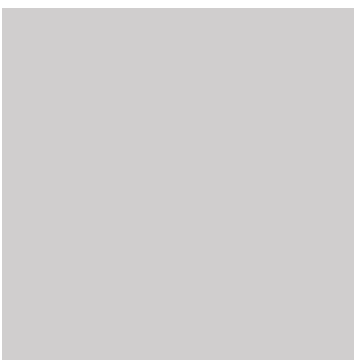
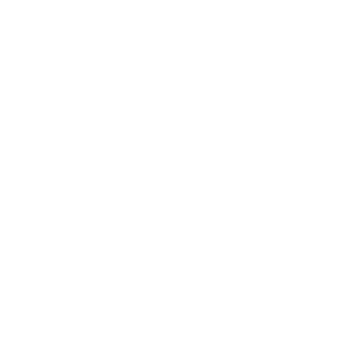


# The Salient Features Of The Finance Bill 2020



Presented by  
**Snehasish Mahmud & Co.**  
Chartered Accountants



# Preface

This handout provides an overview of the changes brought in by the Finance Bill 2020 and SROs issued thereafter. The handouts has been prepared on the basis of publicly available sources i.e. NBR website.

The information contained in this document is of a general nature and is not intended to address the circumstances of any particular individual. Although we aim to provide accurate and timely information, we do not provide assurance that such information is accurate as of the date it is received or that it will continue to be accurate in future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.



# National Budget Comparison at a Glance

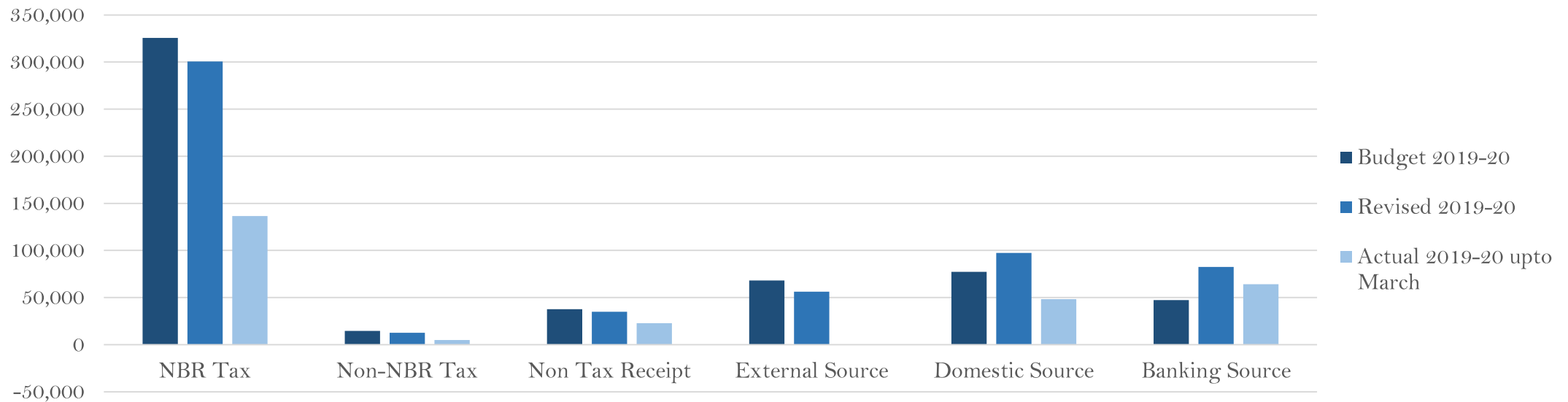
Particulars	FY 2020-21 (Amount in Crore Taka)	FY 2019-20 (Revised) (Amount in Crore Taka)	% Change	
Total Size of Budget	568,000*	501,577	13.24%	↑
Total Revenue Earnings	378,000	348,064	8.60%	↑
Earnings from NBR	330,000	300,500	9.82%	↑
Budget Deficit	190,000	153,513	23.77%	↑
GDP Growth	8.2*	5.2*	3%	↑
Inflation	5.4*	5.63**	0.23%	↓

\* Budget speech of Finance Minister, dated 11 June 2020

\*\* <https://www.bb.org.bd/econdata/inflation.php>

# Supplementary Budget for 2019-20

## Budget in Crore Taka



	NBR Tax	Non-NBR Tax	Non-Tax Receipt	External Source	Domestic Source	Banking Source
Budget 2019-20	325,600	14,500	37,710	68,016	77,363	47,364
Revised 2019-20	300,500	12,567	35,002	56,163	97,345	82,421
Actual 2019-20 (up to March)	136,459	4,923	22,762	-157	48,311	64,130

# NBR Collection Budget Comparison at a Glance

**2019-20**

Total Estimated Receipts – 300,500

**102,894 (34.24%)**

**109,846 (36.55%)**

**40,625 (13.52%)**

**47,135 (15.69%)**

Sources of Receipts:  
(In Crore Taka)



Import & Other Duty



Supplementary Duty

**2020-21**

Total Estimated Receipts – 330,000

**103,945 (31.50%)**

**125,162 (37.93%)**

**43,078 (13.05%)**

**57,815 (17.52%)**



# Actual vs. Proposed Growth

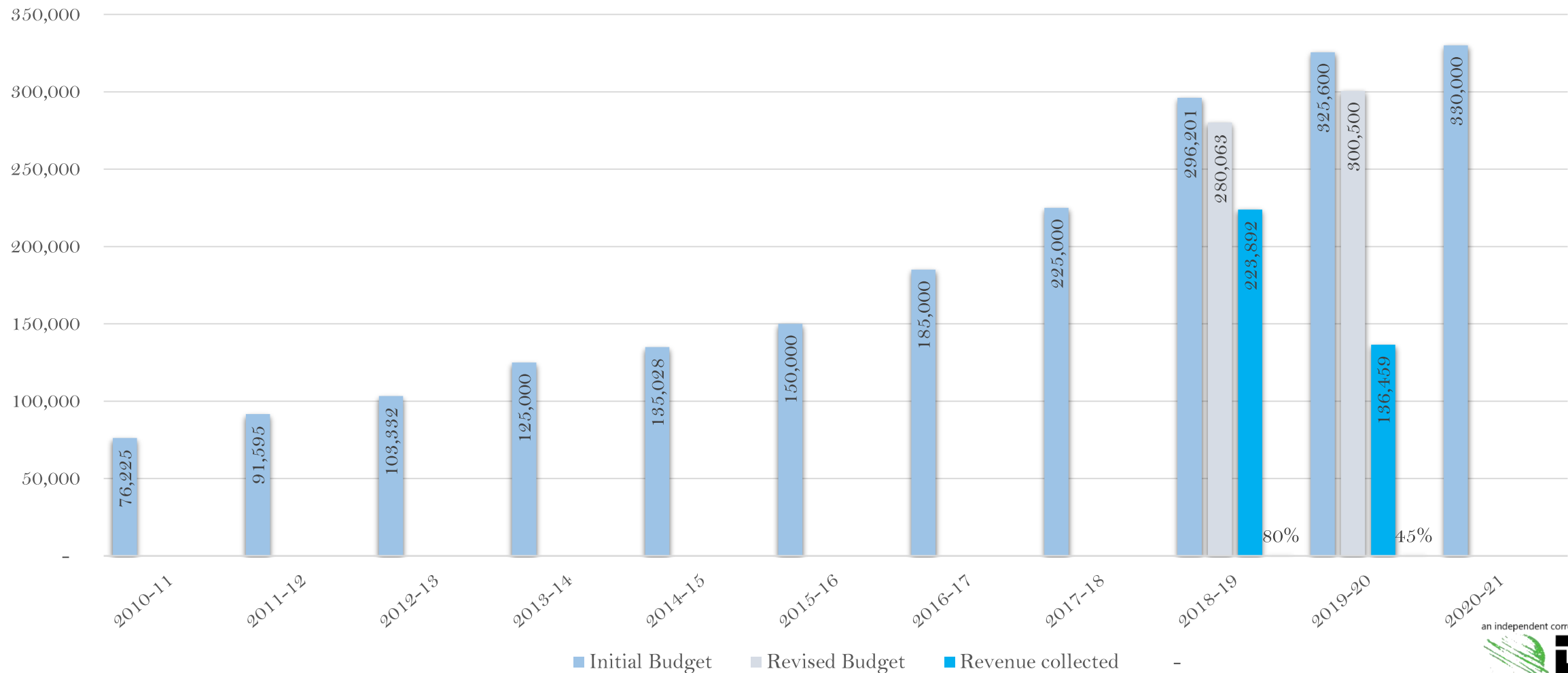
All Amounts in Crore Taka

Particulars	2020-21 Proposed	2019-20 (R)	Growth in %	2018-19 (A)	2017-18 (A)	Growth in %
Tax	103,945	102,894	1.02%	67,293	60,240	11.71%
VAT	125,162	109,846	13.94%	85,011	68,222	24.61%
Import & other	43,078	40,625	6.04%	27,886	22,134	25.99%
SD	57,815	47,135	22.66%	38,426	36,510	5.25%
<b>Total</b>	<b>330,000</b>	<b>300,500</b>	<b>9.82%</b>	<b>218,616</b>	<b>187,106</b>	<b>16.84%</b>

[https://mof.gov.bd/sites/default/files/files/mof.portal.gov.bd/budget\\_mof/96a4ccbd\\_d7e5\\_4793\\_ab60\\_5af0152050a1/BB\\_03\\_Statement01\\_Eng.pdf](https://mof.gov.bd/sites/default/files/files/mof.portal.gov.bd/budget_mof/96a4ccbd_d7e5_4793_ab60_5af0152050a1/BB_03_Statement01_Eng.pdf)

# Year-wise NBR Budget

in Crore Taka





Snehasish  
Mahmud & Co.

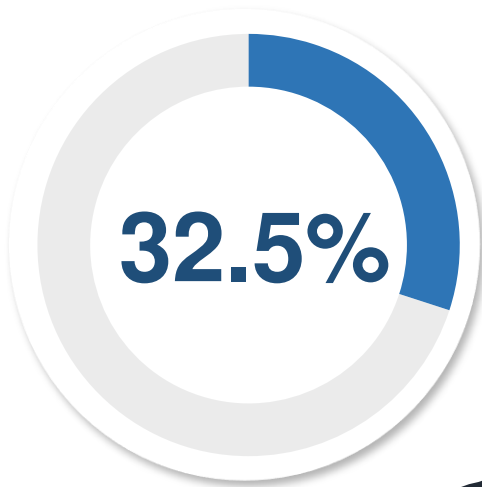
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# Corporate Tax





# Corporate Tax Rate



Standard rate for Private Limited Company slashed to 32.5% from 35% (a reduction of 2.5%)



A sigh of relief for companies during this pandemic



# Extension of Deadline for Reduced Rate Tax of RMG Factories



Corporate tax rate of the RMG sector will remain unchanged for the next two years up to 30 June 2022.



A relief for companies  
under RMG sectors.



# Tax Rate for Bank, Insurance Companies & Financial Institutions

Tax rate will increase  
from **37.5%** to **40%** for  
unlisted banks, insurance  
companies and financial  
institutions licensed since  
2013

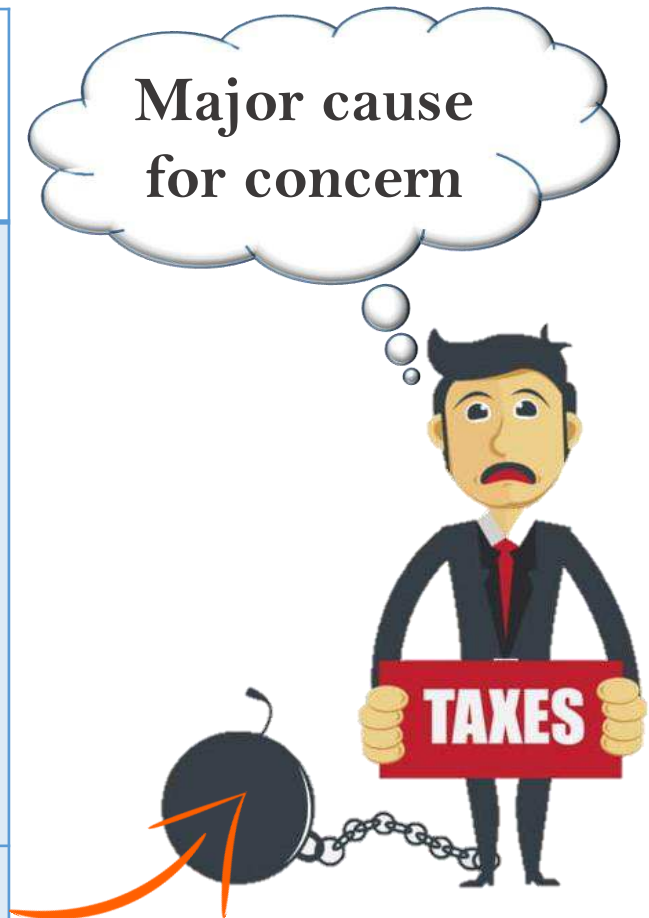




# Tax Rate for Association of Person

An Association of person will no longer be taxed like individual rather be taxed @ 32.5%

Tax calculation	2019-20 slab rate (what was)		2020-21 slab rate (what would be)		2020-21 @ regular rate (what actually is)	
On first (Tk.)	250,000 @0%	-	300,000 @0%	-	2,000,000 @32.5%	650,000
Next (Tk.)	400,000 @10%	40,000	100,000 @5%	5,000		
Next (Tk.)	500,000 @15%	75,000	300,000 @10%	30,000		
Next (Tk.)	600,000 @20%	120,000	400,000 @15%	60,000		
Next (Tk.)	250,000 @25%	62,500	500,000 @20%	100,000		
Rest (Tk.)			400,000 @25%	100,000		
<b>Total Tax liability</b>	<b>2019-20</b>	<b>297,500</b>	<b>2020-21</b>	<b>295,000</b>		<b>650,000</b>



Imposition of single tax rate increases tax liability by Tk. 352,500, instead of reducing it by Tk. 2,500

# Minimum Tax

## Minimum tax on gross receipts:



Minimum tax @ **0.5%** applicable on individuals with gross receipts of Tk. 3 crore and above

Does not apply to those who are engaged in mobile phone operation & manufacture of tobacco based products

Businessman with higher revenue and lower profit will also suffer higher tax



# Section 82C (Cont'd)



## Illustration:

Particulars	Amount BDT	Amount BDT	Amount BDT
Revenue		100,000,000	
Cost		98,000,000	
Profit		2,000,000	
Taxable		2,000,000	
Tax calculation			
Total tax			295,000
less Tax rebate	500,000	10%	50,000
(a) Tax payable			245,000
Total receipt during the year		100,000,000	
(b) Minimum Tax		0.50%	500,000
Tax liability higher of (a) & (b)			500,000

As a result of new Minimum Tax, an individual is paying (500,000 - 245,000) **Tk. 255,000** higher tax than actual liability.



# Changes in Section 82C

TDS against professional service, technical services or technical assistance fee

TDS against wheeling charge for electricity transmission

Tax cost for **Professional & related** service providers will increase.

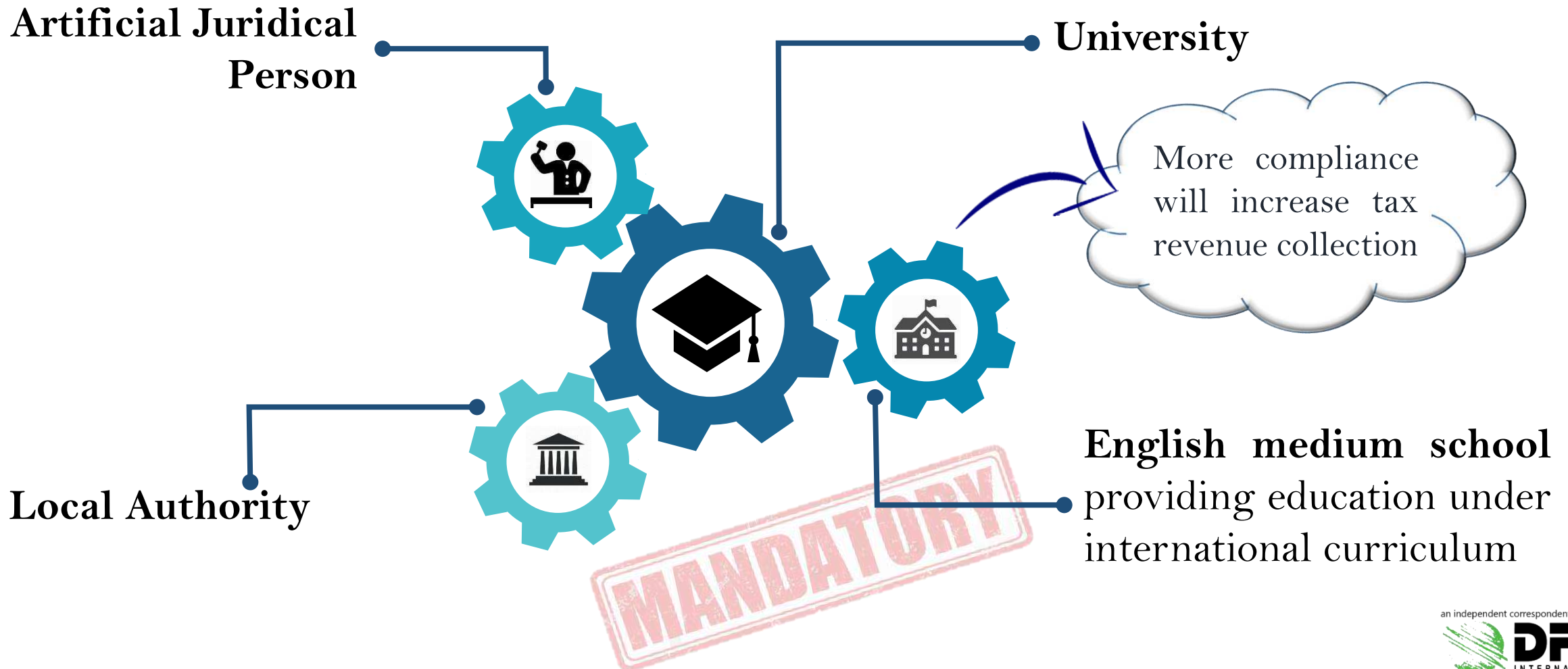


Tax collected at source on import of goods by industrial undertaking engaged in production of ferroalloy products

Tax cost will increase for the manufacturers of Ferroalloy product as the TDS at import stage will be considered as minimum tax u/s 82C

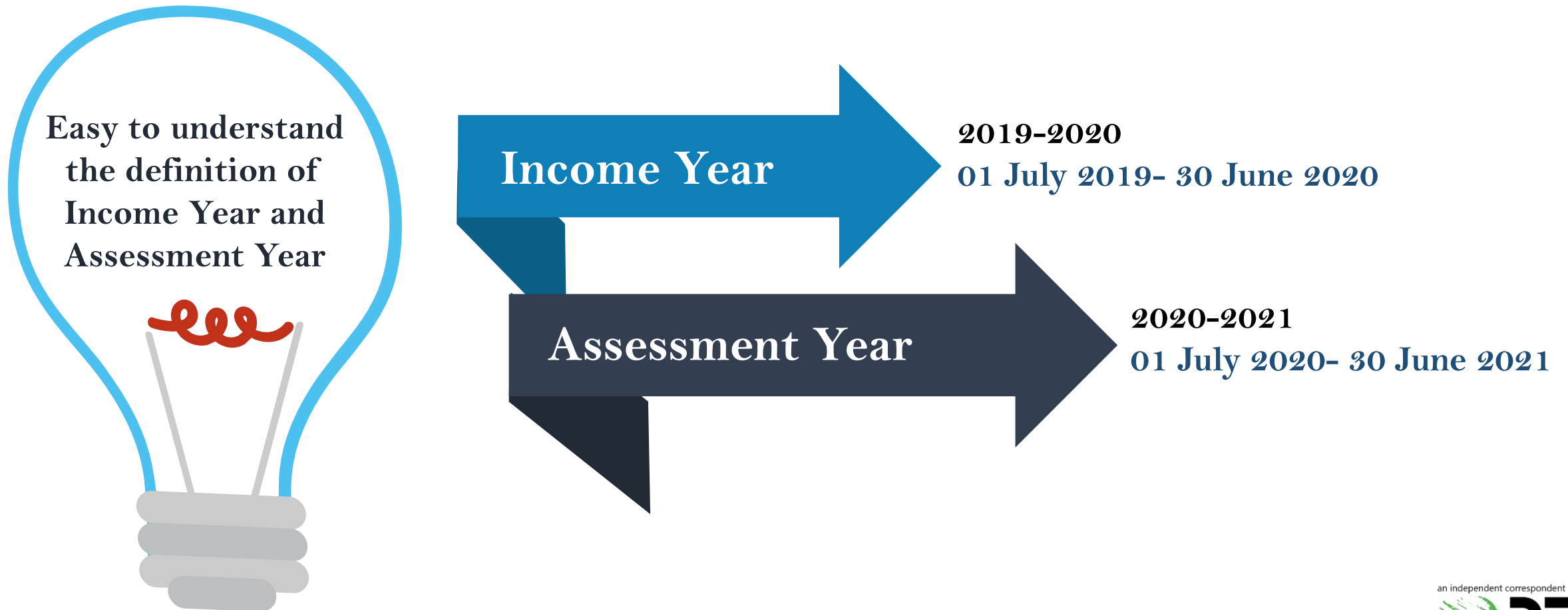
# Mandatory Submission of WHT U/s 75A

Submission of WHT return (75A) is made mandatory for:



# Income Year Definition Clarified

‘Income Year means financial year immediately preceding the assessment year’.



# Changes in Definition of Payment

Includes a transfer, a credit, an order or instruction of making payment or an adjustment of payment



Linked to Sections  
52, 52A, 52AA,  
53E and 56

NBR could include “payment” in Section 2 – Definitions to avoid repetition in several sections.

# Additional Tax on the Inconsistent Information

Actual value of Investment,  
Import & Export as per DCT



Claimed Investment, Import &  
Export

Possibility of making  
arbitrary valuation by the  
official which will  
demotivate investor.

**Tax @50% will  
be payable on  
differentiated  
amount**

Person will be encouraged to  
maintain proper documents  
and compliance.



# Investment, Import & Export Value



## Illustration:

Particulars	Actual Value	Value disclosed	Differences	Tax at the rate of 50% on differentiated value
Investment	1,500,000	1,000,000	500,000	250,000
Import	1,000,000	1,500,000	500,000	250,000
Export	1,500,000	1,000,000	500,000	250,000




As a result of these differences, assessee need to pay Tk. 250,000 additional Tax for each scenario.






# Scope for Whitening Black Money

Any individual can invest any amount of money in securities within 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 by paying tax at the rate of 10% without disclosing the source of the fund.



Government revenue collection will increase and this will increase investment in securities market.


Due to COVID-19 situation securities market became more volatile; so, investor might not feel encouraged to invest in securities market.



**Deemed Income u/s  
33(D)**



**However, withdrawal of such investment within three years will be deemed as income from other sources.**



This may discourage the entity to invest money in securities



# Scope for Whitening Black Money

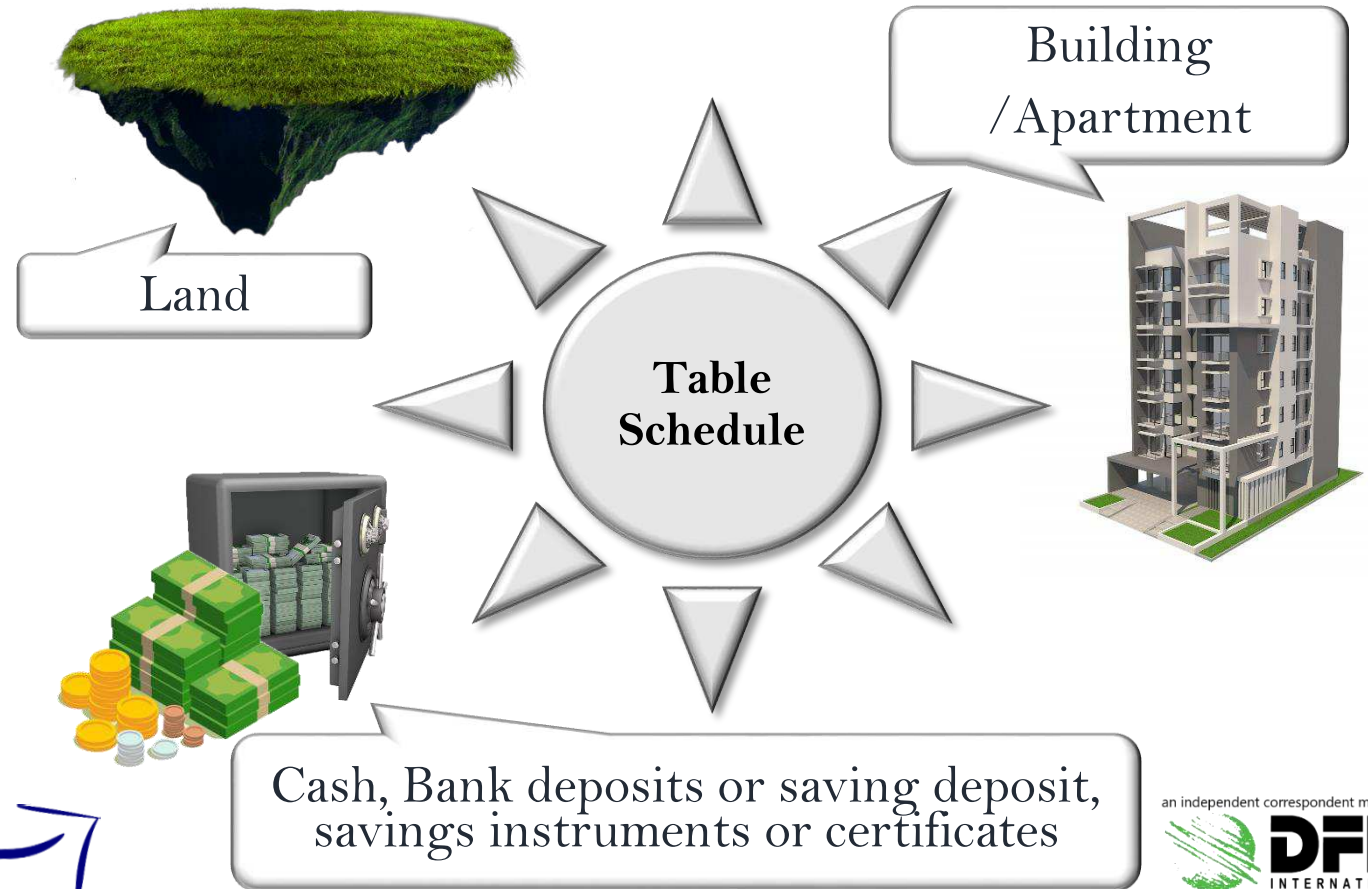
No authority will raise any question about the source of any undisclosed movable and immovable property if the individual pays tax at specified rate (in Table-1 to Table-3) before submission of return between 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021.

Government revenue collection will increase and this will increase investment in the market.

Contradicts with Section 19BBBBB

Any individual can use cash to cover future possible illegal source of income very easily.

There should be a guideline to invest disclosed cash into different forms of market.



# Inclusion of “Commercial” Building and Apartment in Section 19BBBBB

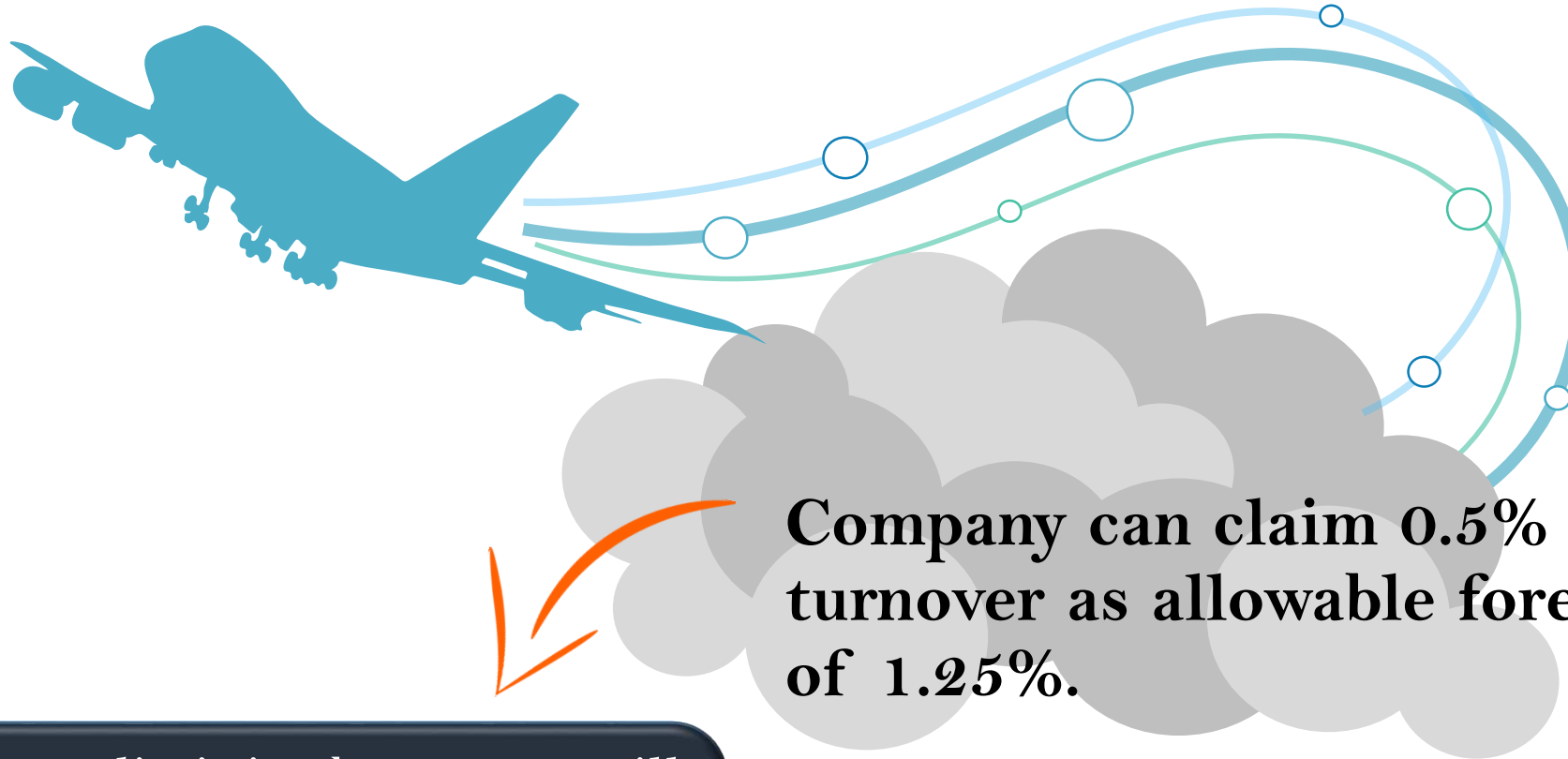


# Change in Definition of Net Profit

Under serial no. (i) & (ii) of section 30h 'Net profit' will be replaced by 'Net profit from business or profession, excluding any profit or income of subsidiary, associates or joint venture.



# Decrease in Foreign Travel expense limit



**Company can claim 0.5% of total disclosed turnover as allowable foreign travel instead of 1.25%.**

Fixing a limit in these cases will hold us back in international competition and will increase effective tax rate of company.



# Implication on Foreign Travelling Expense

Illustration: Lets us say a Private Ltd. company has turnover of Tk. 2b, Foreign Travel expenditure of Tk. 150m and Net profit of Tk. 400m

Particulars	2019-2020	2020-2021
Accounting Profit	400,000,000	400,000,000
Add: Inadmissible foreign traveling	125,000,000	140,000,000
<b>Taxable profit</b>	<b>525,000,000</b>	<b>540,000,000</b>
<b>Tax rate</b>	<b>35%</b>	<b>32.5%</b>
Tax Liability	183,750,000	175,500,000
<b>Effective tax rate</b>	<b>45.94%</b>	<b>43.88%</b>


Cost of disallowances increased

Although the tax rate reduced by 2.5%, but the effective tax rate only reduced by 2.06%

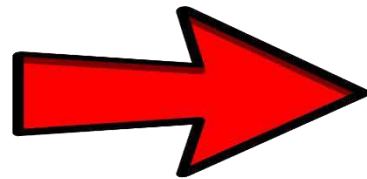


# Inclusion of New Clause on Promotional Expense

Company can claim **0.5%** of total disclosed turnover as **promotional expense**. Previously there was no limit on such expense.



Fixing a limit in these cases will hold us back in promoting company's product/service and will increase effective tax rate of company.

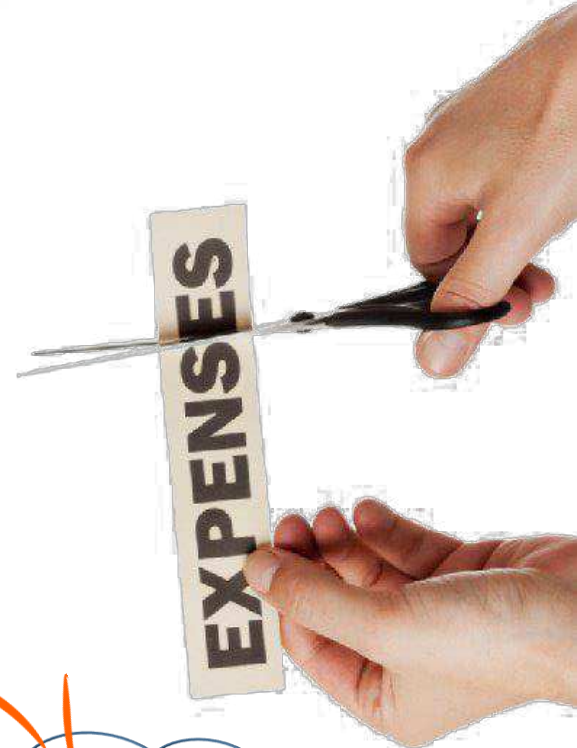


Effective Tax Rate



# Illustration on Promotional Expense

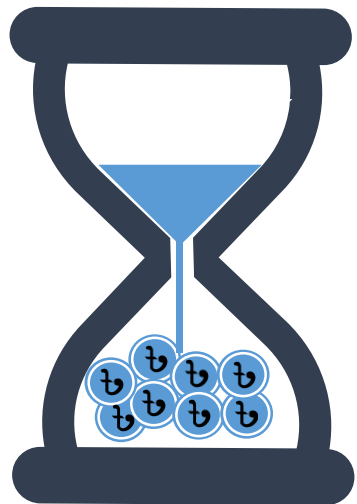
ABC Pharmaceuticals Ltd.			
Particulars	2020-2021	2019-2020	Disallowance increase
Promotional Expenses	2,463,468,029	2,463,468,029	
Disclosed Turnover	21,795,582,592	21,795,582,592	
Allowable limit	108,977,913	2,463,468,029	2,354,490,116
XYZ Telecom Ltd.			
Particulars	2020-2021	2019-2020	Disallowance increase
Promotional Expenses	1,569,233,000	1,569,233,000	
Disclosed Turnover	143,656,271,000	143,656,271,000	
Allowable limit	718,281,355	1,569,233,000	850,951,645



*Cost of disallowances increased*

# Capital Gain on Transfer of Business

Capital Gain on transfer of entire business  
has been brought under the tax net



Tax collection from  
transfer of business will  
increase.

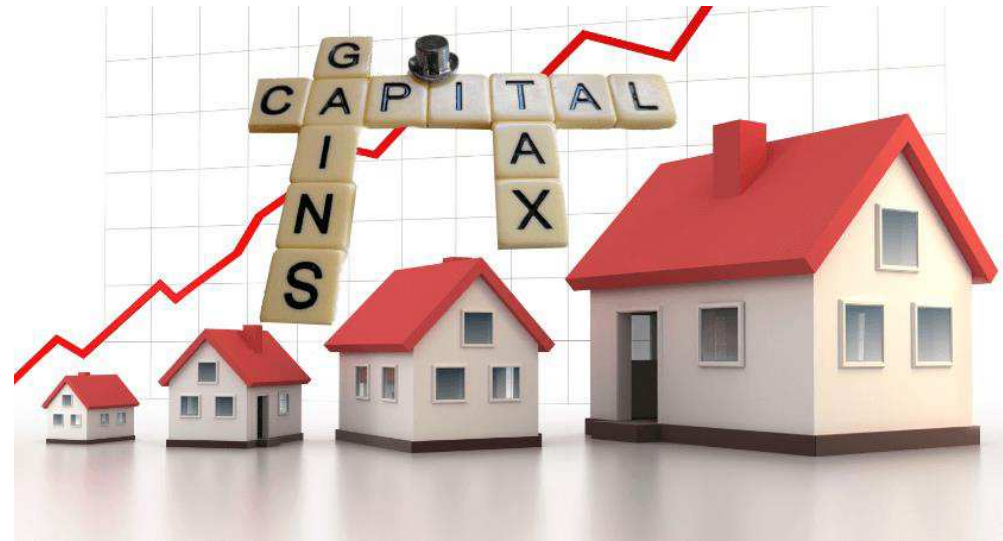


A welcome move - now both  
Tax & VAT are aligned.

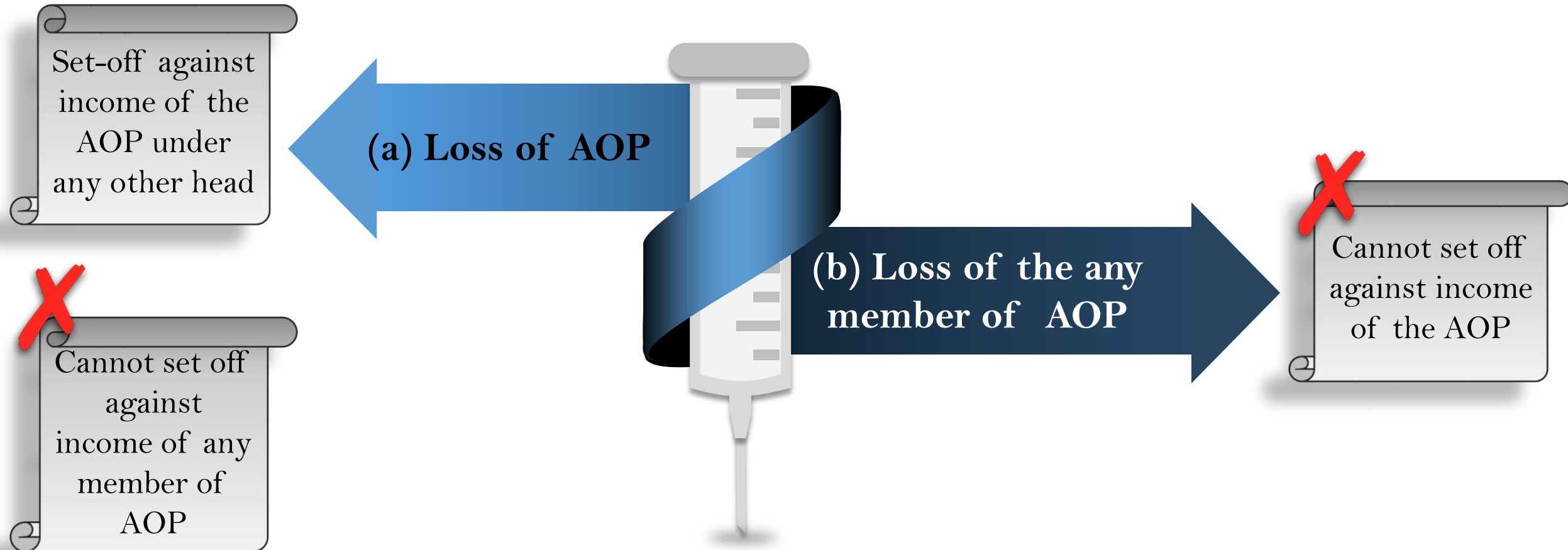
# Capital Gain Calculation

Capital gain on transfer of a business as a going concern:

$$\text{Capital Gain} = \text{Consideration received or fair market value} - \left( \text{Expenditure incurred} + \text{Net asset value at the time of transfer of the business} \right)$$

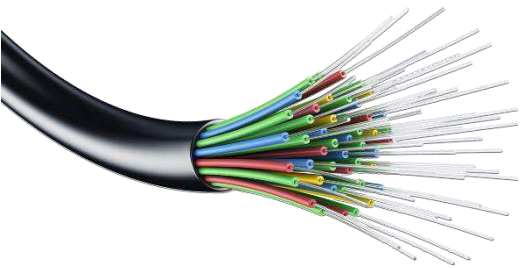


# Inclusion of New Sub-Section 31A (AOP – Association of Persons)

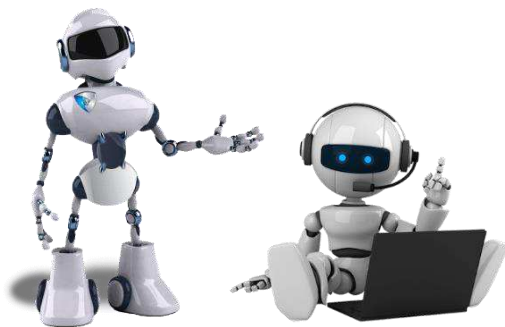


# New Industries Under Tax Exemption

Certain new industry will get exemption benefit for setting up Industrial Undertakings in BD within 30<sup>th</sup> June 2024



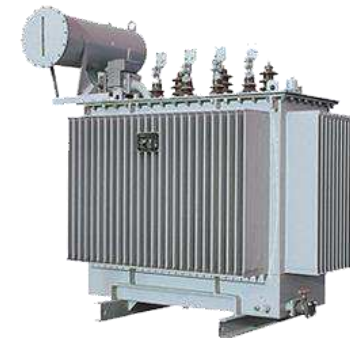
✓ Artificial fiber



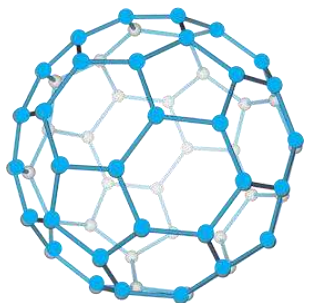
✓ Automation and Robotics design



✓ Artificial Intelligence



✓ Electrical transformer



✓ Nanotechnology



✓ Aircraft heavy maintenance & parts manufacturing

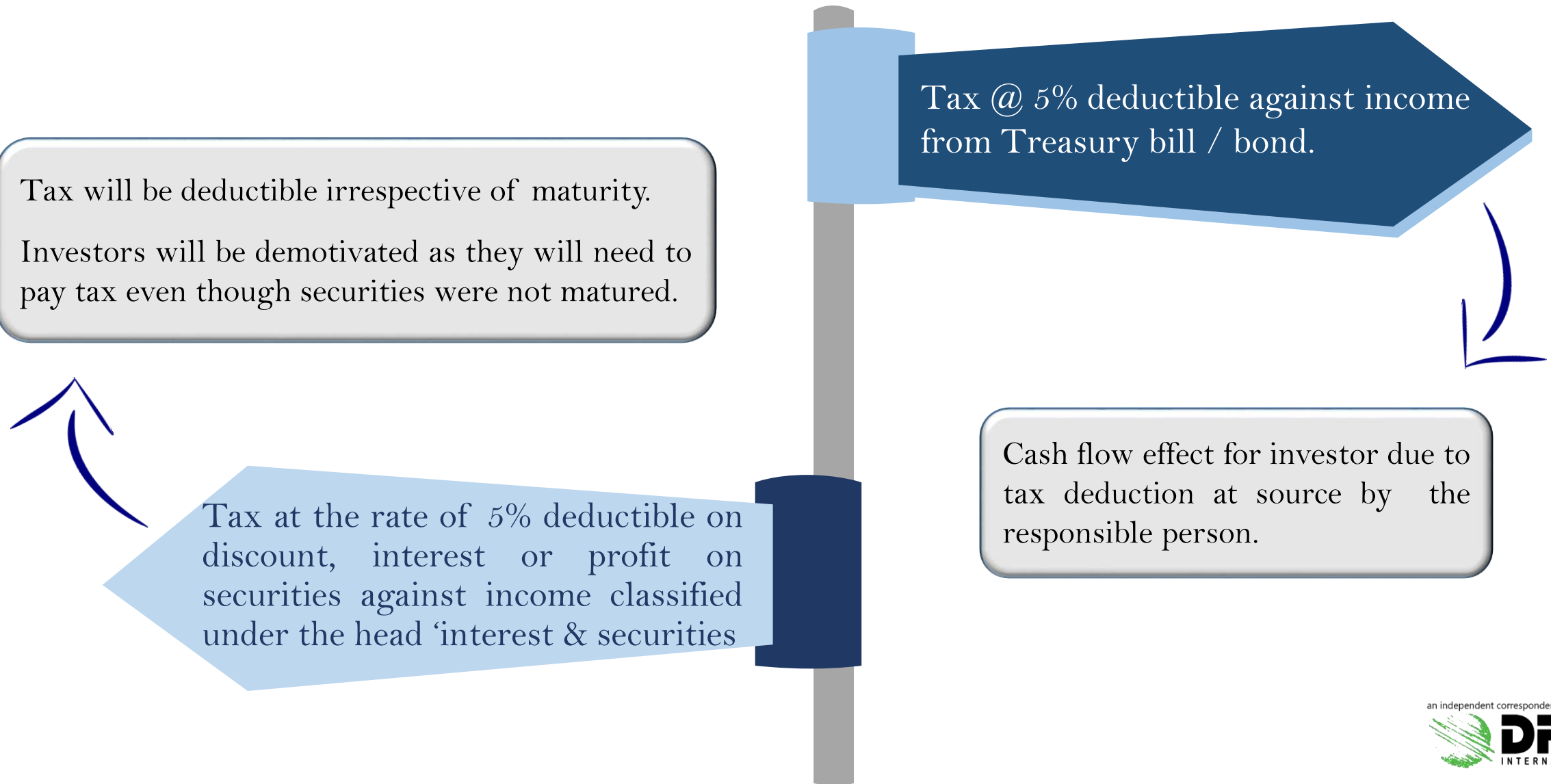


✓ Automobile parts

Investor will be motivated to set up industrial undertaking will leading to greater financial strength of the country and also create more employment facility



# TDS on Income from Treasury Bill or Bond




# TDS – Supply of Goods in Distributorship Arrangement

Goods supplied on which TDS applied u/s 53E will be subject to TDS on the said supply which shall be B-A.

A = tax paid u/s 53E

B = amount of tax applicable u/s 52



*Provided that in case of the goods supplied by any distributor or any other person under a contract as referred in section 53E (3) the term “B” shall be computed as follows:*

*$B = \{ \text{the selling price of the company to the distributor or the other person as referred in section 53E (3)} \} \times 7\% \times 5\%$*





# TDS – Supply of Goods in Distributorship Arrangement (Cont'd)



## Illustration:

A manufacturing company sells its products to the distributors at Tk. 95, MRP of which is Tk. 100. The distributors then resell the products to the retailer at Tk. 98.

	Previous	Proposed
A	0.24 (95 x 5% x 5%)	0.24 (95 x 5% x 5%)
B	1.96 (98 x 2%)	0.33 (95 x 7% x 5%)
B – A	1.72 (1.96 – 0.24)	0.09 (0.33 – 0.24)



Retailer will deduct less tax from distributor and Govt. revenue collection will reduce substantially.

As a result of tax reduction on the hand of distributor, ultimately company will be benefited.

# Revision of Services U/s 52AA

SL

Service description

- (i) Transport service, carrying service, vehicle rental service
- 13 (ii) Any other service under any sharing economy platform including ride sharing service, co-working space providing service and accommodation providing service;

Contradiction with  
section 53A !!

Contradiction with  
section 52P !!

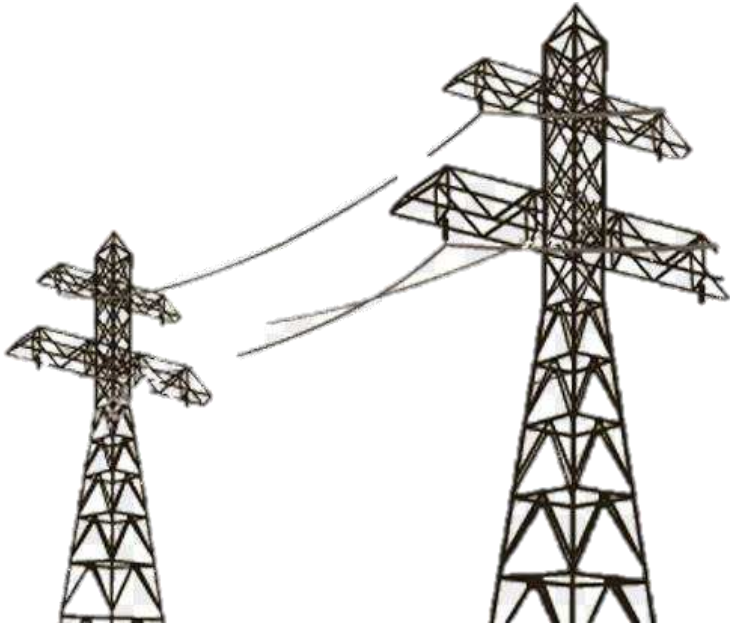
Clear definition of  
'Accommodation providing  
service' & 'Co-working space  
providing service' is expected



# TDS Rate Change on Wheeling Charge

Tax deduction rate has been decreased against Wheeling charge for electricity commission

SL	Service description	2019-2020		2020-2021	
		Upto 25 lakh	Above 25 lakh	Upto 25 lakh	Above 25 lakh
13A	Wheeling charges for electricity commission	4%	5%	2%	3%



Income of PGCB will **increase** and govt. revenue collection will **reduce** substantially.

# TDS Rate Change on Compensation Paid by Government on Acquisition of Property

**TDS Rate** increased against property acquisition by Government



Acquisition of property by Government	Existing	Proposed
Situated in any city corporation, paurashava or cantonment board	2%	6%
Not situated in any city corporation, paurashava or cantonment board	1%	3%

Government cost will increase as most of the time as seller will consider the net amount they will receive.



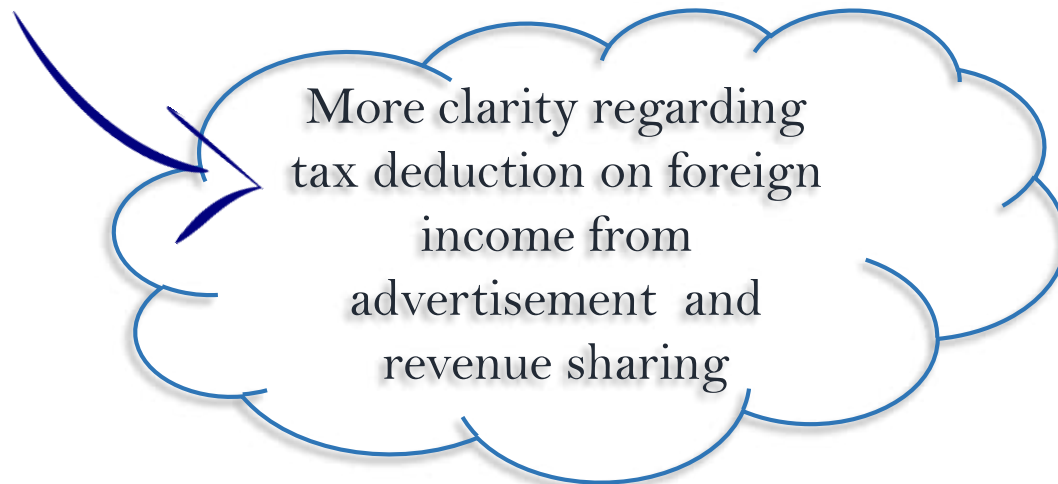
**Tax Collection**

NBR will be able to collect more tax.

# Services Provided Abroad

Inclusion of:

- Revenue sharing
- Allowing use of any **online platform** for advertisement/any other purpose



# Deduction from Local Letter of Credit

Tax at the rate of 2% will be deductible on local LC for the purpose of purchase or procuring essential goods.

Tax u/s 52 will not be applicable on purchase thorough local LC

Govt. revenue collection will increase. However, the cost of the company will increase substantially.

Both section will not be applicable on same purchase. So, there is an opportunity of tax planning!!

**Tax saved by 2% if goods purchased through Local LC**



# Tax Collection Rate from Members of Stock Exchange Decreased

Commission received by member of stock exchange on	Existing	Proposed
On transaction value of Shares and Mutual Funds	0.1%	0.05%
Commission received on sale of securities other than share and mutual fund	nil	10%



Legalisation  
of SRO 383  
issued in  
2011?



# Tax Deduction by Bank from Export Proceeds has been Increased

Tax deduction at source at the rate of **0.5%** will be applicable from export proceeds instead of earlier **0.25%** on export except the following:



**Packed goods**



**Leather goods**



**Vegetables**



**Frozen Food**



**Terry towel carton and accessories of garments industry jute goods**



**Woven Garments**



**Knit Wear**

This increase will have a severe effect on RMG industry. Total cost of the company will increase. As the said tax will be considered as minimum tax.

# TDS Rate Reduced on Dividend Repatriation

Tax deduction rate has been reduced to **20%** from previous rate of **30%**

Particulars	Existing rate 2019-2020	Proposed rate 2020-2021
Dividend to Fund & Trust	30%	20%



This will encourage foreign Fund & Trust to invest in Bangladesh which will improve the financial strengths of BD.

# Relaxation on Submission of AIT

Threshold limit for total income has been increased to **6 lakhs** taka from **4 lakhs** taka



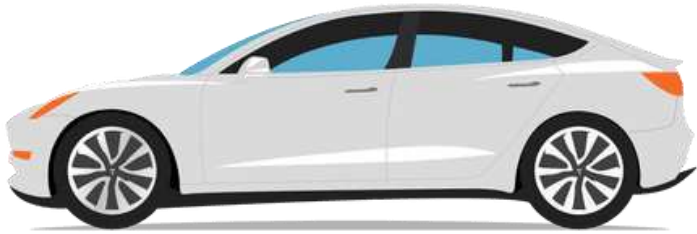
Became consistent between tax payee whose return has been assessed before and whose has not been assessed.

Compliance level will increase as well as awareness on submission of AIT



# Increase in AT for Motor Car or Jeep Owners

Owners of Motor Car are required to pay more Advance Tax:



SL	Type and engine capacity of motor car	Existing Tax (Tk.)	Proposed Tax (Tk.)
1	Upto 1500cc	15,000/-	25,000/-
2	Above 1500cc below 2000cc	30,000/-	50,000/-
3	Above 2000cc below 2500cc	50,000/-	75,000/-
4	Above 2500cc below 3000cc	75,000/-	1,25,000/-
5	Above 3000cc below 3500cc	1,00,000/-	1,50,000/-
6	Above 3500cc	1,25,000/-	2,00,000/-
7	A microbus	20,000/-	30,000/-

Having own motor car becoming expensive. Will motivate people to use public transport



# Penalty for Air Transport Company

Failure to submit return under section 103A will attract **penalty under section 124A:**

- Company will be encouraged to maintain compliance.
- NBR should make return submission procedures easier so that the company can submit return hassle free.



**Penalty:**

**For first time Tk. 5,000**

**In case of continuous default-  
Tk.1,000 for every month or fraction  
thereof**

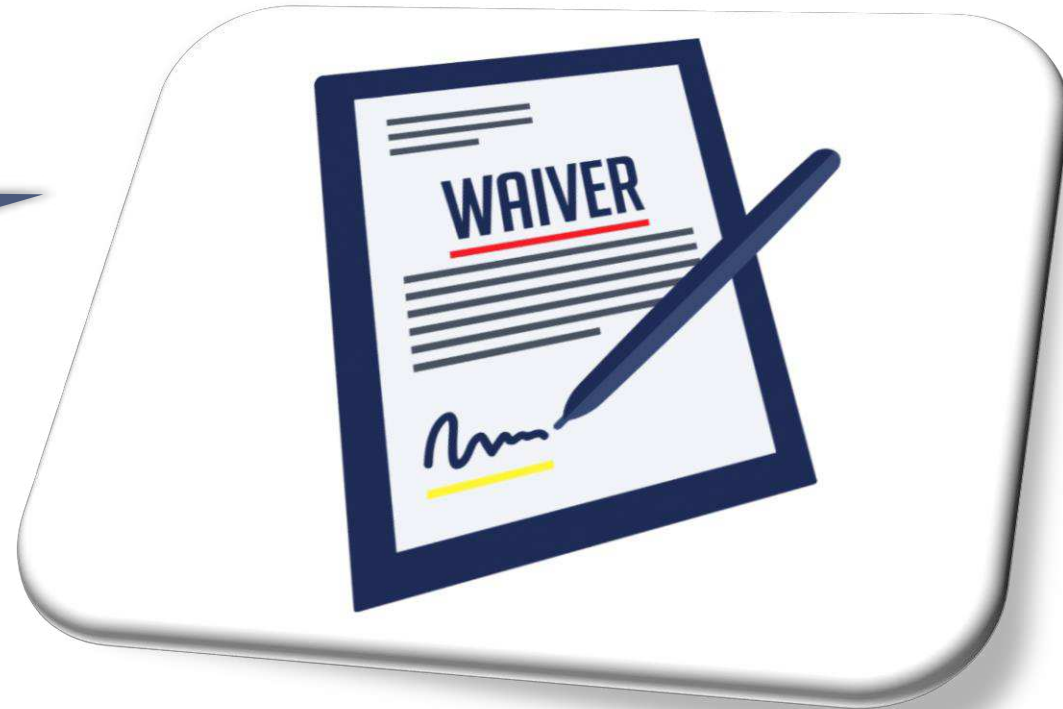


# Waiver Application

Response on waiver application for disputed tax will be communicated within 30 days of receiving application.




A relief  
for seekers

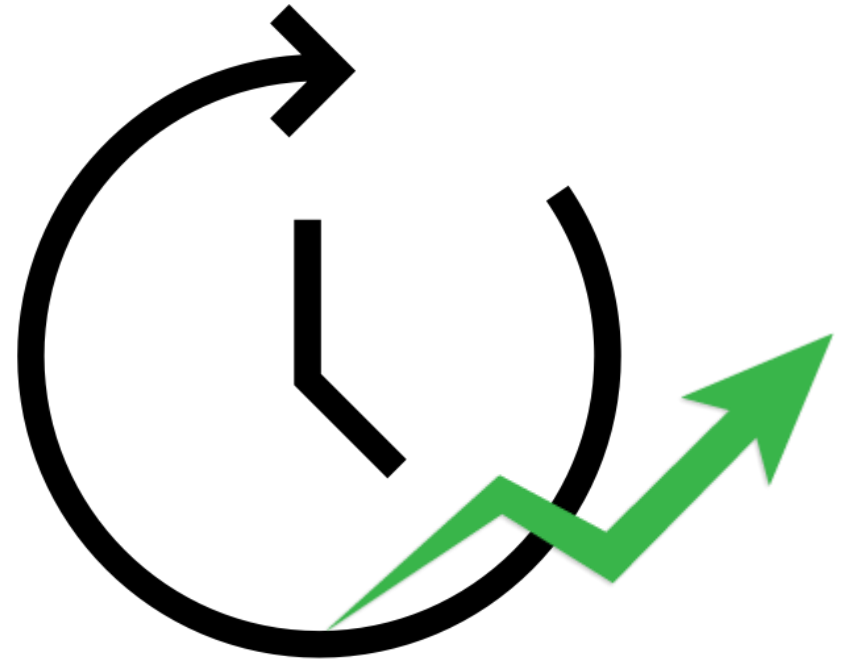


# Extension of Time Limit

The Board can now **condone and extend the time limit specified in any provision** of the Ordinance due to epidemic, pandemic, or any other acts of God, and war.



There will now  
be a guidance  
on deadlines in  
extraordinary  
times





# Approved Pension and Gratuity Fund

The following income will be considered as exempted from tax:

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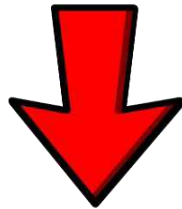
Any pension due to, or received by an assessee from the Government or an approved pension fund

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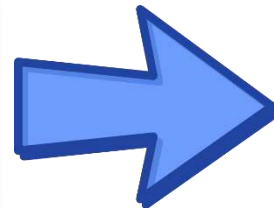
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Any income up to taka two crore fifty lakh received by an assessee as gratuity from the Government or an approved pension fund

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**Retirees will be taxed on their pensions if the income is neither from government nor an NBR approved fund.**



**Company must get their fund approved from NBR to get the exemption benefit for their employee.**

# Investment in Zero Coupon Bond


Income from Zero coupon bond will be taxable from now, the rate of applicable tax for the taxpayer may be figure out specifically.



Any person other than bank, insurance or financial institution that has already invested in such bond will now have to pay taxes on the income generated

# Income from AIF Recognized by BSEC

Any income earned by an **Alternative Investment Fund recognized** by the Bangladesh Securities and Exchange Commission



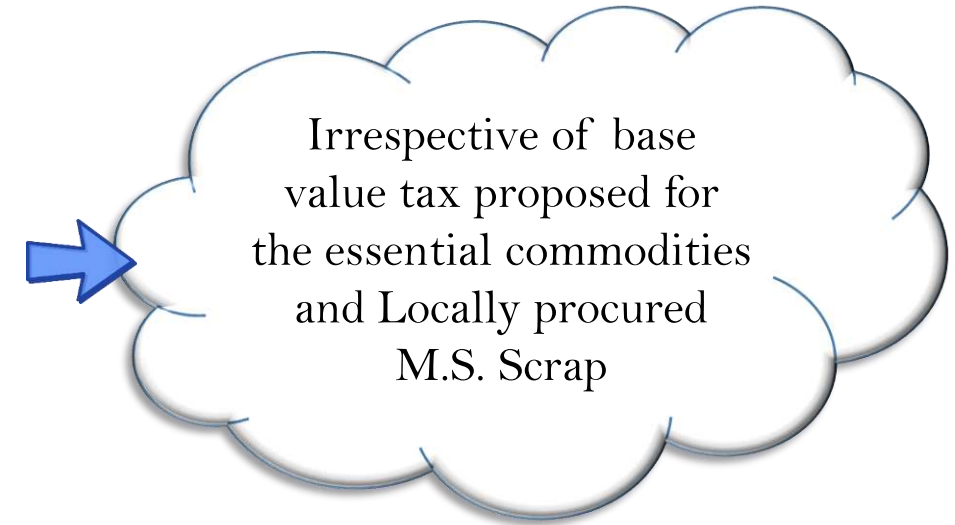
The benefit has been shifted from the beneficiaries of these funds to the fund itself. Therefore the beneficiary will have to pay taxes on the income received thereon.



# Reduction of TDS Rate for Certain Items

Tax deduction at source has been proposed to be reduced for following products

Particulars	Existing rate	Propose rate
Imported raw material for poultry feed	5%	2%
Locally procured M.S. Scrap	5%	0.5%
Garlic & Sugar	5%	2%





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Mahmud & Co.

2

## Personal Tax






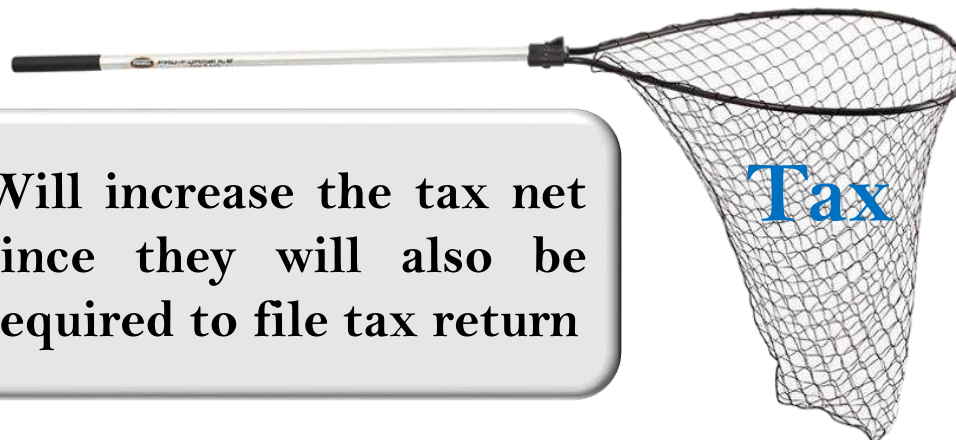
# Addition of Requirement for E-TIN

For following reason an individual need to obtain E-TIN:

- ▶ Candidates of Zilla Parishad election
- ▶ Participants in shared service such as motor vehicle, space, accommodation or any other assets
- ▶ Bearers of arms license



Will increase the tax net  
since they will also be  
required to file tax return





# Income Tax Return Submission Criteria Widened

Mandatory Tax return submission for following person:



Person required to  
have Twelve-Digit  
Taxpayer's  
Identification  
Number under  
section 184A

Compliance will increase  
tax net as well as  
collection if digitization is  
properly implemented.

# Relaxation on Submission of Tax Return

Income Tax return submission **not** required for following persons irrespective of having ETIN:



- Selling a land but does not have any taxable income
- Obtaining a credit card but does not have any taxable income



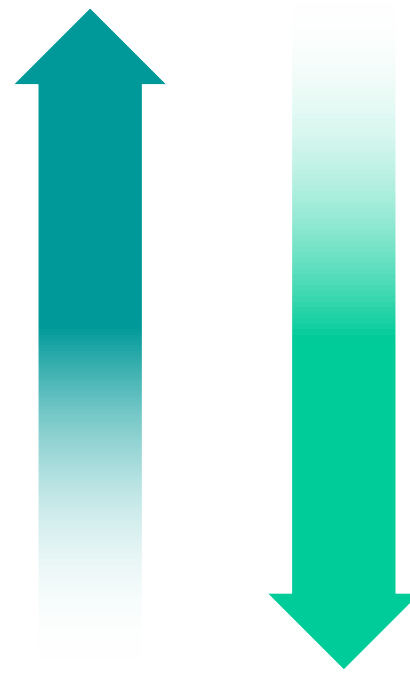
No extra hassle for  
unnecessary tax  
return submission




# Statement of Assets, Liabilities and Lifestyle

The threshold limit for furnishing statement of assets and liabilities has been increased from Tk. 25 lakh to Tk. 40 lakh

A person can opt not to furnish IT-10BB in case of income not exceeding Tk. 4 lakh (Previously Tk. 3 lakh.)



**A relief from additional paperwork  
for individual taxpayers**



But no choice for  
a person acting  
as a shareholder  
director of a  
company

# Tax Rate for Individual Tax Payee



## AY: 2019-2020

1st 250,000 @ 0%  
Next 400,000 @ 10%  
Next 500,000 @ 15%  
Next 600,000 @ 20%  
Next 3,000,000 @  
25%  
Balance amount @  
30%

### For women:

1st 300,000 @ 0%



## AY: 2020-2021

1st 300,000 @ 0%  
Next 100,000 @ 5%  
Next 300,000 @ 10%  
Next 400,000 @ 15%  
Next 500,000 @ 20%  
Balance amount @  
25%

### For women:

1st 350,000 @ 0%

The exemption threshold for both male and female has increased by Tk. 50,000

# Illustration of Tax Rate

Gross Income/ PM	Annual gross with 2 Festival Bonus	Taxable Income	AY 2019-2020	AY 2020-2021	Tax reduction
31,000	407,625	249,375	No Tax	No Tax	
36,500	480,500	297,500	5,000	No Tax	
57,000	752,125	476,875	5,000	5,000	0.00%
60,000	791,875	503,125	6,445	5,000	22.42%
80,000	1,056,875	678,125	18,789	7,383	60.71%
100,000	1,321,875	918,750	45,859	33,359	27.26%
152,000	2,010,875	1,568,750	159,531	149,531	6.27%
200,000	2,646,875	2,196,875	291,797	289,297	0.86%
250,000	3,309,375	2,859,375	440,859	438,359	0.57%
350,000	4,634,375	4,184,375	738,984	736,484	0.34%
400,000	5,296,875	4,846,875	892,891	885,547	0.82%
450,000	5,959,375	5,509,375	1,075,078	1,034,609	3.76%
500,000	6,621,875	6,171,875	1,257,266	1,183,672	5.85%

NBR will lose more revenue if taxpayers are within 60k to 100K

- Up to Tk. 36,500 p/m no tax - relief for marginal taxpayer
- No relief for those earning Tk. 57,000 p/m
- Tk. 60 k to Tk. 100 k enjoys higher reduction of tax burden
- Above 80 k and up to Tk. 152 K reduction decreases
- Those who earn between 200K-400K p/m, will get the lowest benefit.

# Surcharge

No change in imposition  
of surcharge net wealth  
of individuals



A good gesture from the  
government during the  
pandemic



# Tax Rebate on Online Return Filing

## Tax Rebate



**Government will provide Tk. 2,000 Tax Rebate to every individual for filing Income Tax Return online for the first time.**

# One-page Tax Return Submission for Marginal Taxpayer

Finance Minister proposed a new 1 (one) page tax return form in addition to the existing one so that the marginal tax payer can easily prepare and submit the return.



**Positive change for new and marginal taxpayer.  
This will help to increase the number of return submission.**



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3

VAT



# Changes in Definition of Input



“Machinery” has been included in the definition of Input.



Can claim rebate of VAT paid on Machinery

Cost of company will reduce



Manufacturer will enjoy more benefit



# Changes in the Definition of Company

If any company which is incorporated under any law of any other countries will also be considered as company.



Liaison office and Branch offices  
will be under VDS net



# Registration (Central vs Unit)



No changes or guidelines in place for those manufacturers producing goods from one factory and distribute the same through depots.



‘Two or more’ words lead to confusion of a company with single factory and multiple distribution center.





# Reduction of AT (Advance Tax)

1%  Proposal

Business will enjoy **working capital** facility.



Required Documents



Digitization may reduce this substantial paper work



AT has been reduced by 1% for importing materials for production purpose.

Impact



Documents to be produced to customs house station to avail the benefit:

- ✓ Attested copy of VAT registration certificate
- ✓ Attested copy of Input-Output Coefficient submitted to Divisional office.
- ✓ Updated industrial IRC and copies of VAT return for last 12 tax period.

# 80% VAT Rebate on Goods Transportation

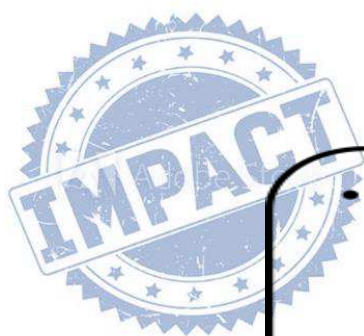
Business will be eligible to claim 80% of VAT rebate on goods transportation cost.



Cost of production will be reduced hence this may impact on selling price as well.

# Mushak-6.3 is not Required for Utility Bills

Mushak-6.3 is **Not Required** to claim input VAT rebate for utility bills like WASA, DESCO, Titas etc.



Taxpayer will not be losing input credit as before as these organizations are not issuing separate Mushak-6.3.

# Extension of Time to Claim Rebate and AT

## 120 Days

Timeline to claim AT refund by non-registered is extended to 120 days (**from 60 days**).



Time limit 

## Next 4 Tax Periods

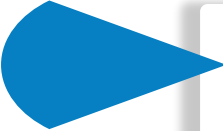
Time limit to claim both input VAT rebate and decreasing adjustment of AT has been extended from **next two tax period** to next four tax period.

 Timeline

Taxpayers will get more time to claim rebate and AT adjustment which leads to less possibility of losing rebate and AT.

# VAT Rebate on Actual Consumption Basis

Rebate will be claimed based on the time of actual production (consumption of goods and service) rather than timing of purchase.



Companies like pharmaceuticals, who is required to import/purchase in bulk quantity, might lose input credit if they failed to claim rebate within next four tax period of purchase.



Maintaining proper calculation will be difficult if purchase price fluctuates frequently.

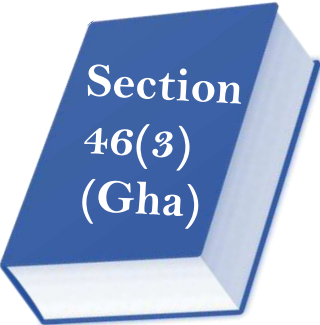


Defining consumption of service will be more difficult.





# Rebate on Reverse Charge



Section  
46(3)  
(Gha)

Treasury challan in support of VAT payment as per sec 20(2)



VDS Rules  
(SRO 2020)

Either payer will deposit VAT on foreign payment or bank will deposit the same.

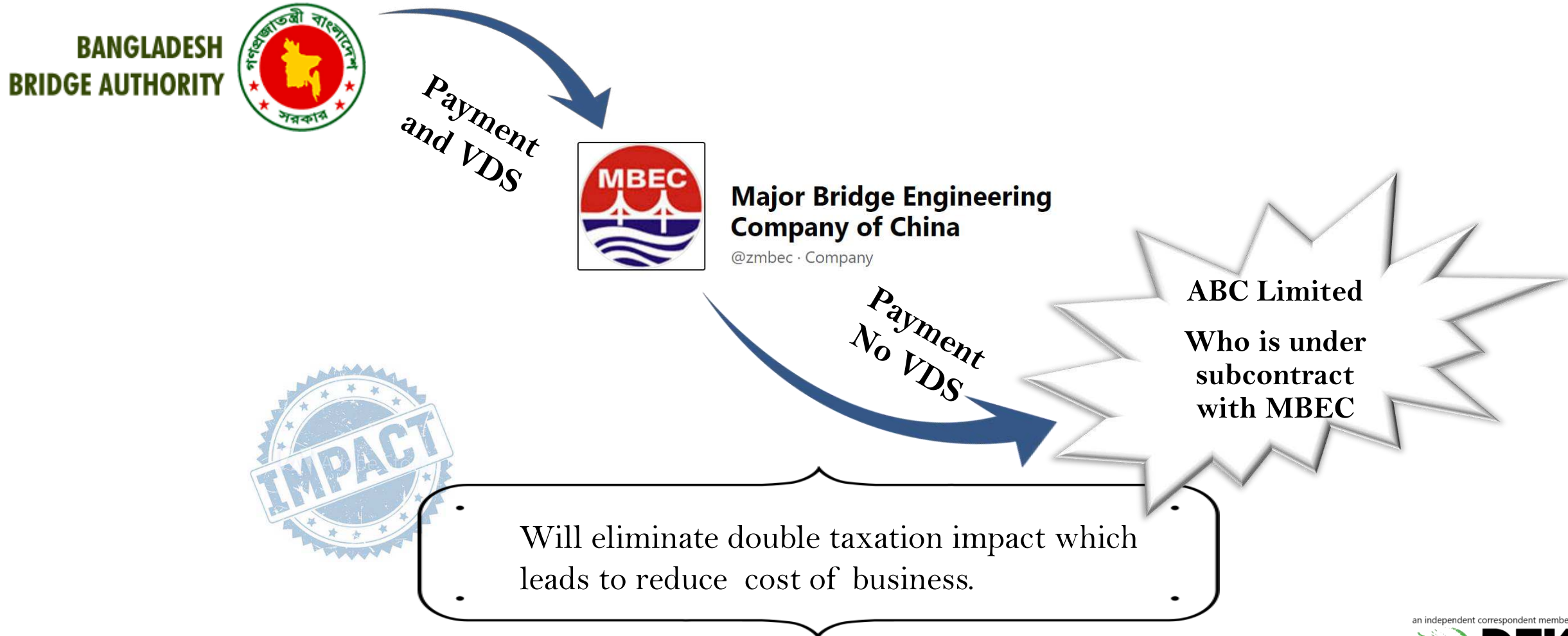


As per section 20(2) it is a reverse charge. If entity shows as output and claims as input (by TR), how they get the credit as timing of import and payment might be different? Hence it is better to report as reverse charge at the time of import.

VAT so paid may be claimed as decreasing adjustment and section 20(5) need to be amended.



# VDS on Subcontractor Bills



# Mushak-4.3 is not Required for Exporters

**Mushak 4.3**



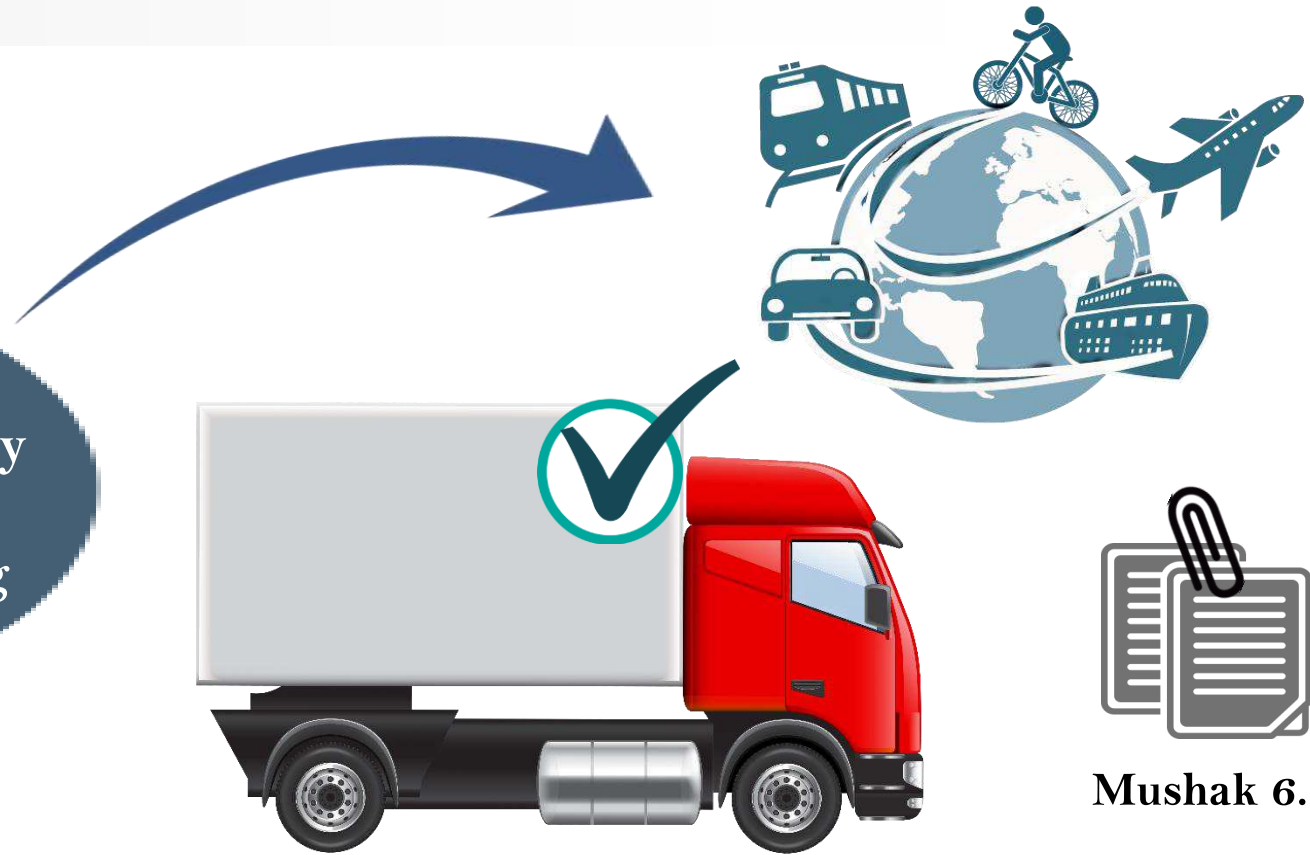
**100% Export  
Oriented Companies**



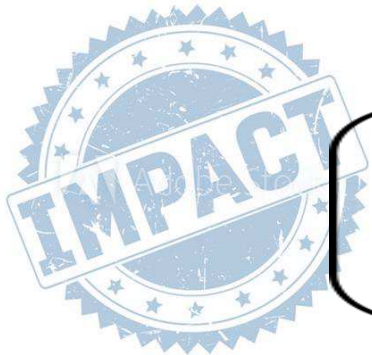
- ✓ Documentation time will be saved
- ✓ Input VAT can be claimed as decreasing adjustment

# Changes in Mushak-6.3

Need to mention nature of transportation to be used in delivery along with registration number. Mushak-6.3 must be available along with goods to be transported..



Mushak 6.3



- This will create complexity if needed to change vehicle during transit.
-

# Timing of Submitting VAT Return

- If 15th day is a public holiday, return to be filed on the **next working day**.
- 
- If national crisis, board can **extend the deadline** without imposing penalty and interest.



- Taxpayers will get flexibility in submission of return.
- 
- Reduce cost, help taxpayer to comply with regulation at the time of national crisis.



# Adjustment & Claim of Refund

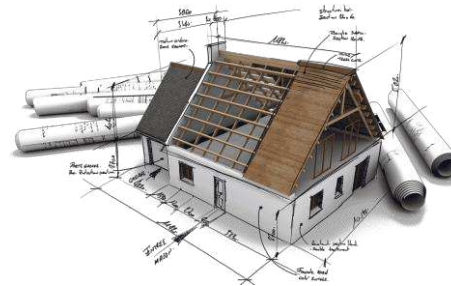
Construction



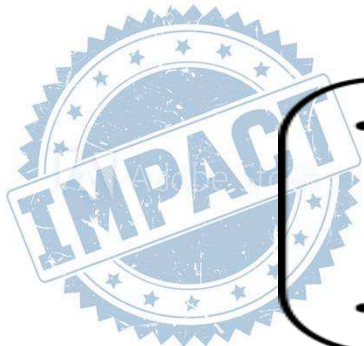
Land  
development



Residential  
construction



A Person can claim  
rebate after adjusting  
**six tax periods**



Blockage of working capital will reduce.



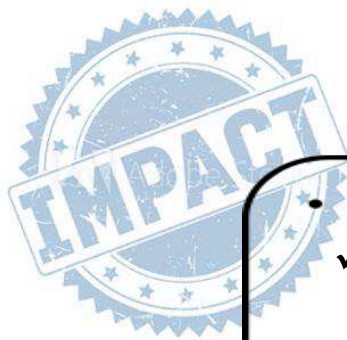
# Empowering Field Level Officers

## Lower Level Officers Power

- ✓ Examine VAT Return
- ✓ Issue Notice
- ✓ Arrange hearing and determine the tax amount

## Field level Officers Power

- ✓ Visit/Raid business premises/ locations
- ✓ Examine documents & records without any permission of Commissioner.



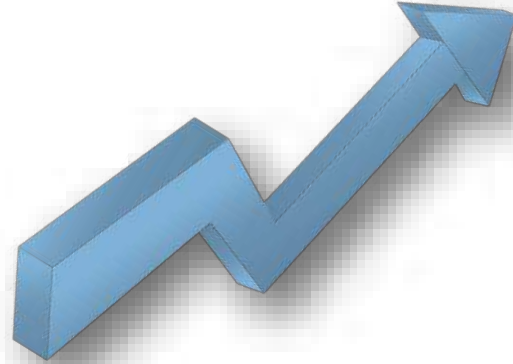
- ✓ May increase number of litigations.
- ✓ Possibility of being harassed (tax payer) will increase.



# Deposition of Dispute Tax to File the Appeal

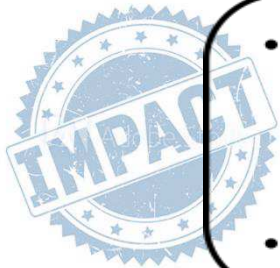


20%



Deposition of disputed tax has raised to 20% from existing 10% to file an appeal to both Appeal Commissioner and Tribunal.

10%



- ✓ Cost of filing an appeal will increase.
- ✓ Seeking for justice will be costlier
- ✓ Total 50% of disputed tax to be deposited



# Cancellation of Rebate for Unusable Inputs

Any unusable inputs/materials will be destroyed by applying to the authority and rebate will be cancelled (as increasing adjustment).

Cost of doing business will be increased.

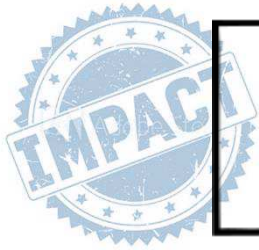
Documentation process and cost will be increased.



Double taxation impact of adjusting rebate as taxpayer required to will not be able to claim rebate before consumption.

Dependencies on VAT officials will be increased.

# Cancellation of Rebate for Damaged FG



Any finished goods destroyed by accident needs to inform authority and required to cancel input rebate proportionately.



Cost of doing will be increased.



Documentation process and cost will be increased.



Dependencies on VAT officials will be increased.



# Wastage Management Procedure



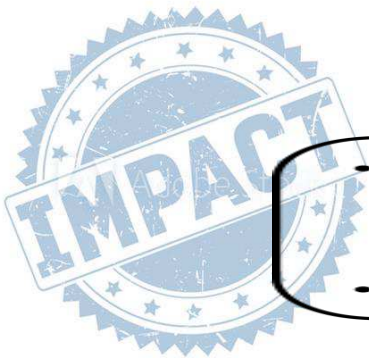
Need to submit  
Mushak-4.3 for  
wastage or by-  
products.



Price will be  
determined by  
fair market value



Need to destroy  
in front of  
authorized VAT  
officials.



Dependencies on VAT officials will be increased.

# Discontinuance of Operation



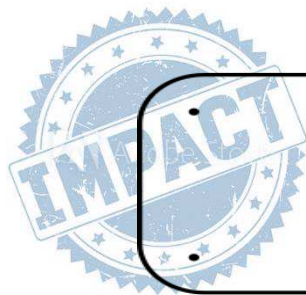
Needs to inform authority before 48 hours of discontinuation.



Designated VAT officer will examine the stock balance of inputs and FG



Needs to inform authority at least prior to 1 working day before re-starting the operation.



Will become complex



# License to VAT Advisor



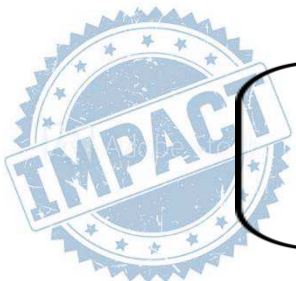
VAT registration is not required before application



Application fee reduces to 5,000 tk.



Not required to renew the license




Easy process to obtain VAT Advisor license.







# Changes in VDS



Specified list of services for which VDS has been introduced.



Some non-standard rated services removed VDS requirement.



Purchase of **goods** in 3<sup>rd</sup> schedule with less than 15% remain under scope of deduction at source.



Most of standard rated services are under VDS. Companies needs to pay first and will adjust upon receiving certificate from customers. This will block companies working capital.

# VDS Introduced on 15% Rated Services

Sl. No.	Service Code	Service Name
1	S001.1	AC Hotel
2	S001.2	AC Restaurant
3	S002	Decorators and Caterers
4	S007	Advertising Firms
5	S015.1	Freight Forwarders
6	S020	Survey Firms
7	S021	Rental of plant and capital equipment
8	S028	Courier and Express Mail Service
9	S032	Consultancy and Supervisory Firms
10	S033	Leaseholder



# VDS Introduced on 15% Rated Services

Sl. No.	Service Code	Service Name
11	S034	Audit and Accounting Firms
12	S043	Supplier of Programs to Television and Online Medium
13	S045	Legal Advisors
14	S049	Rent-a-Car
15	S050.1	Architect, Interior Designer/ Decorator
16	S050.2	Graphic Designer
17	S051	Engineering Firm
18	S052	Rental of sound and lighting system
19	S054	Broadcasting advertisement through satellite
20	S058	Rental of chartered plan and helicopter



# VDS Introduced on 15% Rated Services

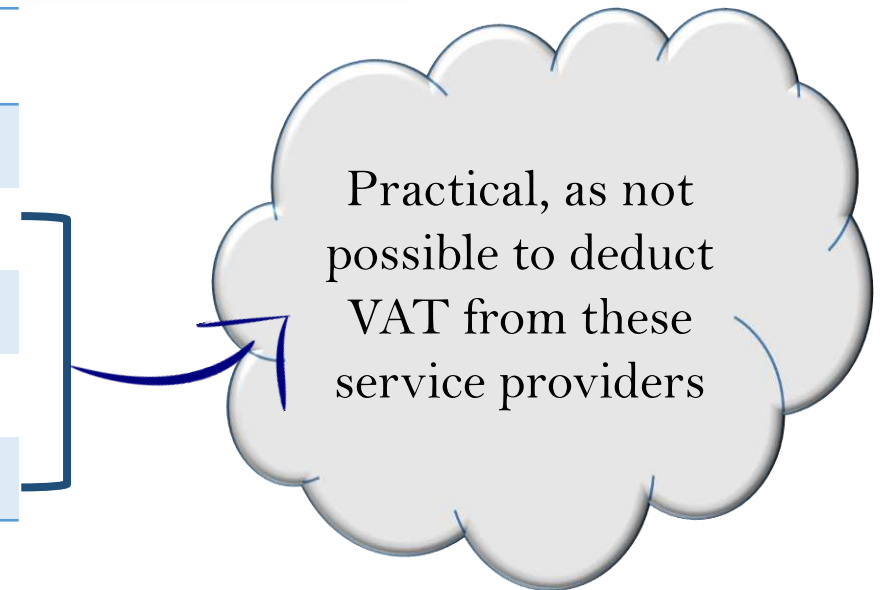
Sl. No.	Service Code	Service Name
21	S067	Immigration Advisor
22	S071	Event Management
23	S072	Human Resource Management
24	S099.2	Other Miscellaneous Service
25	S099.3	Sponsorship Services





# 5% Rated Services Eliminated from VDS

Sl. No.	Service Code	Service Name
1	S012.14	Internet Service Provider
2	S026.00	Jewelers
3	S057.00	Electricity Distributor
4	S069.00	English Medium School
5	S080.00	Ride Sharing



shohoz



UBER

pathao  
Moving Bangladesh



# 7.5% Rated Services Eliminated from VDS

Sl. No.	Service Code	Service Name
01.	S064.10	Amusement Park and Theme Park
02.	S078.00	(a) Own Branded ready made Garments Seller
		(b) Other than own Branded ready made Garments Seller

Practical, as  
difficult to deduct  
VAT from these  
service providers





# 10% Rated Services Eliminated from VDS

Sl. No.	Service Code	Service Name
1	S013.00	Automatic Laundry
2	S018.00	Cinema Studio
3	S023.10	Cinema Hall
4	S023.20	Cinema Distributor
5	S036.20	Air Conditioned Launch Service
6	S042.00	Automatic or Mechanized Saw Mill
7	S047.00	Sports Organizer
8	S063.00	Tailoring Shop and Tailors
9	S076.00	Social and Sporting Club



# VDS Challan Code

1 1 1 3 3          0 3 1 1

If VAT deducted by  
**registered** person,  
Commissionerate code  
of the **deducting**  
authority

If VAT deducted by  
**unregistered** person,  
Commissionerate code  
of the **supplier**

**More  
Complex!**

# Addition in VDS Instruction

Service provider will not be able to claim decreasing adjustment in VAT Return, if they do not specify their base and VAT as per Mushak-6.6.



**Mushak 6.6**

# Change in Service

As per VAT Act:

Heading No.	Service Code	Service Name
S001	S001.1	Non AC Hotel & Restaurant

Proposed in Finance Bill 2020:

Heading No.	Service Code	Service Name
S001	S001.1	Non AC Restaurant

VDS Instruction:

Heading No.	Service Code	Service Name
S001	S001.1	Non AC Restaurant
S001	S001.2	Non AC Hotel

Contradictory?

# Exemptions Eliminated (Import Stage)

Sl. No.	HS Code	Service Name
1	0207.13.90	Fresh Or Chilled Cuts And Offal Of Chickens
2	0207.14.90	Frozen Cuts And Offal Meat Of Fowls
3	0409.00.10	Naturel honey, wrapped/canned upto 2.5 kg
4	0409.00.90	Naturel honey, Excluding wrapped/canned upto 2.5 kg





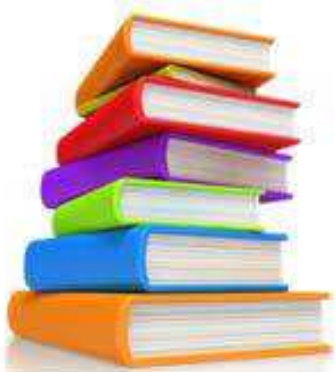
# Exemptions Introduced

Sl. No.	HS Code	Service Name
1	2508.40.00	Soil, Other Clays
2		Publication and sale of Books, News paper, magazine, Govt. press
3		Stockbrokers
4		Air Ambulance service



Good for general  
investors

Financially solvent people can  
avail this service, so exemption  
should not be in place





# Exemption Introduced (Import Stage)

Sl. No.	HS Code	Service Name
1	4011.70.10	Tyre used on agricultural tractors
2	4013.90.10	Inner tubes or rubber used on tractors
3	7108.12.00	Gold in unwrought form
4	7108.13.00	Gold in semi-manufactured form



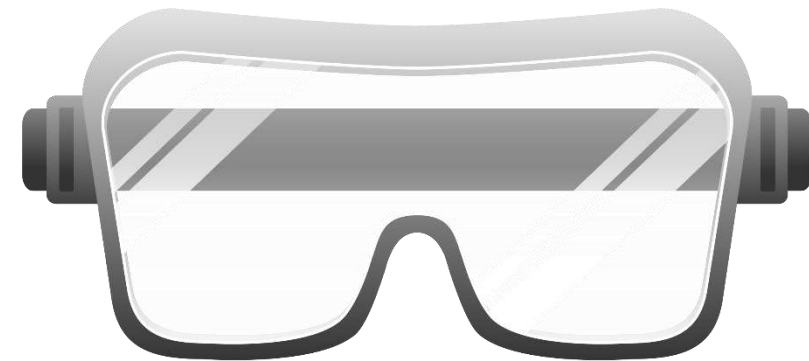
# Exemptions Introduced (Production Stage)

Sl. No.	HS Code	Service Name
1	0207.13.90	Fresh or chilled Cuts and Offal of fowls in bulk
2	0207.14.91	Frozen Cuts and Offal of fowls in bulk
3	0409.00.90	Natural Honey up to 2.5 kg (Without tinned/packed)
4	1514.11.00	Mustard Oil
	1514.19.00	
5	All HS Code under 17.01	Molasses resulting from the extraction or refining of sugar
6	All HS Code under 30.02 to 30.04	Cancer curable medicines, kidney dialysis solution liver cirrhosis/ Hepatitis C curable medicines/COVID-19 Inhibiting Drugs
7	3002.15.00	COVID-19 Test Kits (Based on Immunological Reactions)
8	3822.00.00	COVID-19 Test Kits based on polymerase chain reaction (PCR) nucleic acid test



# Exemptions Introduced (Production Stage)

Sl. No.	HS Code	Service Name
9	3926.20.90	Protective garments made from plastic sheeting (medical purpose)
10	3926.20.90	Plastic face shields (covering more than the eye area) (medical purpose)
11	6210.10.100	Protective garments for surgical/medical use (medical purpose)
12	6211.33.00	Medical Protective gear
13	6211.39.00	Medical Protective gear
14	6211.43.00	Medical Protective gear
15	6211.49.00	Medical Protective gear
16	9004.90.00	Protective spectacles and goggles for medical use
17	9018.90.90	3-ply/ 3 layer surgical Mask (Including Face Mask)
18	9020.00.00	3-ply/ 3 layer surgical Mask (Including Face Mask)



# Exemptions Eliminated (Production stage)

Sl. No.	HS Code	Service Name
1	All HS Code under 90.04	Containers for compressed or liquefied gas, of iron or steel (LPG Cylinder) (Till 30 June, 2020)



# Exemptions Introduced (Trade stage)



Sl. No.	HS Code	Service Name
1	0207.13.90	Fresh or chilled Cuts and Offal of fowls in bulk
2	0207.14.90	Frozen Cuts and Offal of fowls in bulk
3	0409.00.90	Natural honey up to 2.5 kg (Except packed/tinned)
4	3002.15.00	COVID-19 Test Kits (based on Immunological Reactions)
5	3822.00.00	COVID-19 Test Kits based on polymerase chain reaction (PCR) nucleic acid test
6	3926.20.90	Protective garments made from plastic sheeting (medical purpose)
7	3926.20.90	Plastic face shields (covering more than the eye area) (medical purpose)



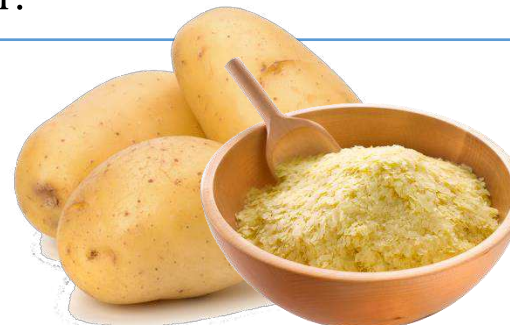
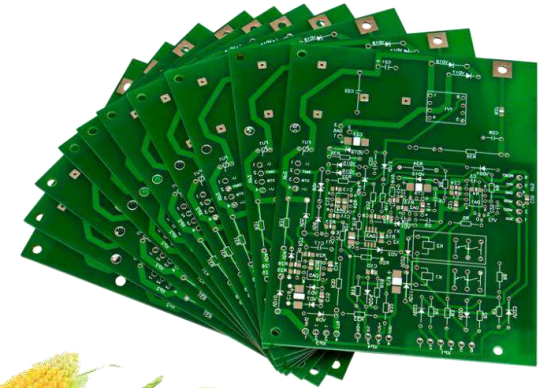
# Exemption Introduced (Trade Stage)

Sl. No.	HS Code	Service Name
8	6210.10.00	Protective garments for surgical/ medical use (medical purpose)
9	6211.33.00	Medical Protective gear
10	6211.39.00	Medical Protective gear
11	6211.43.00	Medical Protective gear
12	6211.49.00	Medical Protective gear
13	All H. S. Code	Thrasher machine, power ripper, power tiller, operated sider, combined harvester & rotary tiller.
14	9004.90.00	Protective spectacles and goggles for medical use
15	9018.90.90	3-ply/ 3 layer surgical Mask (Including Face Mask)
16	9020.00.00	3-ply/ 3 layer surgical Mask (Including Face Mask)



# Changes in VAT Rates

H.S. CODE/ Service code	DESCRIPTION	Existing Rate of VAT	Proposed Rate of VAT
1105.20.00	Potato flakes	15%	5%
1108.12.00	Maize (Corn) Starch	15%	5%
8517.62.30	Router	15%	5%
85.29	Loaded PCB	15%	5%
85.34.00.00	Printed Circuit Board	15%	5%
S024.20	Furniture Marketing center	5%	7.5%
S036.20	AC Launch Service	5%	10%
54.02 to 54.10 and 55.12 to 55.16	Man made fiber and yarn made in mixture with other fiber, where portion of man-made fiber is higher.	5%	Tk. 6/Kg



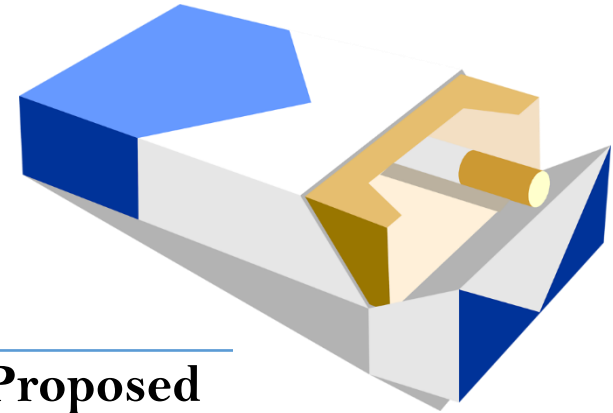
# Newly Imposition of SD

H.S. CODE	DESCRIPTION	Proposed Rate of SD
0207.13.10	Fresh or chilled Cuts and offal of fowls Wrapped/canned up to 2.5 kg	20
0207.13.90	Fresh or chilled Cuts and offal of fowls in bulk	20
0207.14.10	Frozen Cuts and offal of fowls in Wrapped/canned up to 2.5 kg	20
0207.14.90	Frozen Cuts and offal of fowls in bulk	20
7317.00.00	Nails, Tacks, Drawing Pins of iron/steel	20
7318.14.90	Other Self-Tapping Screws	20
7318.16.00	Threaded Nuts of Iron/Steel	20
H.S. Code related to 69.10	Ceramic sinks, wash basins, wash basin pedestals, pan and other bathroom fittings	10





# Increase in SD



H.S. CODE/ Service code	DESCRIPTION	Existing Rate of SD	Proposed Rate of SD
2402.20.00	Tobacco Cigarette	55 to 65	65
2402.90.00	Hand made bidi, With or without filter	35 to 40	40
2403.99.00	Other manufactured tobacco product, Jorda (Per gram Tk.2 )	50	55
2403.99.01	Gul (Per gram Tk.2 )	50	55
3304.99.00	Others	5	10
S012.10	Telephone: Only for service provided by mobile sim or rim card	10	15
S044.00	Service by BTRA:	10	15
S058.00	Chartered plane or helicopter rental organization	25	30

# Excise Duty Increased

**Keeping  
money in  
bank will be  
costlier**



Banking Service	Proposed Rate	Previous Rate
Where credit of debit balance:		
Does not exceed 100,000	Nil	Nil
100,001 to 500,000	150	150
500,001 to 1,000,000	500	500
1,000,001 to 10,000,000	3000	2,000
10,000,001 to 50,000,000	15,000	12,000
Above 50,000,000	40,000	25,000





Snehasish  
Mahmud & Co.

# 4

## CD, SD & Excise Duty



# Table of Content

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# A. Changes in Custom Act

Ref.	Explanation	Notes
Section 79-1B inclusion	<ul style="list-style-type: none"> <li>➤ <b>Bill of entry-</b> shall be delivered within <b>5 working days</b> since the arrival of goods</li> <li>➤ Board may extend the time if it deems fit</li> </ul>	Submission period has been specified
Section 156- Replacement	<p>If any offence (Duty evade, hide or submitting false document) occurred-</p> <ul style="list-style-type: none"> <li>➤ penalty at least <b>twice</b> but not exceeding <b>four times</b> the amount of the tax evaded</li> <li>➤ imprisonment not exceeding 5 years or to a fine not exceeding Taka 50K or to both.”</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Previous-</b> not exceeding three times</li> <li>➤ <b>Current-</b> at least twice but not exceeding four times</li> </ul>

# A. Changes in Custom Act (Cont'd)

Section 196- Replacement	<b>Appellate Tribunal-</b> shall consist of as many member as Govt. thinks fit	<b>Previous-</b> As many technical & judicial members  <b>Current-</b> As many members
	<b>Conditions-</b> a member of Appellate Tribunal shall not be appointed unless-  a) he was or is a member of the Board; or b) commissioner (at least 1 year experience) of Customs, Excise & VAT; or c) he is, was or has been a District Judge.	<b>Previous-</b> at least 10 years experience in judicial office or advocate in court; or holding judicial post for at least 3 years  <b>Current-</b> No experience criteria for District Judge. Conditions for technical members (previous) are same for any member (current)
	<b>President of Board-</b> Govt. shall appoint one of the members of the Appellate Tribunal as president thereof	<b>No change</b>

# A. Changes in Custom Act (Cont'd)

Section 196C- sub section (2) & (3)	<p><b>A Bench-</b> can be consist of any two members</p> <p><b>Special Bench-</b> Not less than two members for appeal against decision regarding rate or value of goods</p>	<p><b>For both Benches:</b></p> <p><b>Previous</b> - One technical &amp; one judicial</p> <p><b>Current</b> - Any two members</p>
Inclusion of 197(D)	<p><b>Bangladesh Single Window (BSW)-</b> Govt. may establish it as single electronic entry point/platform for person involved in import, export, warehousing, transit or transhipment of goods.</p> <p><b>Purpose-</b> Any person intending to engage in import, export etc. shall submit data &amp; documents electronically to BSW.</p>	<p><b>New insertion</b></p>



# B. Changes in Agriculture Sector



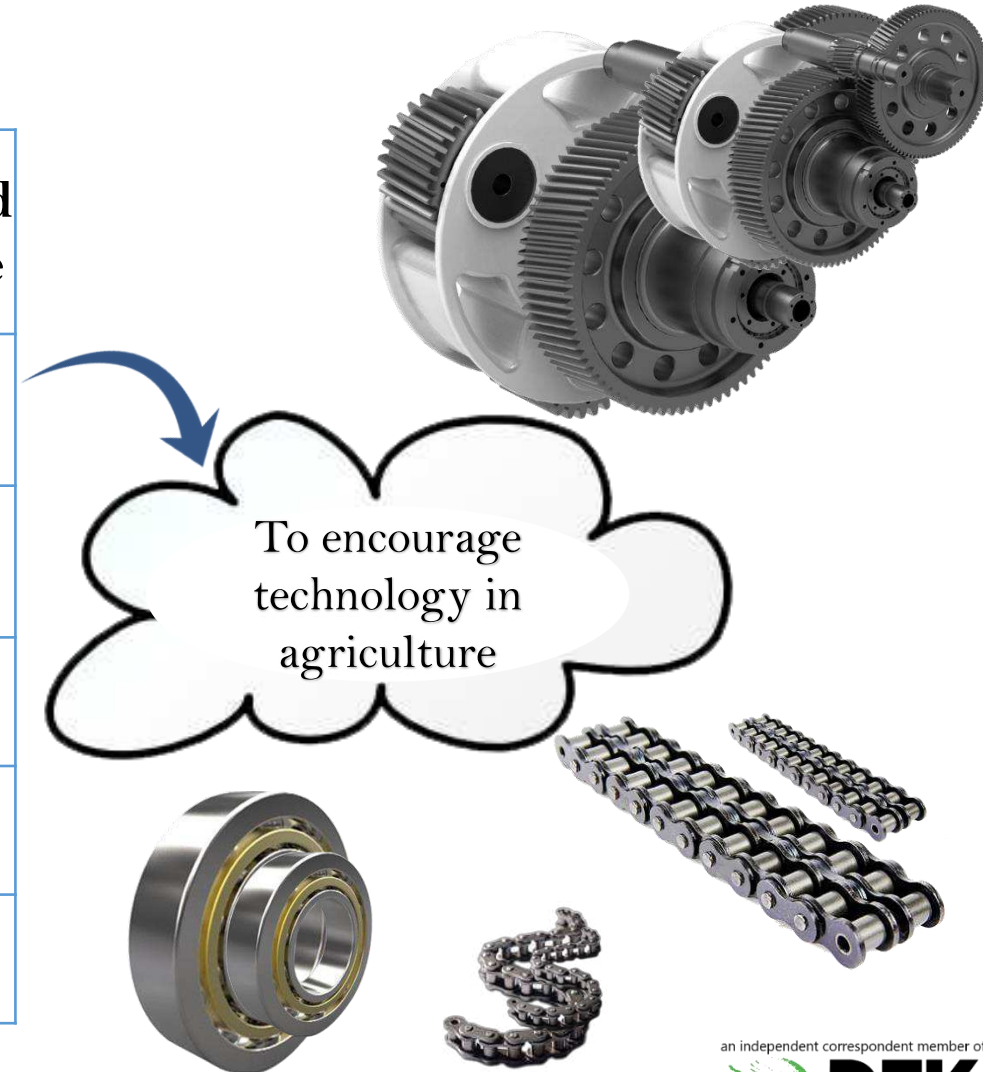
# Increase in CD for Agricultural Products

Sl. No.	H.S. Code	Description	Existing CD Rate	Proposed CD Rate
1	0703.10.11	Onions wrapped /canned up to 2.5 kg	0%	5%
2	0703.10.19	Onions in bulk	0%	5%
3	2833.11.00	Disodium Sulphate	5%	15%



# Reduction of CD(Agriculture Machinery)

Sl. No.	H.S. Code	Description	Existing CD Rate	Proposed CD Rate
1	7315.11.90	Roller Chain used on Agricultural Machinery	10%	1%
2	8482.10.00	Ball Bearings Used on Agricultural Machinery	10%	1%
3	7209.16.00	M.S Sheet (1mm-3mm)	10%	1%
4	8708.40.00	Gear Boxes and parts thereof	10%	1%
5	8708.94.00	Steering	10%	1%



# Reduction of CD(Agriculture Machinery) (Cont'd)

Sl. No.	H.S. Code	Description	Existing CD Rate	Proposed CD Rate
6	4011.70.10	Tire, Tube used on agricultural Machinery	5%	1%
7	8708.70.00	Wheel Parts (Rim) used on agricultural Machinery	10%	1%
8	8414.90.90	Blower for grain dryer	10%	1%
9	8311.90.00	Coated Electrodes of base metal	10%	1%



# Reduction of Duty on Nutrition Production

Sl. No.	H.S. Code	Description	Existing Rate	Propose Rate
1	2304.00.00	Soyabean oil cake	RD-5 %	RD-0%
2	2309.90.90	Soya Protein Concentrate	CD-10%	CD-0%

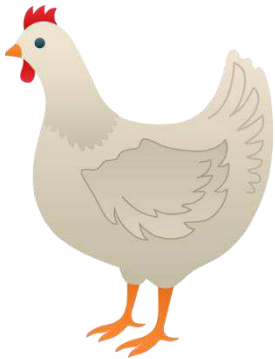


To incentivize poultry  
and dairy sector



# Increase in SD for Agricultural Products

Sl. No.	H.S. Code	Description	Existing Duty	Proposed Duty
1	0207.13.10	Fresh or chilled Cuts and offal of fowls wrapped/ canned upto 2.5 kg	SD-0%	SD-20%
2	0207.13.90	Fresh or chilled Cuts and offal, fresh or chilled, in bulk	SD-0%	SD-20%
			VAT-0%	VAT-15%
3	0207.14.10	Frozen Cuts and offal of fowls Wrapped/canned upto 2.5 kg	SD-0%	SD-20%
4	0207.14.90	Frozen Cuts and offal of fowls in bulk	SD-0%	SD-20%
			VAT-0%	VAT-15%



# C. Changes in Duty Structure to Promote Domestic Industry



# Increase/Decrease in CD

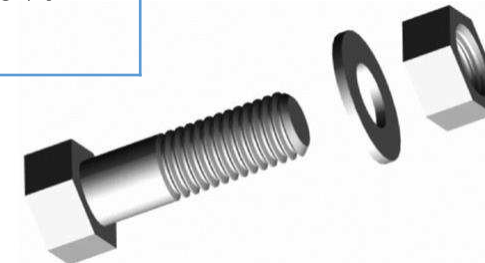


Sl. No.	H.S. Code	Description	Sector	Existing CD Rate	Proposed CD Rate
1	0409.00.90	Natural honey in bulk	Agriculture	15%	25%
2	8905.10.00	Dredgers	Agriculture	1%	5%
3	3402.11.10	Linear Alkyl Benzene Sulphonic Acid (LABSA)	Detergent	15%	10%
4	3816.00.90	Mortars, concretes	Cement	10%	5%
5	3701.30.20	Photosensitive plates imported by industrial IRC holder VAT compliant Printing and packaging industry	Packaging	25%	15%
6	3402.90.30	Cleaning preparation imported by industrial IRC holder VAT compliant paper mills	Paper Mill	25%	15%
7	2710.19.21	Base oil imported in bulk by Industrial IRC holder VAT compliant petroleum products processing or blending industry	Oil/Fuel	10%	5%

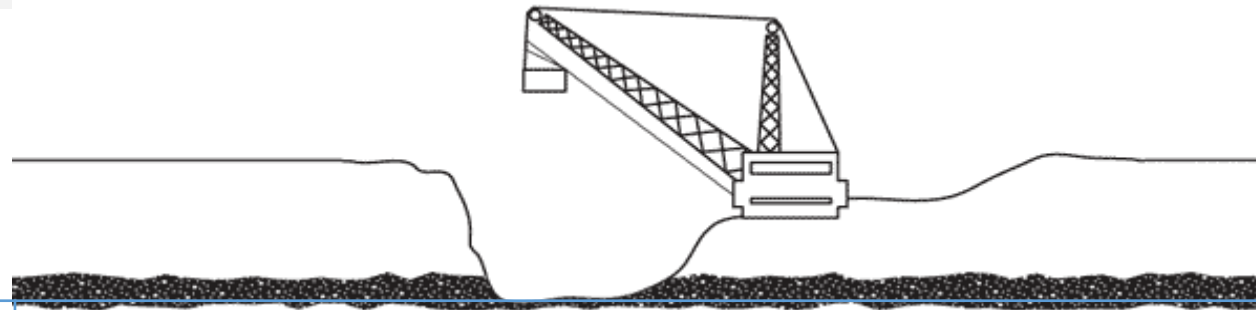
# Increase in SD for Light Engineering Products



Sl. No.	H.S. Code	Description	Existing Rate	Propose Rate
1	7317.00.00	Nails, Tacks, Drawing Pins of iron/steel	0%	20%
2	7318.14.90	Other Self-Tapping Screws	0%	20%
3	7318.16.00	Threaded Nuts of Iron/Steel	0%	20%



# Increase/ Decrease in RD Steel/Iron Industry Products



Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
1	7202.11.00	Steel/ Iron	Ferromanganese: Containing by weight more than 2% of carbon	10%	15%
2	7202.21.00	Steel/ Iron	Ferrosilicon: Containing by weight more than 55% of silicon	10%	15%
3	7202.30.00	Steel/ Iron	Ferro-silico-manganese	10%	15%
4	7210.11.00	Steel/ Iron	Plated or coated with tin of a thickness of 0.5 mm or more	3%	15%
5	7210.20.00	Steel/ Iron	Plated or coated with lead, including terne- plate	3%	15%



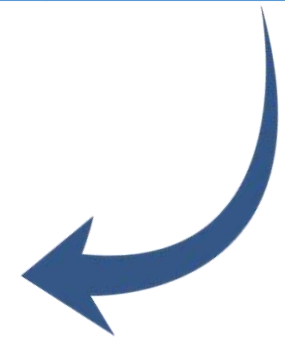
# Increase/ Decrease in RD Steel/Iron Industry Products

Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
6	7210.30.00	Steel/ Iron	Electrolytically plated or coated with zinc	3%	15%
7	7210.49.90	Steel/ Iron	Other plated or coated with zinc	3%	15%
8	7210.50.00	Steel/ Iron	Plated or coated with chromium oxides or with chromium and chromium oxides	0%	15%
9	7210.69.90	Steel/ Iron	Other Plated or coated with aluminum-zinc alloys	3%	15%
10	7210.70.30	Steel/ Iron	Painted, varnished or coated with plastics of a thickness of more than 1.0 mm	3%	15%
11	7210.90.00	Steel/ Iron	Other Flat-rolled products of iron or non-alloy steel	3%	15%

# Decrease of CD in Export Industry products

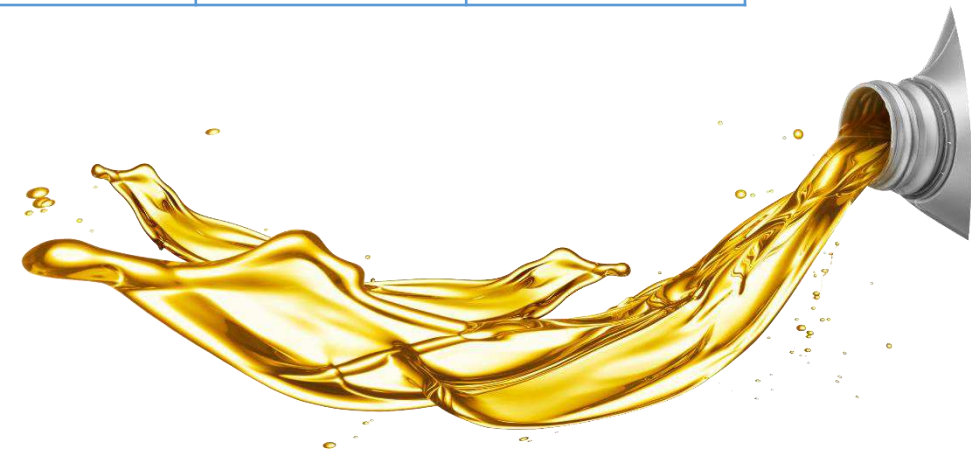


Sl. No.	H.S. Code	Description	Existing Rate	Proposed Rate
1	8523.59.20	RFID TAG Imported by Industrial IRC Holder VAT Compliant. 100% Export Oriented Textile Industry	CD-25%	CD-15%
2	7308.90.20	Industrial Racking System Imported by Industrial IRC Holder VAT Compliant 100% Export Oriented Garments Industry	CD-25%	CD-15%




# Decrease in CD for Compressor Industry Products


Sl. No.	H.S. Code	Description	Existing Rate	Proposed Rate
1	3403.19.00	Lubricating/cutting oil /anti-rust preparations containing petroleum or bituminous mineral oils	CD-10%	CD-1%
2	3801.10.00	Artificial Graphite	CD-10%	CD-1%




# Decrease of CD for Footwear Industry Products



Sl. No.	H.S. Code	Description	Existing CD Rate	Proposed CD Rate
1	5903.10.20	Textile Fabrics Laminated with Polyvinyl Chloride	25%	15%
2	5903.20.20	Textile Fabrics Laminated with Polyurethane (Artificial Leather)	25%	15%
3	6006.44.10	Printed Knitted or Crocheted Fabrics	20%	0%



The above items must be imported by Industrial IRC Holder & VAT Compliant Footwear Manufacturing Industry



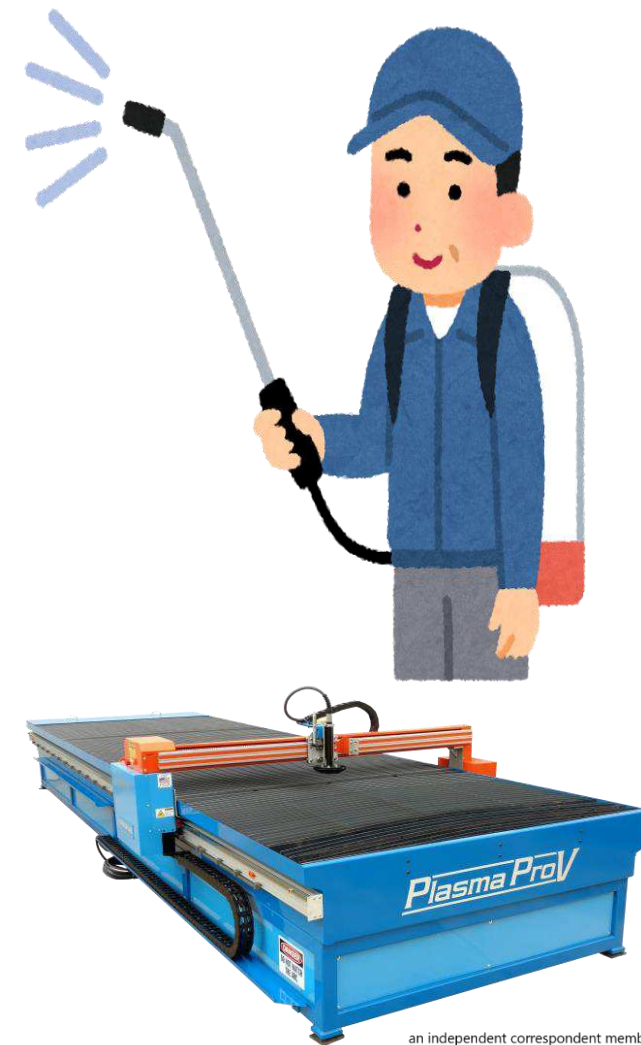
# D. Changes in Tariff Rationalization



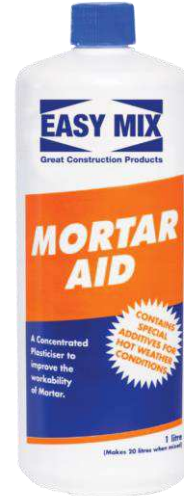
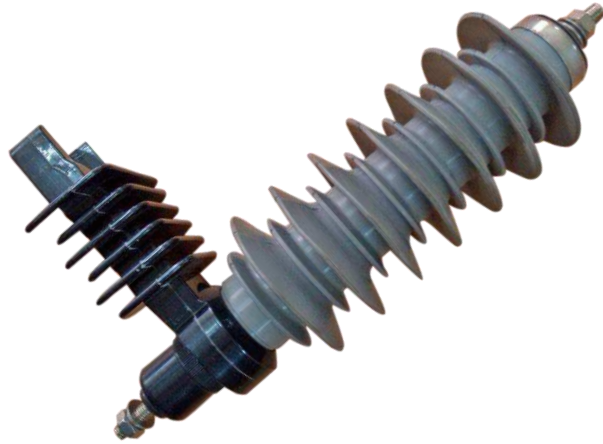


# Decrease in CD for Skin Care and Agricultural products

Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
1	2712.90.10; 2712.90.20 & 2712.90.90	Skin care	Paraffin wax	25%	15%
3	8424.41.10	Agriculture	Hand-operated sprayers for agricultural use	5%	1%
4	8424.49.00	Agriculture	Other agricultural or horticultural Sprayers	10%	1%
5	8530.80.00	Agriculture	Other electrical signaling equipment	10%	1%
6	9403.20.30	Agriculture	Cutting table of a kind used with cutting machine	10%	1%
7	9403.60.20	Agriculture	Cutting table of a kind used with cutting machine	10%	1%



# Increase in CD (Dietary Supplement, Skin Care, Stationary, Cement, Power Sector etc.)

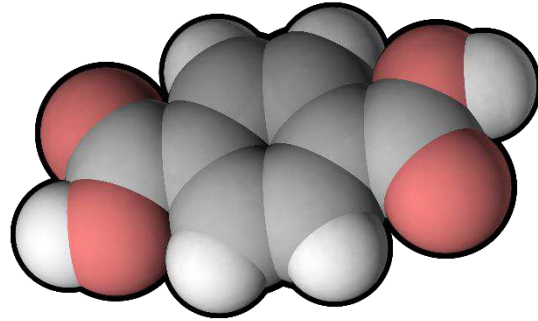


# Increase in CD

Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
1	2106.10.00	Dietary Supplement	Protein concentrates and textured protein substances	10%	25%
2	3205.00.00	Skin Care	Colour lakes	5%	15%
3	3215.90.10	Stationary	Inkjet refill in injectable form	5%	25%
4	3506.10.00	Stationary	Products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg	5%	25%
5	3506.99.00	Stationary	Other	5%	25%
6	3824.40.00	Cement	Prepared additives for cements, mortars or concretes	5%	10%
7	7605.29.00	Power	Wire of Aluminium Alloys (Maximum Cross-Sectional Dimension =<7Mm)	5%	15%
8	8535.40.10	Power	Lightning arresters	5%	10%
9	8535.90.10	Power	Automatic sensor switches for lighting control	5%	10%



# Increase/Decrease in RD (Healthcare, Resin Manufacturing, Skin Care, Steel/Iron)





# Increase/Decrease in RD

Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
1	2711.14.10	Healthcare	Ethylene/propylene imported by VAT registered PVC/PET resin manufacturing industry in economic zone	3%	0%
2	2905.31.20	Resin Manufacturing	PVC/PET resin manufacturing industry in economic zone	3%	0%
3	2917.36.20	Resin Manufacturing	Terephthalic acid imported by VAT registered PVC/PET resin manufacturing industry in economic zone	3%	0%
4	3917.10.00	Skin Care	Artificial guts (sausage casings) of hardened protein or of cellulosic materials	0%	10%
5	7202.11.00	Steel/Iron	Ferromanganese: Containing by weight more than 2% of carbon	10%	15%
6	7202.21.00	Steel/Iron	Ferrosilicon: Containing by weight more than 55% of silicon	10%	15%
7	7202.30.00	Steel/Iron	Ferro-silico-manganese	10%	15%
8	7210.11.00	Steel/Iron	Plated or coated with tin of a thickness of 0.5 mm or more	3%	15%



# Increase/Decrease in RD for Steel and Iron Industry Products

Sl. No.	H.S. Code	Description	Existing Rate	Proposed Rate
9	7210.20.00	Plated or coated with lead, including terne- plate	3%	15%
10	7210.30.00	Electrolytically plated or coated with zinc	3%	15%
11	7210.49.90	Other plated or coated with zinc	3%	15%
12	7210.50.00	Plated or coated with chromium oxides or with chromium and chromium oxides	0%	15%
13	7210.69.90	Other Plated or coated with aluminium-zinc alloys	3%	15%
14	7210.70.30	Painted, varnished or coated with plastics of a thickness of more than 1.0 mm	3%	15%
15	7210.90.00	Other Flat-rolled products of iron or non-alloy steel	3%	15%

# Increase in SD

Sl. No.	H.S. Code	Description	Existing Rate	Proposed Rate
1.	9401.80.00	Other Seat	0%	45%

# Withdrawal of VAT at Import Stage



Sl. No.	H.S. Code	Sector	Description	Existing Rate	Proposed Rate
1.	4011.70.10	Agriculture	Tyre used on agricultural tractors	15%	0%
2.	4013.90.10	Agriculture	Inner tubes of rubber used on tractors	15%	0%

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
121/AIN/2020/72/Customs	Concession in importing capital machinery	Exemption of CD in excess of 1% and VAT and SD on the importation of Machinery and Machinery Equipment.	<ul style="list-style-type: none"><li>▪ Duty exemption remains same</li><li>▪ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li></ul>

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
122/AIN/2020/73/Customs	Concession of CD & SD on RM for different industry	Importation of RM will be eligible for CD, RD and SD.	<ul style="list-style-type: none"> <li>■ Duty exemption remains same</li> <li>■ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li> </ul>
123/AIN/2020/74/Customs	Concession (CD&SD) for local cellular phone	Importation of cellular phone elements will get exemption from CD,SD and RD.	

Note- Certain conditions will be applicable to avail the above facilities

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
124/AIN/2020/75/Customs	<b>Concession on Fire extinguishers products</b>	Importation of fire extinguishing elements will be eligible for duty exemption (CD in excess of 5%; CD, SD, VAT and RD)	<ul style="list-style-type: none"> <li>■ Duty exemption remains same</li> <li>■ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li> </ul>
125/AIN/2020/76/Customs	<b>Concession on computer &amp; parts</b>	Importation of computer & parts will be eligible for duty exemption (CD in excess of 5%; CD, SD and VAT)	
127/AIN/2020/78/Customs	<b>Concession on chemical material</b>	Importation of Technical grade /Chemically pure elements will be eligible for exemption on CD.	

Note- Certain conditions will be applicable to avail the above facilities



# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
128/AIN/2020/79/Customs	<b>Exemption list</b>	Importer will get exemption from CD,RD,VAT & SD regarding importation of mentioned product of the Table.	Example-Coral and similar materials, Artemia for use in fisheries, sorghum, millet, Guar meal, Fish oil, Vegetables Fats etc.
129/AIN/2020/80/Customs	Concession (CD&SD) for local agriculture equipment manufacture	Importation of agricultural equipment will be eligible duty exemption (CD in excess of 1%, RD, VAT and SD)	<ul style="list-style-type: none"> <li>▪ Duty exemption remains same</li> <li>▪ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li> </ul>

Note- Certain conditions will be applicable to avail the above facilities

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
130/AIN/2020 /81/Customs	<b>Concession for ship/dresser manufacturer</b>	Importation of Ship or dresser manufacturing items will be eligible for duty exemption (CD in excess of 5%, RD and SD).	<ul style="list-style-type: none"> <li>■ Duty benefit remains same.</li> <li>■ Importation of Flat rolled product, non alloy steel, angles, Air vent head have been included.</li> <li>■ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li> </ul>

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Major Changes
131/AIN/2020/82/Customs	<b>Concession for local compressor manufacturing</b>	Importation of Compressor manufacturing items will be eligible for duty exemption (CD and RD)	<ul style="list-style-type: none"> <li>▪ Duty benefit remains same.</li> <li>▪ Applicable only for Industrial IRC holder VAT compliant company along with the compliance of conditions mentioned therein.</li> </ul>

Note- Certain conditions will be applicable to avail the above facilities

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
132/AIN/2020/83/Customs	Concession for those who contracts with petro Bangla for oil, gas etc.	The importer will get attributable duty exemption regarding importation of Machinery and Machinery Equipment's related to mining and research of Oil, Gas, Minerals etc.	Duty benefit remains same
133/AIN/2020/84/Customs	Concession for CNG filling station	Importation of CNG Machinery and CNG equipment will be eligible for duty exemption (CD in excess of 3%, SD, VAT)	<ul style="list-style-type: none"><li>■ Duty benefit remains same</li><li>■ Compliance has been put in place with MPEMR to avail the exemption</li></ul>

Note- Certain conditions will be applicable to avail the above facilities

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
134/AIN/2020/85/Customs	Concession for EPZ investors on other goods	Investor will get exemption from CD, RD, SD, VAT & AT regarding importation of the product mentioned in the said Table.	<ul style="list-style-type: none"> <li>■ Duty exemption remains same.</li> <li>■ Exemption list has been updated. Example- Petroleum oil, Fan, Safety hand gloves, Freezer, Electric Cable, Tyre for Vehicles, Safety working shoes, Air conditioners, Lamps etc.</li> </ul>
135/AIN/2020/86/Customs	Tariff value & minimum value for imposing CD, SD on specific goods	The importer shall be paid Tariff value and minimum value of those product which has mentioned in the Table of this SRO.	<p>Old SRO No: 163/AIN/2019/32/Customs has been abolished by this SRO.</p> <p>Respective list for Tariff value &amp; rate has been updated</p>

Note- Certain conditions will be applicable to avail the above facilities



# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
136/AIN/2020/87/Customs	Amendment rule for bonded warehouse licensing	This SRO shall be used for approval of license. It has mentioned the necessary documents for getting license of bonded warehouse.	<ul style="list-style-type: none"> <li>■ Replacement of old SRO</li> <li>■ Factory has to be at least 5 thousand square feet.</li> <li>■ The imported value &amp; life span of machineries (if collected from local market after imported) has to be at least 40 lac &amp; 10 years respectively.</li> </ul>
137/AIN/2020/88/Customs	Changes in Regulatory Duty rate	Replacement of Table specified in previous SRO (223/AIN/2019/41/Customs	<ul style="list-style-type: none"> <li>■ Replacement of old SRO</li> </ul>

Note- Certain conditions will be applicable to avail the above facilities

# Summary of SRO (Dt.11 June 2020)

SRO	Topic	Explanation	Notes
Notification 46/2020/Customs	Policy for importing capital machinery	Policy for rebate in Custom Duty & Tax in case of importing machinery & equipment by industrial sector	Updated policy
Order-157	Changes in definition for importing Jeep in disjoint condition	Changes in definition for importing Jeep in disjoint condition	Definition of CKD & CBU (some parts of Jeep) has been changed

Note- Certain conditions will be applicable to avail the above facilities



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