

Salient Features of Income Tax Act 2023

This handout provides an overview of the changes brought in by the Proposed Income Tax Act 2023. 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 the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Focal Points of Income Tax Act 2023



**Investment & Business-
friendly**



**Automation & Reduction
of Arbitrary Power**



**International Best
Practice**



**Simplicity &
Transparency**



Tax Refund



Withholding Tax



**Adverse
Impact/Challenges**



**Penalties & Fines
increased**



Other



Personal Tax

Investment & Business-friendly

Investment and Business-friendly

**TDS
return
reduced to
12 from 29**



**A
comprehensive
list of Business
expenses with
new structure**



**Widened Cap
on Expense
Limit & new
areas of
deduction**



**Addressed
difference
between
IFRS and
Tax laws**



Decrease of Excessive WHT Return

ITO 1984		Number of Return	ITA 2023	
Statement of Tax deducted & Collected u/r 18	Monthly	12	Statement of WHT tax u/s 75A (Monthly)	Monthly
Statement of Salary Tax deducted u/r 21	Monthly	12		
Statement of WHT tax u/s 75A	Half Yearly	2		
Statement of TDS from Salary u/s 108	Yearly	1		
Statement of Interest Payment u/s 109	Yearly	1		
Statement of Dividend Payment u/s 110	Yearly	1		
Total		29		12

29 Statements



12 Statements

Categorical Deduction List

Previously

ITO, 1984

Scattered in different provision

NEW

ITA, 2023

New Structure of Admissible
Expenses

General deductions

Specific deductions

Bad debt

Financing expenses

New areas of tax admissible expenses

Specific Expenses

- ❑ Utility
- ❑ Transportation
- ❑ Discount & Commission
- ❑ Advertisement
- ❑ WPPF
- ❑ Realized forex loss

Omnibus Expenses

- Expenses which are not mentioned in the list commercially viable as well

Impact

- ✓ Areas of tax admissible expenses widened
- ✓ Discretionary Power of the DCT still exists which are not specifically mentioned

Widened Cap on expense limit

Particulars	ITO 1984	ITA 2023
Royalty, License Fee, technical Service fees, technical Knowhow fees, fees for using Intangible asset	10% of net profit for 1st 3 Years 8% of net profit in subsequent years	10% from the 1st years to foreseeable future
Foreign Travel Expense	0.5% of turnover	0.5% of turnover Or more if the expenses are commercially viable

Impact

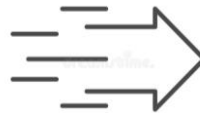
- Simplification on cap
- Leverage on foreign travel expense

Depreciation Limit on Motor Vehicle cost

Actual Cost
70 Lacs



ITO 1984
Depreciation Limit
on Motor Vehicle cost
25 Lacs



ITA 2023
Depreciation Limit
on Motor Vehicle cost
30 Lacs



Impact

Taxpayer will get extra
5 lakh taka
depreciation benefit

Amortization separated from Depreciation

Particulars	ITO 1984	ITA 2023
Bangladeshi made computer software	50%	20%
Research and Development expenditure		10%

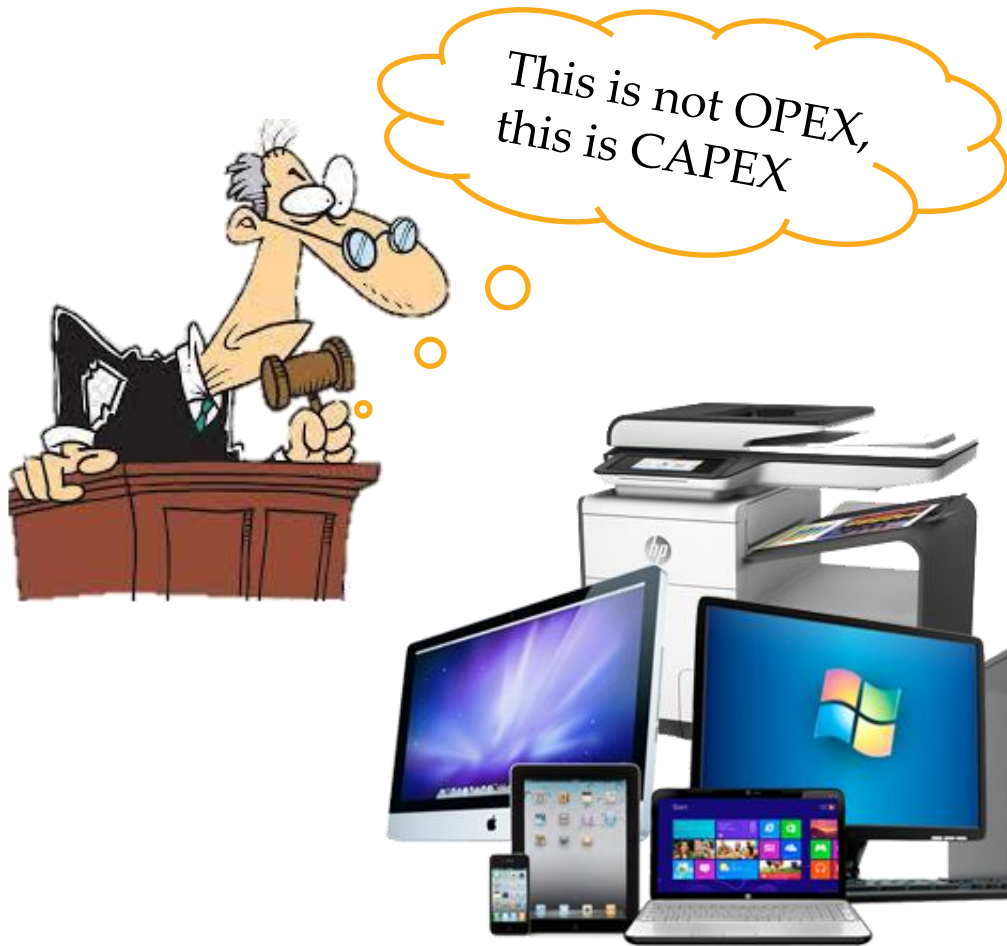


Impact

It will take time to amortize



Amortization on Expense Disallowed as CAPEX



» Impact

Taxpayers will get tax allowable amortization benefit if it is considered as capex at the time of assessment.

IFRS vs TAX - New Inclusions

IAS 21 – Realized and unrealized gains

IAS 36 – Impairment of Asset

IAS 37 – Provisional and actual expenses

IAS 40 – Investment property

IFRS 2 – Share Based Payment

IFRS 9 – Financial instruments

IFRS 15 – Long term Contract

IFRS 16 – Lease expense recognition

IFRS vs TAX - New Inclusions

IAS 37

- ✓ Actual expense – Admissible
- ✗ Provision under IAS 37– **Inadmissible**

IFRS 16

- ✓ Actual rental expense – Admissible
- ✗ Depreciation & Interest Expense under IFRS 16 – **Inadmissible**

IAS 16/40

- ✓ Revaluation gain– Will not be income
- ✗ Realized gain – **Will be income**



Automation & Reduction of Arbitrary Power



SMAC
ADVISORY
SERVICES LTD.


Automation & Reduction of Arbitrary Power



New Inclusion



Online Return and Documents Submission




Communication of Order, Acknowledgement Receipt, Demand Letter, Certificate Through online



Virtual Attendance or hearing before income tax authority or Appellate Tribunal

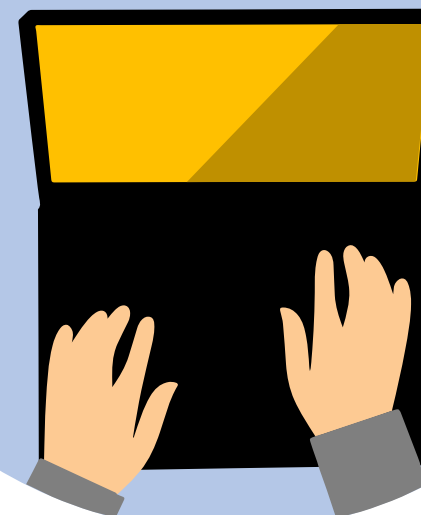


Impact



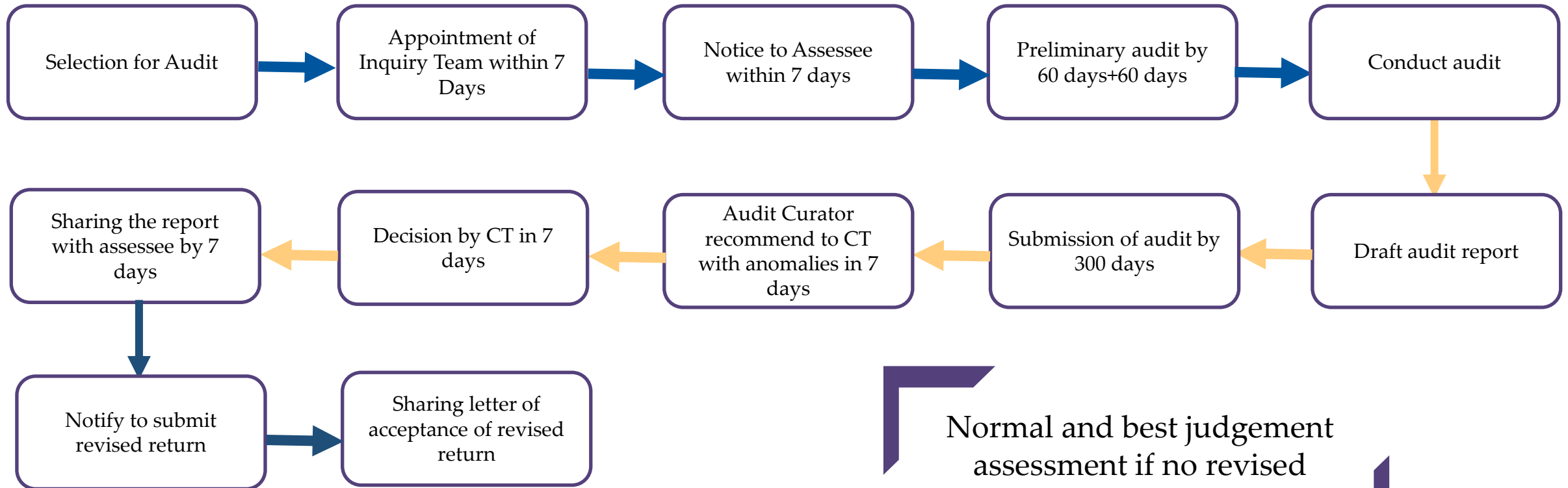
Fully electronic tax system will be introduced, and Transparency will be increased

Electronic Tax System



Audit SOP

Detail of team and SOP is provided in this section on the timeline and procedure that needs to be followed for audit. A summary of the timeline is as follows:



Normal and best judgement
assessment if no revised
return is submitted

International Best Practices



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International Best Practice

**Share
Based
Payment**



**GAAR -
General
Anti-
Avoidance
Rule**



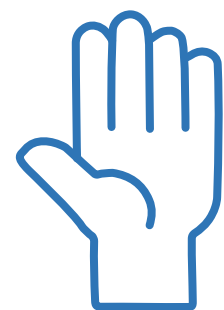
**Thin
Capitalization**



Demerger



**Fiscally
Transparent
Entity**



Share Based Payment



Share based payment is a part of
Salary Income


Fair Value at
Vesting Date



Cost of **Acquiring**
the Shares



Salary Income



Unless a rule is introduced how the
fair value will be determined for
unlisted companies?



Sale of Share-options will
also be **taxable**

Thin Capitalization

Interest payment on loan from related party allowable **up to BDT 15 lac**



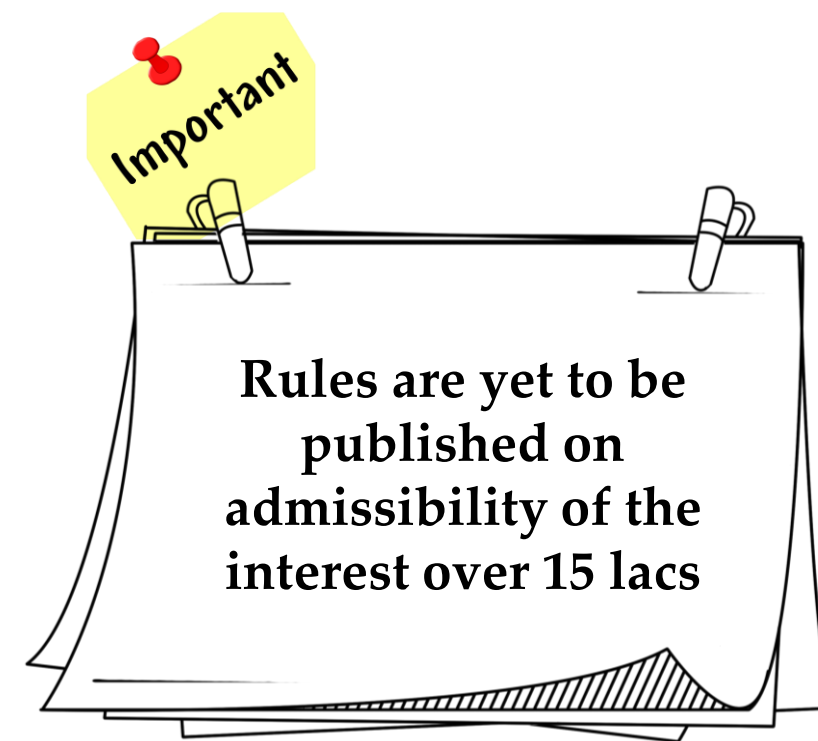
But not applicable in case of the loan taken from bank and FI

» Impact

Control on repatriation of funds to related parties through interest

Thin Capitalization

Details	Company A	Company B
Loan from Related Party	15,000,000	20,000,000
Interest Rate	9%	9%
Interest expense	1,350,000	1,800,000
Profit Before Tax	500,000	500,000
Add: inadmissible Interest Expense	-	300,000
Taxable Income	500,000	800,000
Income Tax Liability @ 27.5%	137,500	220,000
Increased tax liability in Interest		82,500



General Anti-avoidance Rule (GAAR)

「Anticipated by Commissioner」

「Misuse」

Obtained Tax benefit by
misusing Tax arrangement



「Actions」

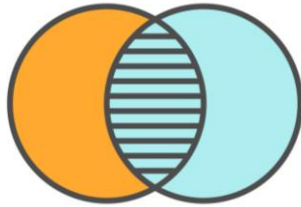
The DCT can take the following actions

1. Income estimation
2. Revised Tax demand
3. Tax refund adjustment
4. Tax rebate or benefit adjustment
5. Any other means

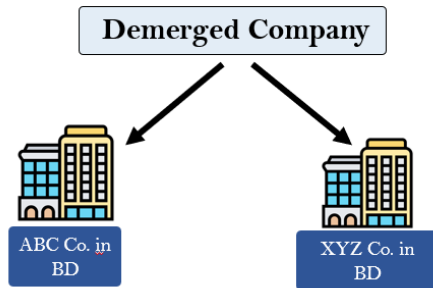
» Impact

Assessing officers arbitrary
power might increase





Shareholder Of **Demerged Company** holding more than 75% shares, shall become shareholder Of **Resulting Company**



Impact

What will happen to the shareholders holding less than 75% shares??

Tax On Transfer of Capital Assets “Demerger”



Consideration through shares



Consideration through other than shares

1. Accumulated
Loss



2. Unabsorbed
Depreciation



Newly resulting company will adjust loss and Depreciation of Demerged Companies

Exemption on Income of SPVs

ITO, 1984

Alternative Investment Fund

Issuer of Mutual Fund

ITA, 2023

Alternative Investment Fund

Mutual Fund

Real Estate Investment Trust

Exchange Traded Fund

» **Impact**

Broadened investment area

Simplicity & Transparency

Simplicity & Transparency

**Plain
Bangla &
Elimination
of excessive
proviso**



**Income &
expenses
included in
each
separate
chapter**



**Introduction of
rules within the
act including
mathematical
formula**



**Definition &
Explanation
has been
introduced
within
related
sections**



গবেষণা ও
উন্নয়ন

অবলোপিত
মূল্য

করারোপিত
লভ্যাংশ

বাণিজ্যিক
যৌক্তিকতা

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ফটকা কারবার

পুঞ্জিত মুনাফা

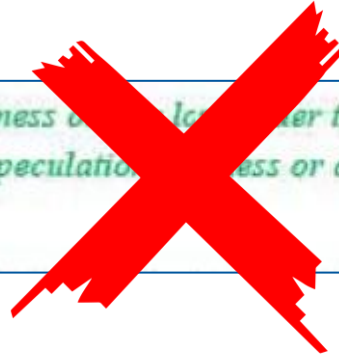
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ভূতপূর্ব

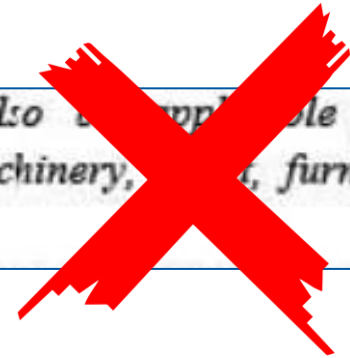
No more Redundant Proviso



[Provided that any loss in respect of any speculation business shall be set off only against any income in respect of speculation business or any income under the head "Capital gains"]



Provided that the provisions of section 19(16) shall also be applicable for the determination of any profits where the sale proceeds of such machinery, furniture or building exceeds the written down value thereof.



Income & Expenses Included In Each Separate Chapter

Head of Income	Chapter No
Income from Salary	Chapter 2
Income from Rental Property	Chapter 3
Income from Agriculture	Chapter 4
Income from Business	Chapter 5
Income from Capital Gain	Chapter 6
Income from Securities	Chapter 7
Income from Other Sources	Chapter 8



Introduction of Rules within the Act including Mathematical Formula

(২৭) “চাকরি হইতে আয়” হিসাবে পরিগণিত আয়ের দুই-তৃতীয়াংশ বা ৪, ৫০,০০০ (চার লক্ষ পঞ্চাশ হাজার) টাকা যাহা কম;

(২) কর্মচারী শেয়ার স্কিমের অধীন শেয়ার প্রাপ্ত হইলে, শেয়ার প্রাপ্তির বৎসরে k - x নিয়মে আয় চাকরি হইতে আয়ের সহিত যোগ হইবে, যেখানে-

k = প্রাপ্তির তারিখে শেয়ারের ন্যায্য বাজার মূল্য;

x = শেয়ার অর্জনের ব্যয়।

(২) নিম্নবর্ণিত সূত্র অনুসারে গড় হারে কর হিসাব করিতে হইবে, যথা:-

$T = k \times (x/g)$, যেইক্ষেত্রে-

T = গড় হারে কর

k = মোট আয়ের উপর হিসাবকৃত কর (ফার্ম বা ব্যক্তিসংঘের শেয়ার আয়সহ)

x = ফার্ম বা ব্যক্তিসংঘ হইতে প্রাপ্ত শেয়ার আয়

g = ফার্ম বা ব্যক্তিসংঘ হইতে প্রাপ্ত শেয়ার আয়সহ মোট আয়।

Definition & Explanation has been introduced within related sections

(গ) ‘পারকুইজিট’ অর্থ নিয়োগকর্তা কর্তৃক কর্মচারীকে প্রদত্ত ইনসেন্টিভ বোনাসসহ যেকোনো প্রকারের পরিশোধ বা সুবিধা, তবে নিম্নবর্ণিত পরিশোধসমূহ ইহার অন্তর্ভুক্ত হইবে না, যথা:-

(অ) মূল বেতন, বকেয়া বেতন, অগ্রিম বেতন, উৎসব ভাতা, প্রণোদনা ভাতা, ছুটি নগদায়ন ও ওভারটাইম;

(আ) স্বীকৃত ভবিষ্য তহবিল, অনুমোদিত পেনশন তহবিল, অনুমোদিত আনুতোষিক তহবিল ও অনুমোদিত বার্ষিক্য তহবিলে প্রদত্ত চাঁদা;

(২) “ভাড়া প্রদান” অর্থ মালিকানা বা স্বত্ব ত্যাগ ব্যতিরেকে কোনো নির্দিষ্ট সময়ের জন্য সম্পত্তির ব্যবহারের অধিকার প্রদান, তবে নিজস্ব মালিকানাধীন হউক বা না হউক, কোনো তফসিলি ব্যাংক, বিনিয়োগ ব্যাংক, কোনো উন্নয়নমূলক আর্থিক প্রতিষ্ঠান অথবা মুদারাবা বা লিজিং কোম্পানি কর্তৃক অন্য কোনো ব্যক্তিকে ভাড়া প্রদান অন্তর্ভুক্ত হইবে না;

(৩) “সম্পত্তি” অর্থ গৃহ সম্পত্তি, জমি, আসবাবপত্র, ফিক্সার, কারখানা ভবন, ব্যবসার আঞ্জিনা, যন্ত্রপাতি, ব্যক্তিগত যানবাহন ও মূলধনি প্রকৃতির অন্য কোনো ভৌত পরিসম্পদ, যাহা ভাড়া প্রদান করা যায়।

(ঘ) ‘মূল বেতন’ অর্থ মাসিক বা অন্য প্রকারে প্রদেয় বেতন যাহার ভিত্তিতে অন্যান্য ভাতা এবং সুবিধা নির্ধারিত হয়, তবে নিম্নবর্ণিত ভাতা বা সুবিধাদি মূল বেতনের অন্তর্ভুক্ত হইবে না, যথা:-

(অ) সকল প্রকার ভাতা, পারকুইজিট, অ্যানুইটি, বোনাস ও সুবিধা; এবং

(আ) নিয়োগকর্তা কর্তৃক কর্মচারীর বিভিন্ন তহবিলে প্রদত্ত চাঁদা;

(অ) “নীট ব্যবসায় মুনাফা” অর্থ কোনো সত্তা কর্তৃক সরাসরি পরিচালিত ব্যবসায়িক মুনাফা, তবে কোনো সাবসিডিয়ারি, অ্যাসোসিয়েট বা জয়েন্ট ভেঞ্চার হইতে অর্জিত মুনাফা ইহার অন্তর্ভুক্ত হইবে না;

(আ) “প্রচারণামূলক ব্যয়” অর্থ ব্যবসায়ের উদ্দেশ্যে কাউকে কোনো বস্তু, অর্থ বা অন্য কোনো প্রকারের সুবিধার প্রদানের বিপরীতে দাবিকৃত ব্যবসায়িক খরচ দাবি।

Simplification for return submission

Return to be submitted under **Universal Self-assessment**



Return Filing



Universal Self-assessment



EXCEPTION

- Any company except for OPC, Bank, Insurance or Financial Institute, and
- Person leaving Bangladesh

Simplification for Exemption

**Two-thirds of the total income or
BDT 450,000 whichever is less**

Salary Structure	BDT	Exemption as per ITO 1984	Exemptions as per ITA 2023	Taxable Income
Basic Salary	1,200,000	-	450,000	1,750,000
HR(lower of 25k /m or 50% of basic)	500,000	300,000		
Medical(10% of basic or 120,000)	200,000	120,000		
Conveyance(30,000)	100,000	30,000		
Festival Bonus	200,000	-	450,000	1,750,000
Total	2,200,000	450,000		

Mandatory Audit for Firm, AoP and Funds



Firm



Association
of Person



Fund

Having turnover over 2 Crore

» Impact

More Compliances with Audited FS

Deregistration of e-TIN



Grossing up Mechanism in Payment

TDS has to be paid by grossing up the invoice where the payment is made without TDS

If Payment amount exclusive of tax is 100,000:

$$A = (100,000 \times 30\%) / 100\% - 30\% = 42,857$$

Calculated amount for deduction:

$$A = (B \times \text{Applicable tax rate}) / C,$$

Where

A = Amount of tax collected

B = Payment amount exclusive of tax

C = 100 – Applicable Tax Rate

» Impact

Enhance tax compliance, increase tax collection, and promote a fair and transparent tax system

Transaction by tax exempt entity

Non arm length Transaction price by tax exempt entity with an associated price will be added as income of the associated enterprise on the difference between the transfer price and fair market value

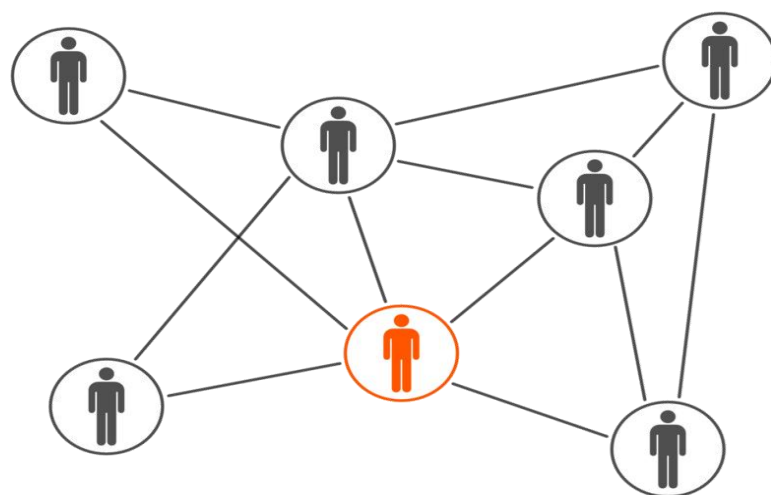
Transaction price with
tax exempt entity



Fair market value



Income from other
source



» Impact

Unless a rule is introduced, assessing
officers arbitrary
power will increase

Addition in Depreciation Allowance

15%

Truck , delivery van and
other Motor vehicle

10%

Non mechanical Van

Battery operated apparatus &
rechargeable batteries

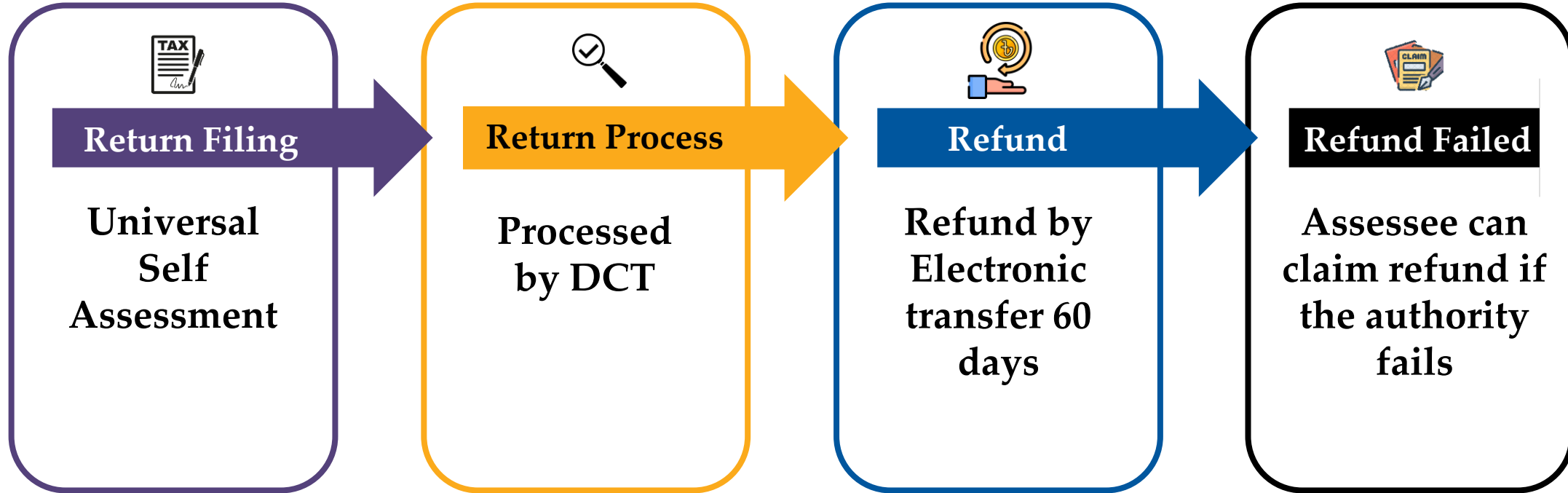
30%

» Impact

Taxpayers can segregate their
assets properly

Easier Tax Refund Process

Refund Guidelines



>> Impact

Refund process will be easier

Withholding Tax

Withholding Identification Number

Withholding entities need to collect a separate number



Impact

- Will be difficult to maintain TIN & WIN.
- Only TIN preferred

TDS on Intercompany Loan Interest

10% tax on interest paid for loans,
excluding banks and financial
institutions



Is it not permitting
banking business for
non-bankers

Impact

Increased tax liabilities for
borrowers

Taxation on the Rise: Exploring the Increased TDS Rates

Payment for
WPPF

10%

5%

Payment for
Surveyors' fees

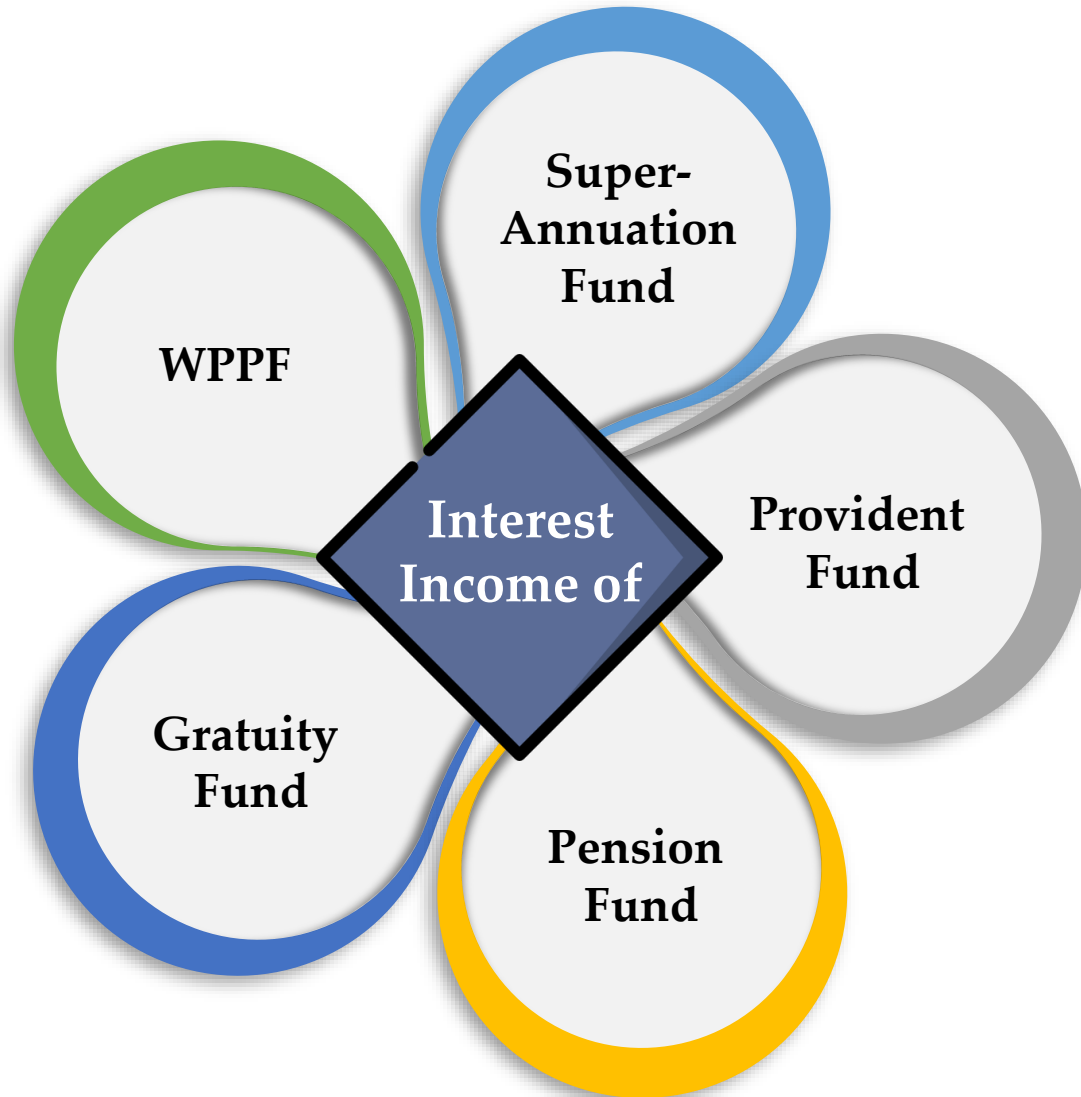
15%

10%

Impact

Increased tax
charge

TDS on Bangladesh Bank Bill



Impact

Base income of the funds' beneficiary will be affected

Adverse Impact/Challenges

Excessive Minimum Tax on Gross receipt

Product Name	Minimum Tax on Gross Receipt as per ITO, 1984	Minimum Tax on Gross Receipt as per ITA, 2023
Cigarettes	1%	3%
Carbonated Beverages	0.60%	5%

Impact

Tax Burden further increased for Tobacco & Carbonated Beverage Industry.

830%

Increase for Beverage Industries

Need to make
17% Profit to
bear tax



Force increase
of Price



Reduced
FDI



Lower
Production

Restrictions on Setting-off Losses

**Business Loss Set-off
against only business
income**



Particulars	ITO 1984	ITA 2023
Income from business	(500,000)	(500,000)
Other Income	700,000	700,000
Taxable Income	200,000	700,000
Net Tax Payable @ 27.5%	55,000	192,500
Additional tax payment in current Year		137,500
Carry forward business loss	-	(500,000)

» Impact

Increasing tax burden of loss making companies
ie: loss-making companies will still have to pay taxes on interest income, dividend income, etc

LFA for Exemption

	When Monthly Gross is BDT 82,500		When Monthly Gross is BDT 162,500	
Salary Components	Amount		Amount	
Basic salary:	600,000		1,200,000	
House rent allowance:	300,000		600,000	
Conveyance allowance:	30,000		30,000	
Medical allowance	60,000		120,000	
LFA	60,000		120,000	
Festival Bonus	82,500		162,500	
Total	1,132,500		2,232,500	
	ITO 1984	ITA 2023	ITO 1984	ITA 2023
House rent allowance:	300,000		300,000	
Conveyance allowance:	30,000	450,000	30,000	450,000
Medical allowance	60,000		120,000	
LFA	60,000		120,000	
Exemption	450,000	450,000	570,000	450,000
Taxable Income	682,500	682,500	1,662,500	1,782,500



Tax Burden will increase for Higher Salaried Employees who are entitled to LFA

Rental Income

Particulars:	ITO 1984	ITA 2022
Yearly rental income (25,000 x 12)	300,000	300,000
Vacancy allowance (25,000 x 2)	0	(50,000)
Net rental income	300,000	250,000
Less: Admissible allowances		
Repair & Maintenance @ 25%	(75,000)	(62,500)
Vacancy allowance	(50,000)	0
Taxable Rental Income	175,000	187,500

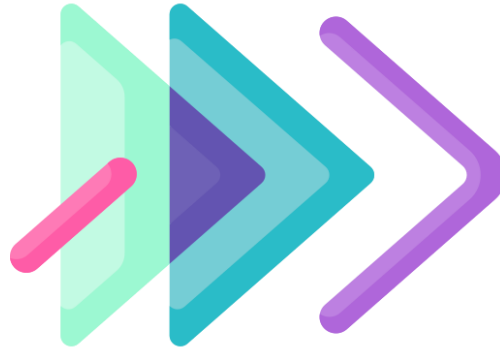
Vacancy Allowance
will be adjusted with
rental income

» **Impact**

**Will increase the
taxable income**

Incentive Bonus as Perquisite

Incentive
regarded as
Perquisite



Particulars	ITO 1984	ITA 2023
Net Income Before Tax	1,000,000	1,000,000
Inadmissible Income	100,000	100,000
Incentive Bonus	50,000	50,000
Net Taxable Income	1,100,000	1,150,000
Tax rate	27.50%	27.50%
Tax Payable	302,500	316,250
Effective Tax Rate	30.25%	31.63%

(গ) “পারকুইজিট” অর্থ নিয়োগকর্তা কর্তৃক কর্মচারীকে প্রদত্ত ইনসেনটিভ বোনাসসহ যেকোনো প্রকারের পরিশোধ বা সুবিধা, তবে নিম্নবর্ণিত পরিশোধসমূহ ইহার অন্তর্ভুক্ত হইবে না, যথা:—

(অ) মূল বেতন, বকেয়া বেতন, অগ্রিম বেতন, উৎসব ভাতা, প্রণোদনা ভাতা, ছুটি নগদায়ন ও ওভারটাইম;

Impact

Company will have to
bear more tax burden
due to inclusion

Cascading TDS Impact for Importer and Distributor

Removed adjustment of TDS paid at distribution stage

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.

	ITO 1984	ITA 2023
A (TDS u/s 53E)	0.24 (95 x 5% x 5%)	0.24 (95 x 5% x 5%)
B (TDS u/s 52)	0.33 (95 x 7% x 5%)	6.65 (95 x 7%)
B – A	0.09 (0.33 – 0.24)	N/A
Total Tax	0.33	6.89



Final Tax to Minimum Tax

Particulars	ITO 1984	ITA 2023
TDS on Compensation Against Acquisition of Property	6% or 3%	6% or 3%
TDS on Interest on Saving Instruments	10%	10%
TDS on Export Cash Subsidy	10%	15%
TDS on Interest on saving deposit	10% or 5%	10% or 5%,
TDS on Transfer of Property	4%	10%
TDS on Real estate developer to land owner	15%	15%

Final Tax

Minimum Tax

TDS on Land Sale is No more Final Tax

Example:-

Let's assume an Individual had bought a land for Tk. 1,000,000. And subsequently he sold the land at Tk. 80,000,000, giving a rise in **Capital Gain of Tk. 79,000,000**.

Details	ITO 1984	ITA 2023
TDS	3,240,000	1,000,000
Capital Gain Tax	3,240,000	11,850,000
Ultimate Tax Liability	3,240,000	11,850,000

**Tax Burden
increased
265%**

Final Tax @ 4%

Minimum Tax @ 8%
But Capital gain tax of 15%

Assessment beyond 6 years

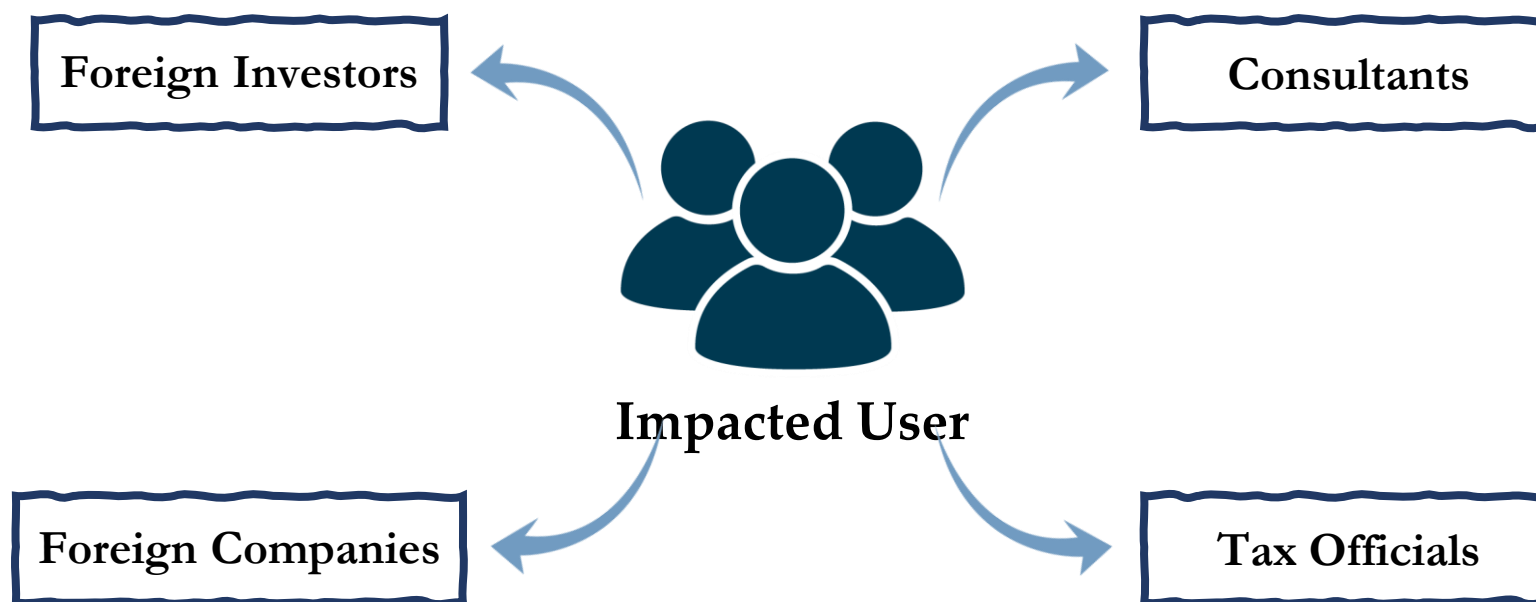
If an assessee conceals any assets acquired before 6 years, the assessing officer will deem the asset to be acquired in the **Past 6th year** and will deem income accordingly



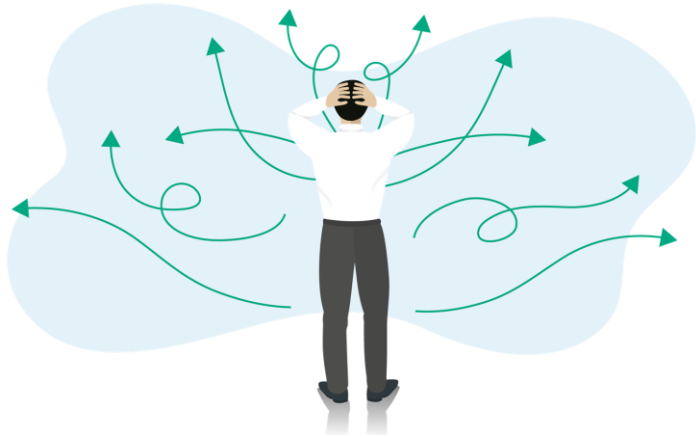
Authentic English Version



Absence of English version will create ambiguity in understanding the law



Rules for Application of the Act



Certain provision will create **ambiguity** in the absence of rules and guidelines

Payment will get stuck in the absence of TDS rates



Several Sections still requires proper rules for using the act properly

Urgent!

NO Mapping & Indexing



»» **Impact**

The user will face difficulties in locating the laws

Penalties & Fines increased

Penalties & Fines increased

Particulars	ITO 1984	ITA 2023
Penalty for failure to file return, etc.-	Tk. 25,000 + Tk. 500 per day for continuing default	Tk. 50,000 + Tk. 500 per day for continuing default
Penalty for not maintaining accounts in the prescribed manner.-	Tk. 100	Tk. 5,000
Penalty for non-consequence of certain obligations	Imprisonment for 1 yr. with/without fine.	Imprisonment for 1 yr. with/without fine is non-deposited TDS exceeds Tk. 25000 and for continued non-compliance Tk. 100-500 per day fine will be applicable.
Punishment for false statement in [verifications, etc.]	Imprisonment for 3 yrs. At least 3 months with/without fine.	Imprisonment for 5 yrs. At least 6 months with/without fine.

Penalties & Fines increased

Particulars	ITO 1984	ITA 2023
Punishment for providing false information, etc.	Imprisonment for 3 yrs. At least 3 months with/without fine.	Imprisonment for 5 yrs. At least 6 months with/without fine for providing false information. Imprisonment for 5 yrs. At least 6 months with/without fine for providing false certification.
Punishment for instigation tax evasion	None	Imprisonment for 2 yrs. At least 6 months with/without fine.
Punishment for furnishing fake audit report.-	Imprisonment for 3 yrs. At least 3 months with/without fine.	Imprisonment for 5 yrs. At least 6 months with/without fine.
Punishment for improper use of Tax-payer's Identification Number	Imprisonment for maximum 3 yr. with/without fine up to Tk. 25,000	Imprisonment for maximum 1 yr. with/without Tk. 1 lac fine.

Penalties & Fines increased

Particulars	ITO 1984	ITA 2023
For filing the amended return	2% interest rate	5% interest rate on the shortfall
Delay Interest for not filing return on or before the Tax Day	2% interest rate up to 12 months	4% interest rate up to 24 months In case of a fractional day, entire month will be considered.



Others

Proof of Return Submission while Payment



Proof of Return
Submission



50%
Higher TDS

To ensure no breaches of
confidentiality, acknowledgement
form should be changed

»» **Impact**

Increasing burden on
withholding entity!

ITO 1984

As per old law for
Sections:
52, 52AA, 53F

ITA 2023

Now applicable for all
TDS sections

Return Submission for Non-government Recognized Funds

Exclusion

- ✗ Bangladesh Bank
- ✗ Local Govt.

Inclusion

- ✓ Private Recognized Provident Fund
- ✓ Private Approved Gratuity Fund
- ✓ Private Approved Superannuation Fund

PROVIDENT FUND




Return
Submission



Impact

Private RPF, GF, ASF will have to submit tax return which is discriminatory as public funds are exempts

Provident Fund Taxable Entity

PROVIDENT FUND



Now Taxable

Particulars	ITO 1984	ITA 2023
Income	10,000,000	10,000,000
TDS (say 10%)	1,000,000	1,000,000
Tax Liability @27.5%	1,000,000	2,750,000
Extra Tax Burden	-	1,750,000
Net Income for distribution	9,000,000	7,250,000

Impact

Net Income of individuals will substantially reduced.

Withdrawal of Exemption

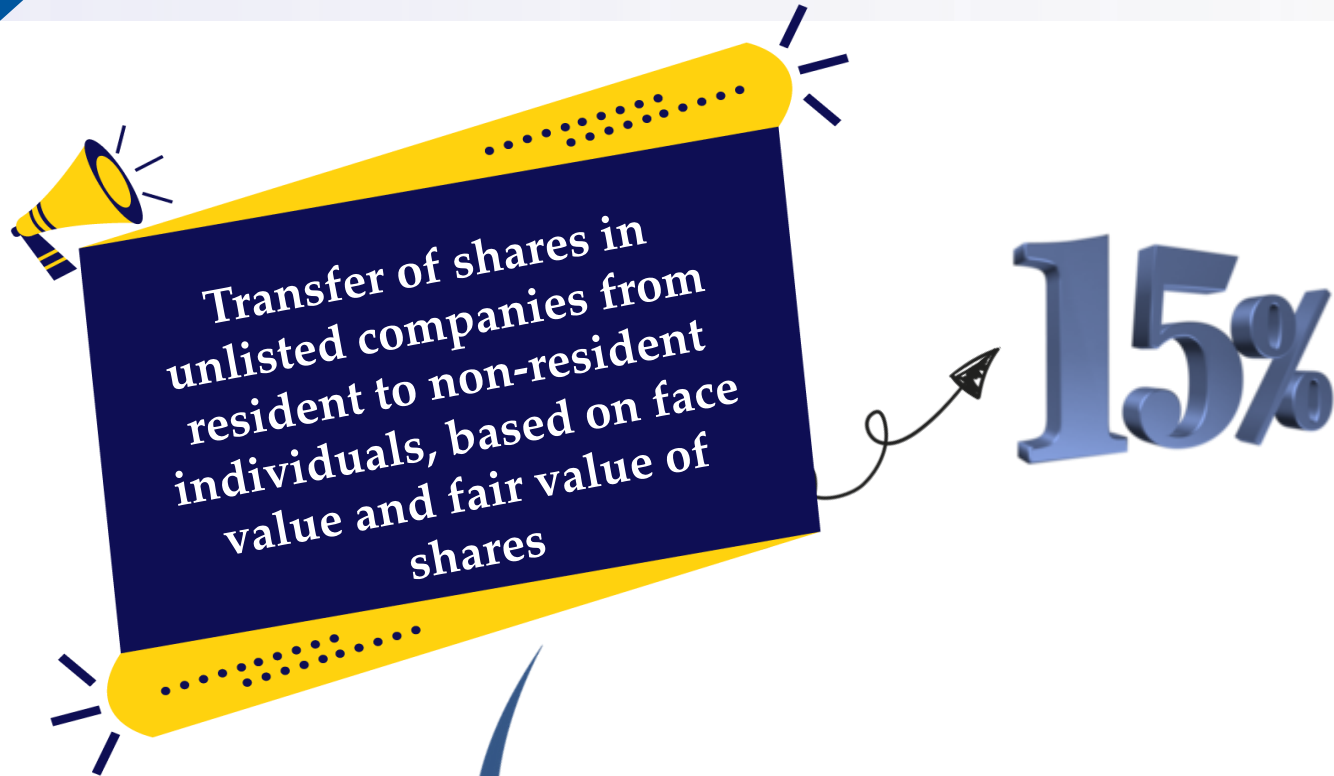
Particulars	ITO, 1984	ITA, 2023
Income from WPPF	Exempted Up to 50,000	Omitted
Income From Mutual Fund By An Individual	Exempted Up to 25,000	Omitted
Income From Dividend By An Individual	Exempted Up to 50,000	Omitted



Impact

Increased **tax burden** to the assessee

TDS on Share Transfer



Impact

Transfer registration requires payment of tax with application

Startup Business



Can ~~not~~ be a subsidiary of another company holding 50% or more shares

» Impact

Now Big Cap companies can avail the benefit by acquiring startups

Personal Tax

Changes in Investment Tax Rebate

ITO 1984

Allowable rebate on
taxable income

3%

Maximum amount of
tax rebate

1,500,000

ITA 2023

Allowable rebate on
taxable income

3%

Maximum amount of
tax rebate

1,000,000



Impact

- High income people will get less rebate!
- **No impact** if monthly income is less than **BDT 2,800,000**

Investment Rebate on certain Securities

ITO 1984	Limit	ITA 2023	Limit
Saving Certificate	Full	Deleted	-
Unit Certificate, Mutual Fund	Full	Unit Certificate, Mutual Fund, ETF Joint Investment Scheme	Up to 500,000
Government Securities	Full	Government Securities	Up to 500,000
DPS	Up to 60,000	DPS	Up to 120,000

Definition of Government Security is not clear in ITA although BSP is a part of Govt. securities as per BB



Impact

- ✓ Encouraged investment in DPS

A large, irregular watercolor splash in various shades of teal and blue, centered on a white background. The splash has a soft, painterly texture with darker blue in the center and lighter teal towards the edges.

Thank You

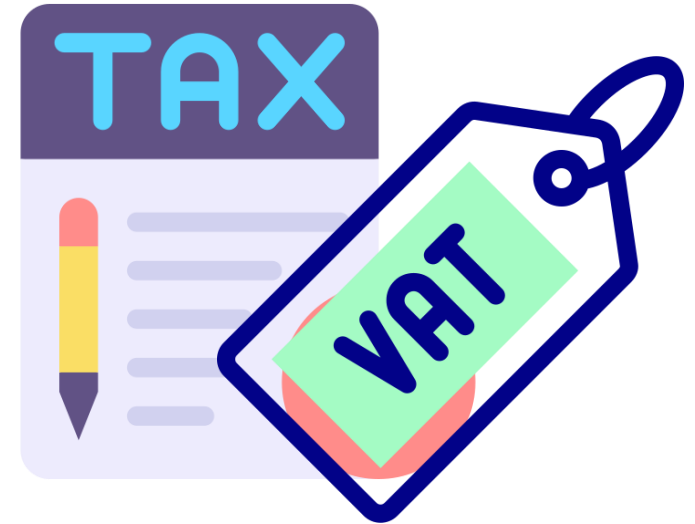
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Consultancy



Strategy &
Transactions



Tax & VAT

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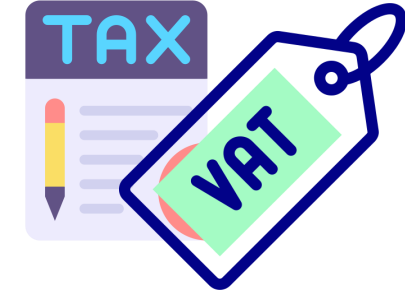
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Operational Due Diligence
Treasury & Cash Management Optimization
Business Process Optimization
SOP Development
Inventory Control
Risk Assessments & Resolutions



Strategy & Transactions

Financial Due Diligence
Valuation Service
Feasibility Study
Corporate Financial Assistance (Loan Processing)
BIDA related services



Tax & VAT

Tax Due Diligence
Tax Advisory Services
VAT Due Diligence
VAT Advisory
Transfer Pricing



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