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GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

NATIONAL BOARD OF REVENUE

(Income Tax)

NOTIFICATION

Dhaka, the 21st July, 1985

No. S.R.O. 340-L/85.—In exercise of the powers conferred by section 185 of the Income Tax Ordinance, 1984 (XXXVI of 1984), the National Board of Revenue is pleased to make the following amendments in the Income Tax Rules, 1984, the same having been previously published as required by sub-section (4) of the said section, namely :—

In the aforesaid Rules,—

(a) in rule 7, in sub-rule (2), *for* the figure "10" the figure "5" shall be *substituted* ;

(b) in rule 13,—

(i) *for* the word "deducted", wherever occurring, the words "deducted or collected" shall be *substituted ;* and

(ii) *for* the word "deduction", wherever occurring, the words "deduction or collection" shall be *substituted ;*

(c) in rule 14,—

(i) *for* the word "deducted", wherever occurring, the words "deducted or collected" shall be *substituted ;*

(ii) *for* the word "deductions" the words "deductions or collections" shall be *substituted* ; and

(iii) *for* the word "deduction" the words "deduction or collection" shall be *substituted ;*

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(d) *after* rule 17, the following new rule 17A shall be *inserted*, namely:—

"17A. **Collection of tax from importers.**—The Collector of Customs or any other appropriate officer shall, for the purpose of making a collection of tax under section 53 of the Ordinance, in the case of any importer of goods, including those under the Wage Earners Scheme, collect an amount calculated at the rate of 2% of the value of the imported goods:

Provided that this rule shall not apply in the case of any import of goods other than the following items:—

(a) Palm oil ;

(b) Second-hand clothing ;

(c) Salt ;

(d) Sugar ;

(e) Spices ;

(f) Betelnuts ;

(g) Cement ;

(h) Iron and steel products excluding billets ;

(i) Fabrics ;

(j) Vehicles:

Provided further that where the Board is satisfied that an importer is not likely to have any assessable income during the year or the income is otherwise exempted from payment of income tax under any provisions of the Ordinance, it may, on application by such an importer, exempt such person from payment of tax under this rule.

Explanation.—In this rule, the words "value of the imported goods" shall mean the value of the imported goods as determined in accordance with the provisions of section 25 of the Customs Act, 1969 (IV of 1969)." ;

(e) in rule 18,—

(i) *for* the word "deducted", wherever occurring, the words "deducted or collected" shall be *substituted ;*

(ii) *for* the word "deduction", wherever occurring except in sub-rule (6), the words "deduction or collection" shall be *substituted*;

(iii) in sub-rule (3), in the heading of the proforma, *for* the words and figure "section 58 of" the words and figure "Chapter VII of the" shall be *substituted;*

(iv) in sub-rule (6),—

(a) *for* the words "All paying authorities" the words "All paying and collecting authorities" shall be *substituted* ;

(b) in the proforma, in serial 5, *for* the word "deduction" the words and oblique "deduction/collection" shall be *substituted;*

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(f) in rule 38,—

(i) in clause (b) (ii), *for* the words "one lakh taka" the words "one lakh twenty-five thousand taka" shall be *substituted;*

(ii) in clause (c)(i), *for* the words "one lakh taka" the words "one lakh twenty-five thousand taka" shall be *substituted;*

(iii) in the proviso, *for* the full-stop at the end, a colon shall be *substituted* and thereafter the following new proviso shall be *added,* namely:—

"Provided further that in relation to assessment year 1985-86, clause (c) shall have effect as if for the words "capital investment up to one lakh taka" the words "capital investment up to five lakh taka" were *substituted.*";

(g) *after* rule 65, the following new rules shall be *inserted,* namely:—

"65A. **Allowance in respect of expenditure on foreign travels for holidaying and recreation.**—(1) For the purpose of section 30(f)(ii) of the Ordinance, no allowance in respect of expenditure on foreign travels for holidaying and recreation of an employee and his dependents in excess of the amount equivalent to three months' basic salary of the employee or three-fourths of the actual expenditure, whichever is less, not oftener than once in every two years, shall be admissible.

Explanation.—For the purposes of this rule,—

(a) "basic salary" means the pay and allowances payable monthly or otherwise, but does not include—

(i) dearness allowance or dearness pay unless it enters into the computation of superannuation or retirement benefits of the employee concerned;

(ii) employer's contribution to a recognised provident fund or a fund to which the Provident Funds Act, 1925 (XIX of 1925), applies and the interest credited on the accumulated balance of an employee in such fund;

(iii) allowances which are exempt from the payment of tax; and

(iv) allowances, perquisites, annuities and any benefit;

(b) "employee" includes a director of a company working full-time for one company; and

(c) "dependents" means an employee's spouse and minor children including step and adopted children.

(2) Notwithstanding anything contained in this rule, any expenditure on foreign travels under sub-rule (1) for which payment has been made in a sum exceeding taka 10,000 shall not be allowed as a deduction in computing the total income unless such payment is made by a crossed cheque drawn on a bank or by a crossed bank draft."

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"65B. **Rate for allowances in respect of publicity and advertisement expenses.**—(1) For the purpose of section 30(f) (iii) of the Ordinance, the rates in excess of which no deduction shall be admissible for expenditure in respect of publicity and advertisement are specified below:—

(i)	up to a turnover or receipt of taka 50 lakhs	..	At the rate of 0·50%
(ii)	on the next taka 2 crores 50 lakhs	..	At the rate of 0·40%
(iii)	on the next taka 7 crores	..	At the rate of 0·30%
(iv)	on the next taka 10 crores	..	At the rate of 0·20%
(v)	on the next taka 20 crores	..	At the rate of 0·15%
(vi)	on the balance	..	At the rate of 0·10%

(2) Notwithstanding anything contained in this rule, any expenditure on publicity and advertisement for which payment has been made in a sum exceeding taka 10,000 shall not be allowed as a deduction in computing the total income unless such payment is made by a crossed cheque drawn on a bank or by a crossed bank draft."

"65C. **Rate for allowances in respect of expenditure on distribution of free samples.**—For the purpose of section 30(f) (iv) of the Ordinance, the rates in excess of which no deduction shall be admissible for expenditure in respect of distribution of free samples are specified below:—

(a) for the first year of the business—

(i)	up to a turnover of taka 50 lakhs	..	At the rate of 1·5%
(ii)	on the next taka 2 crores 50 lakhs	..	At the rate of 1%
(iii)	on the next taka 7 crores	..	At the rate of 0·50%
(iv)	on the next taka 10 crores	..	At the rate of 0·25%
(v)	on the balance	..	At the rate of 0·15%

(b) for the second and the third year—

(i)	up to a turnover of taka 50 lakhs	..	At the rate of 0·75%
(ii)	on the next taka 2 crores 50 lakhs	..	At the rate of 0·50%
(iii)	on the next taka 7 crores	..	At the rate of 0·25%
(iv)	on the next taka 10 crores	..	At the rate of 0·20%
(v)	on the balance	..	At the rate of 0·15%

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(c) for the fourth year and years thereafter—

(i) up to a turnover of taka 50 lakhs	..	At the rate of 0·25%
(ii) on the next taka 2 crores 50 lakhs	..	At the rate of 0·20%
(iii) on the next taka 7 crores	..	At the rate of 0·15%
(iv) on the balance	..	At the rate of 0.10%."

MD. MATIUR RAHMAN
Member (Taxes).

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