendered continuous service with the employer for a period of less than five years, if in his opinion, the service has been terminated by reason of the employee's ill health, or by the contraction or discontinuance of the employer's business, or other cause beyond the control of the employee.

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(2) Where exemption from payment of tax is not allowed if conditions under sub-paragraph (1) are not met , the Deputy Commissioner of Taxes shall determine the total of the various sums of tax which would have been payable by the employee in respect of his total income for each of the years concerned if the fund had not been a recognized Provident Fund, and the amount by which such total exceeds the total of all sums paid by or on behalf of such employee by way of tax for such years shall be payable by the employee in addition to any tax for which he may be liable for the income year in which the accumulated balance due to him becomes payable.

(3) Any payment from the accumulated balance shall be taxable unless the payment is exempt from income-tax under sub-paragraph (1).

(4) In calculating amount tax deduction at source—

(a) payment from accumulated balance shall be treated as salary;

(b) average rates are to be followed;

(c) the provisions of this Act relating to deduction and repayment shall apply.

7. **Accounts of recognized Provident Funds.**—(1) The accounts of a recognized Provident Fund shall be maintained by the trustees of the fund and shall be in such form and for such periods and shall contain such particulars as the Board may prescribe.

(2) The accounts shall be open to inspection at all reasonable times by the income tax authorities, and the trustees shall furnish to the Deputy Commissioner of Taxes such abstracts thereof as the Board may prescribe.

8. **Treatment of existing balance of recognized Provident Fund**.—(1) Where any Provident Fund is recognized with existing balance, the Trustees shall prepare or cause to be made an account of the fund in the following manner—

(a) account shall be made of the fund up to the day immediately preceding the day on which the recognition takes effect;

(b) the accounts shall show the following information—

i. the amount of each employee's accumulated balance up to the said closing date, a breakdown of balance contribution and other than contribution;

ii. the amount of balance transferred to the account of the concerned employee in the recognized Provident Fund, hereinafter referred to as transferred balance;

iii. amount which is not transferred till the date in the account of the concerned employee in the recognized provident fund;

iv. the breakdown of the contribution portion and the other than contribution portion up to the said last day into transferred balance and non-transferred balance;

v. such other details as may be prescribed by the Board.

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(2) From the date on which recognition takes effect, the transferred balance in favour of the concerned employee in the recognized Provident Fund shall be shown as deposited balance.

(3) Any portion of the balance of deposits in favour of an employee in an existing fund which is not transferred to the Recognized Provident Fund shall be excluded from the accounts of the Recognized Provident Fund, and shall be taxable thereon in accordance with the provisions of this Act, and the provisions of this Part shall not apply to such balance.

(4) In cases where the transferred balance consists of both contributory portion and non-contributory portion, 50% (fifty percent) of the non-contributory portion of the fund shall be treated as income received by the employee in the income year of recognition.

(5) An employee shall be entitled to withdraw money from the Recognized Provident Fund for the purpose of enabling him to pay the tax assessed under sub-paragraph (4).

(6) Nothing in this Article shall prejudice the rights of any person or any employee operating or dealing with such Provident Fund, who has not been recognized prior to recognition.

9. **Treatment of fund transferred by employer to trustee.**—(1) Where an employer who maintains a Provident Fund (whether recognized or not) for the benefit of his employees and has not transferred the fund or any portion thereof, transfers such fund or portion to trustees in trust for the employees participating in the fund, the amount so transferred shall be deemed to be of the nature of capital expenditure.

(2) When an employee participating in such fund is paid the accumulated balance due to him therefrom, any portion of such balance as represents his share in the amount so transferred to the trustee (without addition of interest, and exclusive of the employee's contributions and interest thereon) shall, if the employer has made effective arrangement to secure that tax shall be deducted at source from the amount of such share when paid to the employee, be deemed to be an expenditure by the employer within the meaning of section 49(v), incurred in the income year in which the accumulated balance due to the employee is paid.

10**. Provisions of this part to prevail against regulations of the fund.**—Where there is a repugnance between any regulation of a Recognized Provident Fund and any provisions of this Part or of the rules made thereunder, the regulation shall, to the extent of the repugnance, be of no effect; and the Commissioner may at any time, require that such repugnance shall be removed from the regulations of the fund.

11. **Appeals.**—(1) An employer objecting to an order of the Commissioner refusing to recognise or an order withdrawing recognition from a Provident Fund may prefer an appeal, within 60 (sixty) days of the date of such order, to the Board.

(2) The appeal shall be in such from and shall be verified in such manner as may be prescribed.

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12. **Explanation.—For the purpose of this part**—

(a) **"accumulated balance due"** to an employee means the balance to his credit, or such portion thereof as may be claimable by him under the regulations of the fund, on the day he ceases to be an employee of the employer maintaining the fund;

(b) **"annual accretion"** to the balance to the credit of an employee means the increase to such balance in any year, arising from contributions and interest;

(c) **"balance to the credit"** of an employee means the total amount to the credit of his individual account in a Provident Fund at any time;

(d) **"contribution"** means any sum credited by or on behalf of any employee out of his salary, or by an employer out of his own money to the individual account of an employee, but does not include any sum credited as interest;

(e) **"Non-contribution portion"** means the amount accruing to the Provident Fund excluding the contribution made by the employee and the employer;

(f) **"employee"** means an employee participating in a Provident Fund but does not include a personal or domestic servant;

(g) **"employer"** means—

(i) a company, local authority, firm, other association of persons, a Hindu undivided family or a natural person engaged in a business or profession the profits and gains whereof is assessable to tax under the head "Income from business", maintaining a Provident Fund for the benefit of his or its employees; or

(ii) any diplomatic, consular or trade mission or office of any inter-governmental organization located in Bangladesh, maintaining a Provident Fund for the benefit of Bangladeshi employees of such mission or office.

(h) **"Recognized Provident Fund"** means a Provident Fund which has been and continues to be recognized by the Commissioner, in accordance with the provisions of this Part;

(I) **"regulations of a fund"** means the special body of regulations governing the constitution and administration of a particular provident fund; and

(J) **"salary"** includes dearness allowance if the terms of employment so provide, but excludes all other allowances and perquisites.

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THE THIRD SCHEDULE

DEPRECIATION ALLOWANCE, DEPLETION ALLOWANCE AND AMORTIZATION

[See section 42, 49 and 50]

PART I

COMPUTATION OF DEPRECIATION ALLOWANCE

1. Depreciation allowance on assets used in agriculture.—(1) Depreciation allowance in respect of any capital asset, works or physical infrastructure owned by an assessee and used for agricultural purposes, shall be admissible on the written down value at the rates prescribed in the following Table, namely:—

Table

Serial No.	Capital Resources	Rate of depreciation (percentage)
(1)	(2)	(3)
1.	Buildings or structures constructed of brick, concrete, steel or similar materials	5
2.	Houses constructed of tin, bamboo, hay or similar materials	10
3.	Permanent fence	10
4.	Tube well	10
5.	Tank	10
6.	Irrigation wells, channels, pipes	10
7.	Agricultural implements made of wood or bamboo	20
8.	Weighing machine	10
9.	Tractors, oil engines and light machinery	10
10.	Trucks, delivery vans and other motor vehicles	10
11.	Piber pumping machinery	20
12.	Non-motorized Van	15
13.	Steam engine	10
14.	Factory machinery	15
15.	Such general machinery, tools, plant and other assets not mentioned in this table	10

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(2) Where in any income year any capital asset, civil or physical infrastructure is not wholly used by the assessee for the purpose of agriculture, the depreciation allowance under sub-paragraph (1) for that income year shall be admissible at an appropriate proportional rate on the amount of depreciation allowance that would have been admissible if the said asset had been wholly used for the purpose of agriculture.

2. Depreciation allowance on assets used in business.—(1) Depreciation allowance for the concerned income year on any asset owned and used by an assessee for the purpose of business shall be admissible subject to the basis, rates and limitations, qualifications and conditions set out in this part.

(2) The depreciation allowance referred to in sub-paragraph (1) shall be the normal depreciation allowance and the initial depreciation allowance for the concerned income year on any asset owned and used by the assessee for the purpose of business, and that shall be admissible on the written down value of the said asset subject to the basis, rates, limitations, qualifications and conditions laid down in this part.

(3) Where in any income year such asset is not wholly used for the purpose of the business of the assessee, the depreciation allowance allowed under sub-paragraph (1) for that income year shall be admissible at a reasonable proportionate rate on the amount of depreciation allowance that would have been admissible if the said asset had been wholly used for the purpose of the business.

(4) Depreciation allowance shall not be admissible on any asset under this paragraph, unless the return of the assessee reflects a claim that the asset is used for the purpose of business.

(5) Where the asset is not fully used for business purposes, in calculating the written down value of the said asset, the asset shall be deemed to have been fully used for business purposes.

(6) The aggregate of the allowed allowances in respect of any asset shall not exceed the purchase value of the asset.

(7) Depreciation of assets owned by a specified leasing company and leased to any person shall be deductible only against the lease rental income arising from such assets.

(8) No allowance shall be admissible to the lessor company or institution under this paragraph in respect of any machinery, plant, vehicle or furniture which has been leased to any lessee as finance lease.

(9) No allowance shall be admissible under this paragraph if—

(a) the description specified by the Board or other information and documents required by the Deputy Commissioner of Taxes is not submitted at the time of submission of return; and

(b) assets which have not been used in the concerned income year.

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(10) For the purposes of this part, 'specified leasing company' means a leasing company, banking company or any other [16][finance company] engaged in leasing business.

3. Determination of the purchase price of an asset.—(1) The purchase price of a motor vehicle of an assessee shall be deemed to be not more than 30 (thirty) lakhs if the said motor vehicle for which depreciation allowance is payable is any passenger motor vehicle other than a bus or minibus engaged in the transportation of students, teachers or employees of the assessee's business.

(2) In computing the purchase price of an asset, the value of any allowance, subsidy, rebate or commission and assistance (other than interest-bearing or interest-free loans) received by the assessee from the Government or any authority or person shall be excluded.

(3) Where the assessee acquires any used assets other than those mentioned in sub-paragraph (1), the acquisition value of the said asset shall not exceed its fair market value.

(4) Where the acquisition of an asset involves a foreign currency loan or foreign currency exposure, the acquisition value of an asset shall be computed after making the following adjustments, namely:—

(a) by adding exchange rate fluctuation or exchange rate hedging expense;

(b) by deducting exchange rate fluctuation gain.

4. Rate of normal depreciation allowance.—Normal depreciation allowance shall be computed on the written down value of an asset at the rate specified in the following table namely:—

Table

Serial No.	Class of assets	Rate (on written down value %)
(1)	**(2)**	**(3)**
1.	Building (unless otherwise specified in this table)	5
2.	Factory building	10
3.	Furniture and fittings	10
4.	Office equipment	10
5.	Machinery, Plant and Equipment (unless otherwise specified in this Schedule)	10

[1] The words “finance company” were substituted for the words “Financial Institution” by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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Serial No.	Class of assets	Rate (on written down value %)
(1)	(2)	(3)
6.	Ocean-going ship	
	(a) New	5
	(b) Second hand, age at the time of purchase	
	(i) Less than10 years	10
	(ii) 10 years or more	20
7.	X-Ray and electrotherapeutic apparatus and accessories thereto	20
8.	Battery operated apparatus and rechargeable batteries	30
9.	Equipment used for production and display of audio-visual products	20
10.	Motor vehicles all sorts not plying for hire	10
11.	Motor vehicles all sorts plying for hire	20
12.	Computer hardware including printers, monitors and ancillary items	25
13.	professional and reference books	25
14.	Aircraft, aero-engines and aerial photographic apparatus	30
15.	Moulds used in the manufacture of glass or plastic goods or concrete pipe	30
16.	Mineral oil concerns-	
	(a) Below ground installations	100
	(b) Above ground installations, that is to say, portable boilers, drilling tools, well-head tanks and rigs	25
17.	Bridge	2
18.	Road	2
19.	Fly over	2
20	Pavement runway, taxiway	2.5
21.	Apron, tarmac	2.5
22.	Boarding bridge	10
23.	Communication, Navigation aid and other equipment	5
24.	All such physical assets not mentioned in this table	10%

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5. Initial Depreciation Allowance.—(1) Where a building is newly constructed or an asset including machinery or plant is used in Bangladesh for the first time, initial depreciation allowance shall be admissible at the rate specified in sub-paragraph (4), subject to the limits and conditions set out in this paragraph.

(2) No initial depreciation allowance shall be allowed in respect of the following assets, namely:—

(a) any motor vehicle not plying for hire, and

(b) any machinery or plant which has previously been used in Bangladesh.

(3) Initial depreciation allowance shall be allowed in respect of the income year in which any asset is first used by the assessee for the purpose of business or profession or in the income year in which commercial production is first commenced, whichever occurs later.

(4) Initial depreciation allowance shall be computed on the purchase cost of the concerned asset at the rates specified in the following table, namely:—

Table

Serial No.	Asset	Initial depreciation rate
(1)	(2)	(3)
1.	Any type of building	10%
2.	the case of machinery or plant other than ships or motor vehicles not plying for hire	25%

6. Accelerated depreciation allowance on machinery or plant.—(1) Where any asset comprising machinery or plant is used in any industrial undertaking situated in Bangladesh, subject to the limits and conditions set out in this paragraph, accelerated depreciation shall be allowed at the rate specified in sub-paragraph (3).

(2) Accelerated depreciation allowance shall be allowed for up to 3 (three) years from the year of commencement of commercial production of the industrial undertaking.

(3) Accelerated depreciation shall be computed on the purchase price of the asset concerned at the following rates, namely:—

Table

Serial No.	Income Year of Commencement of Commercial Production	Accelerated Depreciation Rate
1.	First income year	50%
2.	Second income year	30%
3.	Third income year	20%

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(4) Allowance of accelerated depreciation shall be allowed subject to the following conditions, limits and qualifications, namely:—

(a) the relevant asset is owned by the industrial undertaking referred to in sub-paragraph (1) and has not previously been used in Bangladesh;

(b) ownership and management of industrial undertaking—

(i) is carried on by any body corporate established under any law for the time being in force having its head office in Bangladesh; or

(ii) is carried on by a company as defined in the Companies Act, 1994 (Act No. 18 of 1994) having its registered office in Bangladesh and having an authorized and paid-up capital of not less than Taka 20 (twenty) lakh on the date of commencement of commercial production;

(c) the industrial undertaking—

(i) holds TIN;

(ii) maintains accounts in accordance with the provisions of this Act;

(iii) maintatins separate and distinct accounts;

(vi) submits returns in accordance with the provisions of this Act;

(d) follows the procedure described below, namely:—

(i) apply to the Board, in the prescribed form and manner, for accelerated depreciation allowance within 6 (six) months from the last day of the month of commencement of commercial production;

(ii) the application shall be accompanied by a declaration to the effect that the industrial establishment is not exempted from tax under any section of this Act, and has not and shall not make any application to the Board for exemption from tax.

(5) If accelerated depreciation allowance is allowed on any asset in any income year, no normal or early depreciation allowance under this Act shall be allowed in favour of that asset.

7. Provisions relating to sale or transfer of assets and gain or loss thereof.—Where any asset is sold or transferred by an assessee in any income year, no depreciation allowance under this Part shall be allowed in that income year against such asset.

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8. Explanation.—For the purposes of this part—

(1) **"asset"** means tangible movable property owned by a person, immovable property (other than waste land), or structural improvements on immovable property—

(a) whose normal useful life exceeds 1 (one) year;

(b) whose value reduces or renders unusable by normal use; and

(c) for which no allowance other than depreciation allowance is admissible under any provision of this Act;

(2) **"furniture"** includes fittings;

(3) **"structure"** includes vessels, vehicles, books, scientific instruments, and surgical instruments used for business purposes;

(4) **"ship"** includes a steamer, motor vessel, sail, tug boat, iron or steel flat for cargo, wooden cargo boat, motor launch and speed boat;

(5) **"structural development"** (in relation to immovable property), means any building, road, driveway, car park, railway line, pipe line, bridge, tunnel, airport runway, canal, dock, wharf, retaining wall, fence, power line; and shall also include water or drainage pipes, drains, landscaping or dams;

(6) **"written down value"** means—

(a) in case the asset is acquired in any income year, the purchase value of the asset after deduction of any allowed initial allowance in respect of the asset;

(b) in other cases, the purchase cost of the asset as reduced by the aggregate of the allowances for depreciation allowed, in respect of the assessments for earlier year or years.

PART 2

COMPUTATION OF AMORTIZATION

1. **Computation**: Amortization allowance under this part shall be computed on the basis of straight line method.

2. **Amortization of license fee.**—Where an assessee, being a resident company, paid any sum as licence fees for the purpose of obtaining a permission from any authority authorized by the government applicable for two or more years to run a business, the assessee shall be allowed a deduction of an amount proportionate to such years and such deduction shall continue till the last year of the period for which the licence was granted.

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3. **Amortization of pre-commencement expenditure**.— The rate of amortization of pre-commencement shall be 20% (twenty percent).

4**. Amortization of research and development expenditure**.—The rate of amortization of research and development expenditure shall be 10% (ten percent).

5. **Amortization of computer software and applications**.—The rate of amortization of usable computer software and applications shall be allowed as follows, namely:—

(a) 20% (twenty percent) in respect of any software and applications developed in Bangladesh;

(b) 10% (ten percent) in respect of any software and applications from outside Bangladesh.

6. **Amortization of inadmissible expenses.**—If any expenditure claimed by the assessee during an assessment under this Act is disallowed as capital in nature, the said expenditure of the assessee shall be allowed as amortization allowance at the rate of 10% (ten percent) in subsequent assessment years.

7. **Explanation.**—

(1) For the purposes of this Part,—

(a) **"pre-commencement"** expenditure shall mean all such expenditure incurred wholly and exclusively for the purpose of the business in the years prior to the year of commencement of commercial operations but not allowable under other provisions of the Third Schedule and shall include the cost of business feasibility study, model or prototype construction and trial production, but shall in no case exceed the actual cost and shall not be allowed again if previously allowed in any way;

(b) **"research and development expenditure"** means research and development expenditure as defined in clause 33 of section 2; and

(c) **"Licence Fee"** means spectrum assignment fee paid by a cellular mobile phone operator or any other license fee paid as an integral part of the activities of a company engaged in providing specialized services.

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THE FOURT SCHEDULE

COMPUTATION OF THE PROFITS AND GAINS OF INSURANCE BUSINESS [See section 47]

1. Profits of life insurance to be computed separately.—In the case of any person who carries on, or at any time in the income year carried on, life insurance business, the profits and gains of such person from that business shall be computed separately from his income, profits or gains from any other business.

[1][2. **Computation of profits and gains of life insurance business**.—The profits and gains of life insurance business, other than pension and annuity business, shall be computed in the following manner, namely:—

Higher of A and B, where,

A= K – L, where—

K = gross external incomings of the relevant income year;

L = all admissible management expenses for the relevant income year not exceeding the amount computed according to P+Q+R+S formula, where—

P = 7.5% (seven point five percent) of the premiums received during the relevant income year in respect of single premium life insurance policies;

Q = in respect of the first year's premiums received in respect of other life insurance policies for which the number of annual premiums payable is less than 12 (twelve), or for the number of years during which premiums are payable is less than 12 (twelve), for each such premium or each such year, 7.5% (seven point five percent) of each first year's premium or premium received during each of the relevant income years;

R= 90% (ninety percent) of the first year's premium received during the income year in respect of all other life insurance policies;

S= 12% (twelve percent) of all renewal premiums received during the income year;

[1] Paragraph 2 was substituted by section 83(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024

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B = (U – V + W +X) / Y, where—

U = applicable any of the following three alternatives, namely:–

(i) surplus or deficit disclosed by the actuarial valuation for the assessment year in which assessment to be made; or

(ii) where surplus or deficit cannot be determined according to (i), surplus or deficit disclosed by the actuarial valuation made for the year immediately preceding to the relevant assessment year; or

(iii) where surplus or deficit cannot be determined according to (i) or (ii), surplus or deficit disclosed by the actuarial valuation made for the last intervaluation period;

V = surplus or deficit brought forward from the earlier period included in the actuarial valuation made for the assessment year in which assessment to be made;

W = interim or terminal bonus, called by whatever name, paid during the period of surplus or deficit;

X = aggregate of inadmissible deductions under the provisions of sections 49-55 during the period of surplus or deficit;

Y = 1 (one), or where the intervaluation period is more than one year and is accepted for the computation of P, in that case, aggregate of years of intervaluation period.**]**

3. Computation of profits and gains of pension and annuity business.— The profits and gains of pension and annuity business shall be taken to be the annual average of the surplus computed in the manner laid in clause (b) of paragraph 2.

4. Deductions.— In computing the surplus,—

(a) under clause (b) of paragraph, for the purpose of life insurance business, three-fourths of the amounts paid to or reserved for or expended on behalf of policy-holders, shall be allowed as a deduction, and under paragraph 3, the amounts paid to or reserved for or expended on behalf of the members of an approved superannuation fund shall be allowed as a deduction:

Provided that—

(i) in the first such computation made under this paragraph of any such surplus, no account shall be taken of any such amounts to the extent to which they are paid out of or in respect of any surplus brought forward from a previous inter-valuation period;

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(ii) if any amount so reserved for policy-holders or members of an approved superannuation fund, as the case may be, ceases to be so reserved, and is not paid to or expended on behalf of policy-holders or members of an approved superannuation fund, as the case may be, one-half or three-fourths of such amount or the entire amount, as the case may be, if it has been previously allowed as a deduction, shall be treated as part of the surplus for the period in which the said amount ceased to be so reserved;

(b) any amount either written off or reserved in the accounts or through the actuarial valuation balance-sheet to meet depreciation of or loss on the realization of securities or other assets, shall be allowed as a deduction and any sums taken credit for in the accounts or actuarial valuation balance-sheet on account of appreciation of or gains on the realization of the securities or other assets shall be included in the surplus:

Provided that if, upon investigation, it appears to the Deputy Commissioner of Taxes after consultation with the Controller of Insurance that having due regard to the necessity for making reasonable provision for bonuses to participating policy-holders and for contingencies, the rate of interest or other factor employed in determining the liability in respect of outstanding policy is materially inconsistent with the valuation of the securities and other assets so as artificially to reduce the surplus, such adjustment shall be made to the allowance for depreciation of or to the amount to be included in the surplus in respect of appreciation of, such securities and other assets as shall increase the surplus for the purposes of these paragraphs to a figure which is fair and just;

(c) interest received in respect of any securities of the Government which have been issued with the condition that interest thereon shall not be liable to tax shall be excluded.

5. Adjustment of tax paid by deduction at source.—Where for any year an assessment of the profits and gains of life insurance business is made in accordance with the annual average of a surplus disclosed by a valuation for an inter-valuation period exceeding 12 (twelve) months, then, in computing the tax payable for that year, credit shall not be given in accordance with section 158 for the tax paid in the income year, but credit shall be given for the annual average of the tax paid by deduction at source from interest on securities or otherwise during such period.

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6. Computation of profits and gains of other insurance business.—(1) The profits and gains of any business of insurance other than life insurance shallbe taken to be the balance of the profits disclosed by the annual accounts, which are required to be prepared complying the provisions of the Insurance Act, 2010 (Act No. 13 of 2010)], after adjusting such balance so as to exclude from it any expenditure, other than expenditure which may under section 49-53 of this Act be allowed for, in computing the profits and gains of a business. Profits and losses on the realization of investments, and depreciation and appreciation of the value of investments shall be dealt with as provided in paragraph 4 for the business of life insurance.

[1][(2) A company shall make deductions equal to Z amount computed under sub-paragraph (1) from the balance of profit to meet exceptional loss in any year, where,-

Z = not exceeding 10% (ten percent) of the premium income of a company in that year.]

(3) Notwithstanding anything to the contrary contained in this Act, where any amount is paid, appropriated or diverted out of, or from the amounts deducted under sub-paragraph (2) for purposes other than the meeting of an exceptional loss, such amount shall, together with the other premium income, if any, of the company for the year in which such payment, appropriation or diversion takes place, be deemed to be the premium income of the company for that year; and in the event of the liquidation of the company or the discontinuance of the business to which this paragraph applies, whichever is the earlier, the aggregate of the amounts deducted under sub-paragraph (2) (as reduced by the payments made out of such amounts to meet exceptional losses) shall, together with the other income, if any, of the company for the year in which it goes into liquidation or in which such business is discontinued, be deemed to be the income of the company for that year.

Explanation.—For the purposes of this paragraph—

(a) **"exceptional loss"** means the amount by which the aggregate loss in any year exceeds 50% (fifty percent) of the premium income of that year or 50% (fifty percent) of the average premium income of the three years immediately preceding that year, whichever is the higher, total world income of the company corresponding to the proportion which its premium income derived from Bangladesh bears to its total premium income;

[1] Sub-paragraph (2) was substituted by section 83(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(b) for the purposes of this paragraph, the total world income of life insurance companies not resident in Bangladesh whose profits are periodically ascertained by actuarial valuation, shall be computed in the manner laid down in these paragraphs for the computation of the profits and gains of life insurance business carried on in Bangladesh.

7. Profits and gains of non-resident person.—The profits and gains of the branches in Bangladesh of an insurance company not resident in Bangladesh in the absence of more reliable data, may be deemed to be the proportion of the total world income of the company corresponding to the proportion which its premium income derived from Bangladesh bears to its total premium income.

Explanation.—For the purpose of the paragraph, the total world income of life insurance companies not resident in Bangladesh whose profits are periodically ascertained by actuarial valuation shall be computed in the manner laid down in these paragraphs for the computation of the profits and gains of the life insurance business carried on in Bangladesh.

8. Mutual Insurance Associations.—Provisions of this part apply to the assessment of the profits of any business of insurance carried on by a mutual insurance association.

9. Explanation.— For the purposes of this Schedule.—

(a) **"gross external incomings"** means the full amount and incomings from interest, dividends, fines and fees and all other incomings from whatever source derived (except premium received from policy-holders and interest and dividends on any annuity fund) and includes also profits from reversions and on the sale or the granting of annuities, but excludes profits on the realization of securities or other assets:

Provided that incomings, including the annual value of the property occupied by the assessee, which but for the provisions of section 47 would have been assessable under section 36, shall be computed upon the basis laid down in the last named section, and that there shall be allowed from such gross incomings such deductions as are permissible under that section**;**

(b) **"management expenses"** means the full amount of expenses (including commissions) incurred exclusively in the management of the business of life insurance, and in the case of a **company** carrying on other classes of business as well as the business of life insurance in addition thereto, a fair proportion of the expenses incurred in the general management of the whole business. Bonuses or other sums paid to or reserved on behalf of policy-holders, depreciation of, and losses on the realization of securities or other assets and any expenditure other than expenditure which may under the provisions of section 48 be allowed in computing the profits and gains of a business are not management expenses for the purposes of this Schedule;

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(c) **"life insurance business"** means life insurance business as defined in section 5(2) of Insurance Act, 2010 (Act no. 13 of 2010);

(d) **"securities"** includes stocks and shares;

(e) **"pension and annuity business"** means any life insurance business relating to a contract with the trustees of an approved superannuation fund, where such contract is—

(i) entered into only for the purposes of such fund, and

(ii) so framed that the liabilities undertaken thereunder by the person carrying on the insurance business correspond with the liabilities against which the contract is intended to secure such fund.

FIFTH SCHEDULE

COMPUTATION OF THE PROFITS OR GAINS IN RESPECT OF CERTAIN MINERAL DEPOSITS

[See section 47]

PART I

COMPUTATION OF THE PROFITS OR GAINS FROM THE EXPLORATION AND PRODUCTION OF PETROLEUM AND THE DETERMINATION OF THE TAXES THEREON

1. Computation of Profits from exploration and production of petroleum.—Where any person carries on or is deemed under an agreement with the Government to be carrying on any business which consist of or includes exploration and production of petroleum, the profits or gains of such person therefrom shall be computed separately from his income, profits or gains from any other business.

2. Computation of profits.—Subject to the provisions of section 49, the profits and gains for the purposes of paragraph 1, shall be computed after making the following additional allowances, namely:—

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(a) where a person incurs any expenditure on searching for, or on discovering and testing a petroleum deposit or winning access thereto, but the search, exploration or enquiry upon which the expenditure is incurred is given up before the commencement of commercial production, such expenditure allocable to a surrender area and to the drilling of a dry hole shall be deemed to be lost at the time of the surrender of the area or the completion of the dry hole, as the case may be. A portion of such loss as provided for any agreement between any such person and the Government, shall be allowed in either of the following ways, namely:—

(i) such portion of the said loss in any year shall be set off against income, profits or gains from business or under any other head of income, other than income from dividend, of that year. If the loss cannot be wholly set off in this manner, the portion not so set off shall be carried forward to the following year and set off against such income, profits or gains, for that year in the same manner, and if it cannot be wholly so set off, the amount not so set off shall be carried forward to the following year and so on; but no loss shall be so carried forward for more than six years;

(ii) such portion of the said loss in any year shall be set off against income, profits or gains of the same business of the income year in which commercial production commences. If the loss cannot be wholly set off against the profit of the same business for that year, the loss not so set off shall be carried forward to the following year and set off against the profits or gains, if any, of the assessee from the same business for that year; and if it cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following year, and so on; but no loss shall be so carried forward for more than ten years;

(b) after the commencement of commercial production, all expenditure prior thereto not deemed to be lost under clause (a) and not represented by physical assets in use at the time the commercial production commenced, shall be allowed as deductions. The portion of such deduction to be allowed in any year shall be such amount (not being greater than 10% (ten percent). of the aggregate amount deductible) as may be selected by the assessee;

(c) expenditure incurred after the commencement of commercial production in connection with production and exploration shall be allowed as a deduction:

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Provided that such expenditure on asset with respect to which depreciation is allowable shall not be deducted, and depreciation shall be allowable on such assets in accordance with the provisions of the Fourth Schedule. Depreciation shall also be allowed in respect of the expenditure referred to in the preceding clause on physical assets acquired prior to the date on which commercial production commenced, which were in use on that date, as if the assets were newly acquired at their original cost at the time of commencement of commercial production:

Provided further that where any depreciation allowance has been allowed before the commencement of commercial production, the original cost as aforesaid shall be reduced by the amount of such allowance;

(d) if, in any year, the deductions admissible under section 49-53 and the foregoing clauses (b) and (c) of this paragraph, exceed the gross receipts from the sale of petroleum produced in Bangladesh such excess shall be set off against other income, not being a dividend, and carried forward in the manner and subject to the limitations laid down in sections 70 and 71.

[19][***]

4**. Payments to the Government and taxes.**—The sum of payments to the Government and taxes on income in respect of the profits or gains derived from the business or part of the business to which the provisions of this Part apply, for any year of assessment, shall be as provided for in the agreement with the assessee.

5. **Adjustments of payments to the Government and taxes.**—If in respect of any year, the aggregate of the sum of payments to the Government and taxes on income is greater or less than the amount provided for in the agreement referred to in paragraph 4, an additional income tax shall be payable by the assessee or an abatement of tax shall be allowed to the assessee, as the case may be, so as to make the aggregate of the sum of payments to the Government and taxes on income equal to the amount provided for in the agreement.

6. **Carry forward of excess payments.**—If, in respect of any year, the payments to the Government exceed the amount provided for in the agreement referred to in paragraph 4, so much of the excess as consist of any tax or levy referred to in paragraph 4 shall be carried forward and treated as payments to the Government for the purposes of paragraph 4 and 5 for the succeeding year.

[19] Paragraph 2 was omitted by section 84 of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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7. Sale price of oil.—For the purposes of computing income under this Part, the **"well-head value"** shall be adopted as the sale price of the oil.

8. Explanation.—For the purposes of this Part—

(a) **"commercial production"** means production as determined by the Government;

(b) **"petroleum"** shall carry the same meaning as assigned to it in the Bangladesh Petroleum Act, 1974 (LXIX of 1974), but does not include refined petroleum products;

(c) **"surrender"** means the termination of right with respect to an area including the expiration of rights according to the terms of an agreement;

(d) **"surrendered area"** means an area with respect to which the rights of a person have terminated by surrender or by assignment or by termination of the business;

(e) **"well-head value"** has the meaning assigned to it in the agreement between the assessee and the Government and, in the absence of its definition in the agreement, the meaning assigned to it in the Petroleum (Production) Rules, 1949;

(f) **"Payment to Government"** means any money paid to the Government or to any authority of the Government of Bangladesh, in respect of any tax or levy imposed in Bangladesh specifically for the oil producing or extractive industry or for all such industries, or any of them, and not normally imposed for all industrial establishments and commercial establishments.

PART II

COMPUTATION OF PROFITS AND GAINS FROM THE EXPLORATION AND EXTRACTION OF MINERAL DEPOSITS (OTHER THAN OIL AND OIL GAS) IN BANGLADESH

1. Profits from exploration and extraction of mineral deposits to be computed separately.—Where any person carries on the business of the exploration or extraction of mineral deposits of a wasting nature other than petroleum in Bangladesh, the profits and gains of such business, shall be computed separately from his income, profits or gains from other business, if any, and such business shall, for the purposes of these paragraphs, be treated as a separate undertaking (hereinafter referred to as such undertaking).

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2. **Computation of profits.**—(1) Subject to the provisions of this Part, the profits and gains of such undertaking shall be computed in accordance with the provisions of section 49-53.

(2) All expenditure on prospecting and exploration incurred by such undertaking up to the stage of commercial production shall, to the extent it cannot be set off against any other income of the said undertaking or any other income in accordance with section 70, be treated as a loss.

(3) The loss computed in the manner specified in sub-paragraph (2) shall be set off against the income of such undertaking after the commencement of commercial production so, however, that if it cannot be wholly set off against the income, profits or gains of the said undertaking for the income year in which the commercial production was commenced, the portion not so set off shall be carried forward to the following year, and so on; but no loss shall be carried forward for more than 10 (ten) years beginning with the year in which commercial production was commenced.

(4) Notwithstanding the provisions of paragraph 4 and 5 of the Third Schedule, Part 1, after the commencement of commercial production, depreciation allowance in respect of machinery and plant purchased or acquired for extracting the ore shall be allowed as a deduction against profits and gains of the year in which they are used for the first time in an amount equal to the original cost of such asset; where such allowance cannot be made in full in any year owing to there being no profits or gains chargeable for that year or owing to the profits and gains so chargeable being less than the allowance, the allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of allowance for depreciation for the following year and deemed to be part of that allowance or, if there is no allowance for that year, be deemed to be allowance for that year, and so on for succeeding year :

Provided that where any loss is carried forward under sub-paragraph (3), in that case the said loss shall be pre-adjusted.

3. **Depletion allowance.**—(1) In computing the profits and gains of such undertaking for any year, an additional allowance (hereinafter referred to as the depletion allowance) shall be made equal to 15%(fifteen) percent. of the total income of such undertaking (before the deduction of such allowance) or 50 per cent. of the capital employed in such undertaking (such capital being computed in accordance with such provisions as may be made by the Board for the purpose of this paragraph), whichever is the less.

(2) No deduction on account of the depletion allowance shall be allowed under sub-paragraph (1) unless an amount equal to the depletion allowance is debited to the profit and loss account of the relevant income year and credited to a reserve account to be utilized for the development and expansion of such undertaking.

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(3) Where an allowance by way of depletion allowance has been made in any year and subsequently it is utilized for a purpose not specified in sub-paragraph (2), the amount originally allowed shall be deemed to have been wrongly allowed and the Deputy Commissioner of Taxes may, notwithstanding anything contained in this Act, recomputed the total income of the assessee for the relevant income year and the provisions of sections 212 and 197 shall, so far as may be, apply thereto, the period of [1][limitation] specified in section 197 being reckoned from the end of the income year in which the amount was so utilized.

4. **Tax exemption of profits from refining or concentrating mineral deposits.**—(1) Where such undertaking is also engaged in the business of refining or concentrating in Bangladesh the mineral deposits extracted by it in Bangladesh, so much of the profits and gains derived from such business as does not exceed five percent of the capital employed in such business, such capital being computed in accordance with such rules as may be made by the Board for the purposes of this paragraph, shall be exempt from tax.

(2) Where the profits and gains of such business, computed for any year of assessment cover a period which is less or more than one year, the amount of profits and gains exempt under sub-paragraph (1) shall be the amount which bears the same proportion to the said amount of profits and gains at the same proportion as the said period bears to a period of one year.

(3) The profits and gains of the business to which this paragraph applies shall be computed in accordance with the provisions of Chapter 5 of Part 5.

(4) The provisions of this paragraph shall apply to the assessment for the year next following the income year in which commercial production is commenced, or the loss under paragraph 2(3) or allowance, if any, under paragraph 2(4), as the case may be, has been set off or deducted in full, whichever is the later, and for the next following four years.

THE SIXTH SCHEDULE
TAX EXEMPTIONS, REBATE AND CREDITS
[See section 76 [2][,77 and 78]]

PART I
EXCLUSION FROM THE COMPUTATION OF TOTAL INCOME

The following income shall be excluded from computation of total income, namely:—

(1) The income of any inter-governmental organization or any international organization or any of its employees exempted from income-tax under any Act made by the Parliament or any treaty signed by the Government;

[2] The comma, figure and word “77 and 78” after the word and figure “section 76” were added by section 85(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Any of the following incomes—

(a) received by any ambassador, high commissioner, envoy, minister, charge d'affairs, commissioner, counsellor, consul de carriere, secretary, adviser or attache of an embassy, high commission, legation or commission of a foreign state, as remuneration from such state for service in such capacity;

(b) received by a trade commissioner or other official representative in Bangladesh of a foreign state (not holding office as such in an honorary capacity) as his official salary, if the official salary of the corresponding officials, if any, of the Government, resident for similar purposes in the country concerned, enjoy a similar exemption in that country;

(c) received by a member of the staff of any of the officials referred to in clauses (a) and (b), as his official salary, when such member is not a citizen of Bangladesh and is either a subject of the country represented or a subject of some other foreign State and is not engaged in any business or profession or employment in Bangladesh otherwise than as a member of such staff, and the country represented has made corresponding provisions for similar exemptions in the case of members of the staff of the corresponding officials of the Government of the People's Republic of Bangladesh in that country;

(3) grants received by Government or local authorities and any taxes, fees and duties;

(4) Any pension due to, or received by an assessee from the Government or an approved Pension Fund;

(5) Any income up to Taka two crore fifty lakh received by an assessee as gratuity from the Government Gratuity Fund;

(6) any recognized Provident Fund, approved Superannuation Fund, Pension Fund and approved Provident Fund—

(a) any contribution received by the said funds from the employee or employer; and

(b) income, distributed among the beneficiaries of the said funds, which has been taxed in the hands of the fund:

Provided that the amount received by the assessee as gratuity from any approved gratuity fund shall not exceed the limit of Taka 2 (two) crore and 50 (fifty) lakh;

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(7) Any income accruing to, or derived by, a Provident Fund to which the Provident Fund Act, 1925 (Act No. 19 of 1925), applies;

(8) Any amount received by an employee of a government organization, a local authority, or an autonomous or semi-autonomous body including the units or enterprises controlled by it, at the time of his voluntary retirement in accordance with any scheme approved by the Government in this behalf;

(9) Any sum or aggregate of sums received as interest from pensioners' savings certificate where the total accumulated investment at the end of the relevant income year in such certificate does not exceed Realized Value/ Actual Value/ Face Value/ Purchase Value of Taka five lakh;

(10) Any income earned by the following entities recognized by the Bangladesh Securities and Exchange Commission, namely:—

(a) Mutual Fund;

(b) Alternative Investment Fund;

(c) Real Estate Investment Trust;

(d) Exchange Traded Fund;

(11) Income derived from house-property under a trust or other legal obligation held wholly for charitable or religious purposes, except in the case of private institutions registered by the Bureau of NGO Affairs, if the said income—

(a) used for charitable or religious purposes in Bangladesh in the relevant income year; or

(b) is not used for any charitable or religious purpose, but is accumulated or finally set apart, for application to such purposes in Bangladesh, and—

(i) inform the Deputy Commissioner of Taxes for what reason and for what period such income has been accumulated or set aside;

(ii) the period referred to in sub-clause (i) does not exceed 10 (ten) years;

(iii) such accumulated or set-aside money is invested in Government securities or in any other securities approved by the Government for the purpose, or deposited in any Post Office Savings Bank, or deposited in any such Scheduled Bank of which 51% (fifty-one per cent) or more shares held by Government;

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[1][(12) Any donation or grant, if it—

(a) is received by a religious institution, or any institution, run for charitable purpose and approved by the Commissioner of Taxes, and is expended for religious or charitable purpose; or

(b) is received by a person approved by the NGO Affairs Bureau;]

[2][(13) Service charges arising out of operation of microcredit activities by any entity registered with the Microcredeit Regulatory Authority subject to compliance with the following conditions:

(a) except in the cases prescribed by laws, such service charge shall be revolved only in microcredit; and

(b) such entity registered with the Microcredit Regulatory Authority shall not be engaged in any activities other than the operational microcredit activities;

(c) conditions mentioned in sub-clause (b) shall be applicable from the assessment year 2026-27;

(d) only so much of service charge as is not revolved in any assessment year shall be taxable;

Explanation.—For the purposes of this clause, "service charge" means any financial charge or interest or share of profit, called by whatever name, paid or payable by the borrower against the money borrowed under the microcredit activities of private organization;]

(14) Reimbursement of expenses of an employee by an employer if—

(a) the said expenditure is wholly and necessarily incurred in the performance of the duties of the employee; and

(b) it was most advantageous for the employer to incur such expenditure through the said employee;

[(15) Part of income, received by a beneficiary of a trust or a participant in a fund as part of the income of the trust or fund, on which tax has been paid by the said trust or fund;]

(16) Any sum received by an assesseeas a member of a Hindu undivided family where such sum has been paid out of the income of the family;

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[1] Clause (12) was substituted by section 85(b)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clause (13) was substituted by section 85(b)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(17) Any income earned in abroad by an individual assessee being a Bangladeshi citizen and brought any such income into Bangladesh as per existing laws applicable in respect of foreign remittance;

(18) Any income received by an assesse from wage earners development bond, US dollar premium bond, US dollar investment bond, Euro premium bond, Euro investment bond, Pound sterling investment bond or Pound sterling premium bond;

(19) Income of an individual, being an indigenous hillman, Tribes, Minorities, Ethnic Groups of any of the hill districts of Rangamati, Bandarban and Khagrachari, which has been derived solely from economic activities undertaken within the said hill districts;

(20) Any income, not exceeding 2 (two) lakh Taka, chargeable under the head **"**Income from Agriculture**"** of a assessee, being an individual:—

(a) is a farmer by occupation;

(b) has no income in the relevant income year other than the following income, namely;—

(i) income arising from the cultivation of land;

(ii) Income not exceeding 20 (twenty) thousand Taka on account of interest or profit.

(21) Any income derived from the following business of a person being a resident or a non-resident Bangladeshi individual for the period from July 1, 2024 to June 30, 2027, namely:—

(a) AI based solution development;

(b) blockchain based solution development;

(c) robotics process outsourcing;

(d) software as a service;

(e) cyber security service;

(f) digital data analytics and data science;

(g) mobile application development service;

(h) software development and customization;

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(i) software test lab service;

(j) web listing, Website development and service;

(k IT assistance and software maintenance service;

(l) geographic Information Service;

(m) digital animation development;

(n) digital graphics design;

(o) digital data entry and processing;

(p) e-learning platform and e-publication;

(q) IT Freelancing;

(r) call center service;

(s) document conversion, imaging and digital archiving:

Provided that all income, expenditure and investment of the business shall be performed wholly through bank transfer from July 1, 2024;]

(22) Any income derived from the export of handicrafts for the period from the first day of July, 2020 to the thirtieth day of June, 2024;

(23) Any amount paid by the Government as tax on behalf of a petroleum exploration company engaged in exploration of petroleum products in Bangladesh under Production Sharing Contract (PSC) with the Government of Bangladesh;

(24) Income derived from any Small and Medium Enterprise (SME), engaged in production of any goods, having—

(a) an annual turnover of not more than Taka 70 (seventy) lakhs where the SME is owned by women;

(b) in other cases, an annual turnover of not more than Taka 50 (fifty) lakhs;

(25) Any income derived from Zero Coupon Bond received by a person other than Bank, Insurance or any [1][finance company], subject to the following conditions:—

[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(a) that the Zero Coupon Bond is issued by Bank, Insurance or any [1][finance company] with prior approval of Bangladesh Bank and Securities Exchange Commission;

(b) that the Zero Coupon Bond is issued by institutions other than Bank, Insurance or any [2][finance company] with prior approval of the Securities Exchange Commission;

(26) Any income, not being interest or individual classified under the head "Income from Financial asset" received by any educational institution, if it—

(a) is enlisted for Monthly Pay Order (MPO) of the government;

(b) follows the curriculum approved by the government;

(c) is governed by body formed as per government rules or regulations;

(27) One-third of the income computed as "income from employment" or 4 (four) lakh 50 (fifty) thousand Taka whichever is less;

(28) Any income, not being interest or dividend received by any public university [3][***] or

(29) Any amount in the nature of an honorarium or allowance from Bangladesh Mukti joddha kalian Trust or any welfare allowance received by any person from the Government;

(30) Any reward received by any person from the Government;

(31) Any income derived from the operation of an elderly care home;

(32) Any distribution of taxed dividend to a company if the company distributing such taxed dividend has maintained separate account for the taxed dividend;

[4][***]

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[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The words and brackets "any professional institute established under any law and run by professional body of Chartered Accountants or Cost and Management Accountants or Chartered Secretaries" were omitted by section 85(b)(iii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] Clause (33) was omitted by section 85(b)(iii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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[1][(34) Any income arising as pension under Universal Pension Scheme;]

[2][(35) Any asset received as gift from husband-wife, mother-father or children if it is shown in the returns of giver and recipient:

Provided that, where the gift is remitted from abroad to the recipient in Bangladesh through banking channel, in that case, the condition of showing such gift in the return of the giver shall not apply;

(36) Any capital gain not exceeding Taka 50 (fifty) lakh received by an individual, which is—

(a) derived from the transfer of shares or units of any listed company or fund; and

(b) not derived from the transfer of shares or units of sponsors, directors or placement holders of any company or fund.]

PART 2

[3][DEDUCTION FROM THE COMPUTATION OF TOTAL INCOME]

The following income shall be [4][deducted from the computation of total income], namely:—

(1) By bank transfer by the assessee in any income year—

(a) income of an assessee donated in an income year to any fund established by or under the provisions of Trust of Prime Minister's Education Assistance Act, 2012 (Act No. 15 of 2012) subject to a maximum of—

(i) 10% (ten percent) of income of a company or Taka eight crore, whichever is less;

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[1] Clause (34) was added by S.R.O. No. 295-Law/Income-tax-17-2023, dated October 31, 2023.

[2] Clause (35) and (36) were added by section 85(b)(iii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[3] The heading "DEDUCTION FROM THE COMPUTATION OF TOTAL INCOME" was substituted for the heading "DEDUCTION FROM TOTAL INCOME" by section 85(c)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[4] The words "deduction from the computation of total income" was substituted for the words "deduction from total income" by section 85(c)(ii) of the finance act, 2024 (act no. v of 2024) with effect from 1st July 2024.

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(ii) 10% (ten percent) of income of an assesseeother than a company or one crore Taka, whichever is less;

(b) income of an assessee donated in an income year to any girls' school or girls' college approved by the Ministry of Education of the Government; [1][***]

(c) income of an assesseedonated in an income year by a crossed cheque or bank transfer to any Technical and Vocational Training Institute approved by the Ministry of Education of the Government.

[2][(d) income donated to As-Sunnah Foundation;]

[3] [(e) income donated to July Shahid Smriti Foundation;]

(2) Income of an assesseedonated in an income year to any national level institution engaged in the research and development (R&D) of agriculture, science, technology and industrial development.

PART 3

ELIGIBLE INVESTMENTS AND ALLOWANCES FOR GENERAL TAX REBATE

1. Applicability.—This Part shall apply for resident [4][individual] assessee and non-resident Bangladeshi [5][individual] assessee.

2. Applicable eligible investments and allowances for general tax rebate.**—**General tax rebate shall be applicable in respect of the following investments and expenditure**,** namely:—

(1) Any sum paid by a assessee, being an individual, to effect an insurance, or a contract for deferred annuity, on the life of the assessee or on the life of a wife or husband or a minor child of the assessee, subject to the limit of such payment, in the case of insurance, to 10% (ten percent) of the actual sum assured (excluding bonus or other benefits.)

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[1] The word "and" was omitted by S.R.O. No. 340-Law/Income-tax-48/2024, dated October 09, 2024.

[2] Clause (d) was inserted by S.R.O. No. 340-Law/Income-tax-48/2024, dated October 09, 2024.

[3] Clause (e) was inserted by S.R.O. No. 404-Law/Income-tax-57/2024, dated December 03, 2024

[4] The word "individual" added by section 85(d)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[5] The word "individual" added by section 85(d)(i) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(2) Any sum paid by a assessee, being a Hindu undivided family, to effect an insurance on the life of any male member of the family or the wife of any such member:

Provided that no exemption under this paragraph or paragraph (1) shall be allowed unless the premium and the proceeds of the life insurance policy or the contract for deferred annuity, as the case may be, are both payable in Bangladesh;

(3) Any sum deducted from salary payable by or on behalf of the Government to any individual, being a sum deducted in accordance with the conditions of his service for the purpose of securing to him a deferred annuity or of making provisions for his wife or children:

Provided that the sum so deducted shall not exceed one-fifth of the salary;

(4) Any sum paid by the assessee as a contribution to any Provident Fund to which Provident Fund Act, 1925 (Act No. 19 of 1925), applies;

(5) Any sum representing the assessee's [1][and] the employer's contribution to a recognized Provident Fund in which the assessee is a participant subject to the limits laid down in Part 3 of the Second Schedule;

(6) Any sum paid by the assessee as ordinary annual contribution to approved Superannuation Fund in which the assessee is a participant;

(7) Any amount invested in the following in any income year, namely:—

(a) Government securities not exceeding Taka 5 (five) lakh;

(b) Unit certificate and mutual fund, ETF or joint investment scheme unit certificate issued by any [2][finance company] or Investment Corporation of Bangladesh or asset manager or fund manager not exceeding 5 (five) lakh of Taka;

[1] The word “and” was substituted for the word “or” by section 85(d)(ii) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] The words “finance company” were substituted for the word “financial institution” by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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(c) an amount not exceeding Taka 1 (one) lakh and 20 (twenty) thousand in deposit pension scheme sponsored by a scheduled bank or a [1][finance company].

[2][(d) any amount of contribution payable to Universal Pension Scheme;]

(8) Any sum invested by a assessee, in any securities listed any stock exchange under Bangladesh Securities and Exchange Commission;

(9) Any sum paid as donation by an assessee to a charitable hospital which is established outside the city corporation area one year before such payment and is approved by the Board for this purpose;

(10) Any sum paid as donation by an assessee to an organization set up for the welfare of retarded people, established at least one year before such payment and is approved by the Social Welfare Department and by the Board for this purpose;

(11) Any sum paid by an assessee as Zakat to the Zakat Fund or as donation or contribution to a charitable fund established by or under the Zakat Fund Management Act 2023 (Act No. 5 of 2023);

(12) Any sum paid by an assessee, in order to make provision for his wife, children or other persons' dependent on him, to a benevolent fund or any premium paid under a group insurance scheme if such fund or the scheme is approved by the Board for this purpose;

(13) Any sum paid by an assessee as donation to a philanthropic or educational institution which is approved by the Government for this purpose;

(14) Any sum paid by an assessee as donation to a national level institution set up in memory of the liberation war;

[3][***]

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[1] The words "finance company" were substituted for the word "financial institution" by section 14(a) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Clause (d) was inserted by S.R.O. No. 295-Law/Income-tax-17/2023, dated October 31, 2023.

[3] Sub-paragraph (15) was omitted by S.R.O. No. 402-Law/Income-tax-55/2024, dated December 03, 2024.

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PART 4

TAX EXEMPTION

1. **Industrial undertaking eligible for tax exemption**.—(1) Subject to the provisions of this Act, any approved tax exempted entity engaged in the activities mentioned below shall be eligible for tax exemption.

(a) Manufacture or manufacture of the following goods, namely:—

(1) active pharmaceuticals ingredient and radio pharmaceuticals;

(2) agriculture machineries;

(3) automatic bricks;

(4) automobile;

(5) barrier contraceptive and rubber latex;

(6) basic components of electronics (e.g. resistor, capacitor, transistor, integrated circuit, multilayer PCB);

(7) bi-cycle including parts thereof;

(8) bio-fertilizer;

(9) biotechnology based agricultural product/ agro products;

(10) boiler including parts and equipment thereof;

(11) compressor including parts thereof;

(12) computer hardware;

(13) furniture;

(14) home appliances (blender, rice cooker, microwave oven, electric oven, washing machine, induction cooker, water filter etc.);

(15) insecticides or pesticides;

(16) leather and leather goods;

(17) LED TV;

(18) locally produced fruits and vegetables processing;

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(19) mobile phone;

(20) petro-chemicals;

(21) pharmaceuticals;

(22) plastic recycling;

(23) textile machinery;

(24) tissue grafting;

(25) toy manufacturing;

(26) tyre manufacturing;

(27) Electrical transformer;

(28) Artificial fiber or manmade fiber manufacturing;

(29) Automobile parts and components manufacturing;

(30) Automation and Robotics design, manufacturing including parts and components thereof;

(31) Artificial Intelligence based system design and/or manufacturing;

(32) Nanotechnology based products manufacturing;

(33) Aircraft heavy maintenance services including parts manufacturing;

(b) locally produced fruits and vegetables processing;

(c) Tissue grafting, development of biotechnology and development of radioactive (diffusion) applications in industry (i.e., polymer quality improvement or polymer degradation or food preservation or medical device sterilization);

(d) any other sector or industrial undertaking or any other activity of entity prescribed by the Government, by notification in the Government Gazette.

(2) The approved tax exempted entity shall be located in Bangladesh and shall commence commercial production between July, 2020 and June, 2025.

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2. **Tax exempt income for entities mentioned in paragraph 1**.—(1) Income derived from business arising out of the activities mentioned in paragraph 1 of an approved tax exempted entity shall be exempt from tax in accordance with sub-paragraph (4).

(2) Income derived from any source other than the activities mentioned in sub-paragraph (1) shall not be included in this Part.

(3) Income tax exemption shall not be applicable for income derived from activity mentioned in paragraph (1) in city corporation area or district headquarter municipalities, Rangamati, Bandarban, and Khagrachari districts.

(4) The amount of tax exemption shall be as follows, namely:—

(a) if the approved tax exempted entity is setup in Dhaka, or Chattogram Division, excluding Rangamati, Bandarban and Khagrachari districts (outside city corporation area), then tax shall be exempted for a period of ten years beginning with the month of commencement of commercial production of the said undertaking, as per following rate, namely:—

Year of commercial production	**Exempted Income**
First year	90% (ninety percent)
Second year	90% (ninety percent)
Third year	75% (seventy five percent)
Fourth year	75% (seventy five percent)
Fifth year	50% (fifty percent)
Sixth year	50% (fifty percent)
Seventh year	50% (fifty percent)
Eighth year	25% (twenty five percent)
Ninth year	25% (twenty five percent)
Tenth year	25% (twenty five percent);

(b) if the approved tax exempted entity is setup in Dhaka or Chattogram Division (outside city corporation area), then tax shall be exempted for a period of 5 (five) years beginning with the month of commencement of commercial production of the said undertaking, as per following rate namely:—

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Year of commercial production	Exempted Income
First year	90% (ninety percent)
Second year	80% (eighty percent)
Third year	60% (sixty percent)
Fourth year	40% (forty percent)
Fifth year	20% (twenty percent)

[1]**[***]**

SEVENTH SCHEDULE
SPECIAL TAX RATE
[See section (18)]

[2][1. Such income treated as capital gain under this Act shall be taxed in the following manner—

(a) at the rate of 15% (fifteen percent) on the capital gain earned by company, fund and trust;

(b) at the rate of 15% (fifteen per cent) on the capital gain arising from the transaction of securities of companies listed with a stock exchange by the assessees other than company, fund and trust;

(c) in case of capital gains other than capital gains arising from the transaction of securities of companies listed with a stock exchange by the assessees other than company, fund and trust—

(i) where capital gains arise as a result of disposal of capital assets after not more than five years from the date of acquisition or receipt, the said gain shall be included in the total income and tax on total income shall be at regular rate;

[1] Paragraph 3 and 4 were omitted by section 85(e) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

[2] Paragraph 1 was substituted by S.R.O. No.383-Law/Income-tax-52/2024, dated November 04, 2024.

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(ii) where capital gains arise as a result of disposal of capital assets after five years from the date of acquisition or receipt, tax on capital gains shall be at the rate of 15% (fifteen percent).]

2. Where the total income of an assessee includes any income by way of "dividend" referred to in clause (81) of section 2, the tax payable on such dividend income shall be—

(a) in the case of a company, 20% (twenty percent); and

(b) in the case of a person other than a company, such dividend will be included with the total income and the rate applicable on the total income of such person.

3. In case of winnings in lottery, word game, card game, online game or similar game, 25% (twenty-five percent) will be charged on such receipt.

[1][4. Tax at the rate of 20% (twenty percent) shall be charged on the gross income of any such company not required to file return under sub-section (2) and shall be paid in the manner prescribed in the written order issued by the Board:

Provided that, —

(1) it shall not include the following incomes, namely:–

(a) any income exempted from tax;

(b) any donation or grant;

(c) any type of tax, rent and duties;

(2) this provision shall not apply to such company having no permanent establishment in Bangladesh.]

[1] Paragraph 4 was inserted by section 86(b) of the Finance Act, 2024 (Act No. V of 2024) with effect from 1st July 2024.

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EIGHTH SCHEDULE
THE SPECIAL PROVISION

[See section 25]

PART I

BUSINESS RESTRUCTURE

1. If any business is restructured under any law in force inside or outside Bangladesh, the tax arising therefrom shall be determined in accordance with the provisions of this part.

2. Where any capital gain arises from any transfer of capital asset in a scheme of amalgamation, no tax shall be charged under the provisions of this Act:

Provided that, in the scheme of amalgamation, any consideration of any form and in any manner received by the shareholders of the amalgamating companies other than the shares of the amalgamated company shall be treated as taxable income and the tax shall be payable at the applicable rate.

3. Subject to the provisions of section 70, the amalgamated company formed in the scheme of amalgamation may so set-off and carry forward the accumulated loss or the unabsorbed depreciation of the amalgamating companies as its own accumulated loss or unabsorbed depreciation, as if such accumulated loss or unabsorbed depreciation allowance had been incurred from time to time by the amalgamated company.

4. The value of the capital assets of the amalgamated company formed in the scheme of amalgamation shall not exceed the written down value of the capital assets shown in the accounts of the amalgamating companies and in case of revaluation of the capital assets, no depreciation or amortization allowance shall be claimed on the revaluation surplus.

5. Where capital assets are transferred from the demerged company to the resulting company as a result of demerger, the capital gain arising from such transfer shall not be subject to tax under the provisions of this Act:

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Provided that where the shareholders of the demerged company receive any consideration other than the shares of the resulting company, or where the value of the shares received from the resulting company is higher than the value of the proportionate shares of the demerged company then the excess amount shall be treated as taxable income and the tax shall be payable at the applicable rate.

6. Subject to the provisions of section 70, in the case of demerger the accumulated loss or unabsorbed depreciation allowance of the demerged company shall be treated as the accumulated loss or unabsorbed depreciation allowance of the resulting company as follows—

(a) any accumulated loss or unabsorbed depreciation allowance, directly related to the undertaking, transferred to the resulting company shall be claimed by the resulting company as its own accumulated loss or unabsorbed depreciation allowance as if the accumulated loss or unabsorbed depreciation allowance had been incurred from time to time by the resulting company;

(b) any such accumulated loss or unabsorbed depreciation allowance not directly related to the undertaking transferred to the resulting company shall be distributed first between the demerged company and the resulting company in proportion to the holdings of assets of any undertaking and thereafter the proportionate accumulated loss or unabsorbed depreciation allowance may be claimed by the resulting company as its own accumulated loss or unabsorbed depreciation allowance as if the accumulated loss or unabsorbed depreciation allowance had been incurred from time to time by the resulting company;

7. In case of demerger, the value of the capital assets of the resulting company shall not exceed the written off value of the capital assets shown in the accounts of the demerged company in the year of demerger and in case of revaluation of the capital assets, no depreciation or amortization allowance shall be claimed on the revaluation surplus.

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8. For the purpose of this part—

1. "**undertaking**" means—

(a) any part of any undertaking;

(b) any unit or department of any undertaking;

(c) any full-fledged business activity; or

(d) any such assets or liabilities of an undertaking or any combination thereof constituting a business activity;

2. "**amalgamated company**" means—

(a) any company with which the amalgamated company or companies are merged; or

(b) any company formed by amalgamation of two or more companies;

3. "**amalgamation**", in relation to companies, means the merger of one or more companies with another company, or the merger of two or more companies to form a new company, by such process which results in—

(a) all the assets of the amalgamating(merging) company or companies immediately before the merger become the assets of the amalgamated company;

(b) all the liabilities of the amalgamating company or companies immediately before the merger become the liabilities of the amalgamated company; and

(c) where the amalgamated company is a Bangladeshi company, shareholders holding not less than 75% (seventy five percent) in value of the shares in the amalgamating company or companies shall become shareholders of the amalgamated company; or where the amalgamated company is a foreign company, shareholders holding not less than 75% (seventy five percent) in value of the shares in the amalgamating foreign company or companies that, directly or indirectly holds or hold shares in a Bangladeshi company or companies, shall become shareholders of the amalgamated company:

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Provided that,—

(i) if any amalgamated company holds shares of the amalgamating company, directly or through a nominee, immediately before the amalgamation, then 75% (seventy five percent) shall be computed from the value of the shares remaining after deduction of that holding; and

(ii) if any subsidiary of the amalgamated company, directly or through a nominee, holds shares of the amalagamating company immediately before the amalgamation, then 75% (seventy five percent) shall be computed from the value of the shares remaining after deduction of that holding.

4. "**amalgamating company**" means—

(a) any company which merges with another company; or

(b) any company which merges with another company for the purpose of forming a new company;

5. "**demerged company**" means a company where any of its undertakings have been transferred to the resulting company as a consequence of the demerger;

6. "**demerger**" means any arrangement whereby a demerged company transfers one or more of its undertakings to a resulting company in such a manner that—

(a) all the assets of any undertaking of the demerged company immediately before the demerger, become the property of the resulting company;

(b) all the liabilities of any undertaking of the demerged company immediately before the demerger, become the liabilities of the resulting company;

(c) all the assets and liabilities of any undertaking of the demerged company immediately before the demerger, are transferred to the resulting company at the value stated in the books of accounts of the demerged company;

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(d) where the resulting company is a Bangladeshi company and the shareholders holding not less than 75% (seventy five percent) in value of the shares in the demerged company become shareholders of the resulting company; or where the resulting company is a foreign company and the shareholders holding not less than 75% (seventy five percent) in value of the shares in the demerged foreign company that directly or indirectly hold shares in a Bangladeshi company become shareholders of the resulting company;

(e) assets and liabilities are transferred to the resulting company as an active business:

Provided that,—

(i) if any resulting company holds shares of the demerged company either directly or through a nominee immediately before the demerger, 75% (seventy-five percent) shall be computed from the value of the remaining shares after deduction of that holding; and

(ii) if any subsidiary of the resulting company directly or through a nominee holds the shares of the demerged company immediately before the demerger, 75% (seventy-five percent) shall be computed from the value of the remaining shares after deduction of that holding.

7. "**resulting company**" means—

(a) any such company to which any undertaking of the demerged company is transferred as a consequence of the demerger; or

(b) any resulting company as a consequence of the demerger;

8. "**business restructure**" means—

(a) amalgamation; and

(b) demerger.

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PART 2

STARTUP SANDBOX

1. Sections 55 and 56 shall not apply in determining the "Income from business" for the growth year of a startup registered under this Act.

2. Where in any growth year, any loss is incurred by a registered startup and the loss cannot be set off in the relevant assessment year, the amount of loss shall be carried forward and set off to the next 9 (nine) successive assessment years.

3. The rate of minimum tax as provided in sub-section (5) of section 163 for growth years of a registered startup shall be 0.1% (zero point one percent).

4. A startup shall have no reporting obligations other than filing returns under section 166 and 177, if the startup privdes permanent access to its systems to the income-tax authority.

5. A startup, to enjoy the benefit of sandbox, shall be registered with the National Board of Revenue.

6. A startup shall not be eligible for registration in the following cases—

(a) if it is incorporated prior to first day of July 2017; or

(b) if it is incorporated between July 1, 2017 and June 30, 2023 and fails to get registration with the National Board of Revenue by June 30, 2024; or

(c) if it is incorporated after 1 July 2023 and fails to register under this paragraph by 30 June of the year following the year of incorporation.

7. For the purpose of this part—

(a) "**growth years**" means—

(i) 3 (three) years from July 1, 2023 to June 30, 2027 for startups incorporated between July 1, 2017 and June 30, 2023 and registered with the National Board of Revenue by June 30, 2024; or

(ii) 5 (five) years from the year of incorporation for startups incorporated on or after July 1, 2023 and registered under this section by June 30 following the year of incorporation; (b)

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(b) "**innovation**" means the process of creating value by offering noble solution to a significant problem or a set of problems or by significantly improving an existing solution;

(c) "**startup**" means a company with annual turnover not exceeding Taka 100 (hundred) crore in any financial year and that—

(i) is incorporated under the Company Act, 1994 (Act No. XVIII of 1994); and

(ii) is engaged towards deployment or commercialization of new products, process or service driven by innovation, development and technology or intellectual property; and

(iii) is not a company formed under a scheme of amalgamation or demerger.

By the Order of President

Syed Robiul Islam
Joint Secretary.

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