

Incentives for Unit Investors

Definition of a Unit Investor: A unit investor is an individual firm or entity or company which takes a piece of land/space on lease/rent basis within any type of economic zone.

#	Name of the incentives	Explanation	SRO No
1.	Income Tax exemption for 10 years (for unit investor) (except edible oil, sugar, flour, cement, iron and iron related products) (**condition applied**)	First three years -100% Tax exempted 4th year – 80% Tax exempted 5th year – 70% Tax exempted 6th year – 60% Tax exempted 7th year – 50% Tax exempted 8th year – 40% Tax exempted 9th year – 30% Tax exempted 10th year – 20% Tax exempted	SRO No 244-Law/2024/38/Income Tax; Date: 27 June 2024 of Internal Resources Division.
2.	Income tax exemption on dividend for 10 years	100% Exemption	SRO 299/Law/Income Tax/2105 Date: 8 Oct, 2015 of Internal Resources Division
3.	Income tax exemption on capital gains from transfer of shares for 10 years		
4.	Income tax exemption on royalties, technical know-how and technical assistance fees etc. for 10 years		
5.	Exemption from Income Tax on the income of expatriate for 3 years	50% Exemption	SRO No. 298- Law/Income Tax/2015 Date: 8 Oct, 2015 of Internal Resources Division
6.	Exemption from double taxation subject to the existence of double taxation agreement	subject to the double taxation agreement	<u>NBR</u>
7.	Duty free import of capital machinery and construction material (except for MS Rod/Bar, Cement, Prefabricated	100% Exemption	SRO No 184 Law/2024/36/Customs; Date: 29 May 2024 of Internal Resources Division. <i>Amendment:</i> SRO No 249-Law/2024/45/Customs; Date: 27 June 2024 of

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	Building, Iron/Steel Sheet)		Internal Resources Division.
8.	Warehousing Station	Entire EZ has been declared as warehousing station.	<p>SRO No- 211/Law/2015/48/Customs Date: 1 July, 2015 of Internal Resources Division</p> <p><i>Amendment:</i></p> <p>SRO No 304/Law/2017/77/Customs Date: 22 Oct, 2017 of Internal Resources Division</p>
9.	Home Consumption & Other Bond Facilities, Warehouse Operator	All the unit investors in EZs are entitled to this facility	<p>1). SRO No 211/Law/2015/48/Customs Date: 1 July, 2015 of Internal Resources Division</p> <p><i>Amendment:</i></p> <p>SRO No 304/Law/2017/77/Customs Date: 22 Oct, 2017 of Internal Resources Division</p> <p>2). SRO No 181/Law/2008/2209/Customs Date: 26 June, 2008 of National Board of Revenue</p> <p><i>Amendment:</i></p> <p>SRO No. 203 Law/2017/48/Customs Date: 20 June, 2017 of National Board of Revenue</p> <p><i>Amendment:</i></p> <p>SRO No. 136-Law/2020/87/Customs Date: 03 June, 2020 of National Board of Revenue</p>

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			<p><i>Amendment:</i> SRO No. 194-Law/2020/104/Customs Date: 30 June,2020 of National Board of Revenue</p> <p>Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue</p> <p><i>Amendment:</i> 288/2017/Customs/529 Date: 21 Dec, 2017 of National Board of Revenue</p> <p><i>Amendment:</i> 195/2018/Customs/197 Date: 6 May, 2018 of National Board of Revenue</p>
10.	Dedicated Customs Procedure for Economic Zones	All the industries in EZs are eligible	<p>Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue</p> <p><i>Amendment:</i> 288/2017/Customs/529 Date: 21 Dec, 2017 of National Board of Revenue</p> <p><i>Amendment:</i> 195/2018/Customs/197 Date: 6 May, 2018 of National Board of Revenue</p>
11.	20% sale of finished product to Domestic Tariff Area (DTA)	20% of the export volume of last fiscal year	Notification No. 42/2017/Customs/199 Date: 2 May, 2017 of National Board of Revenue
12.	Sub-contracting with DTA allowed	100% Allowed	<p><i>Amendment:</i> 288/2017/Customs/529 Date: 21 Dec, 2017 of National Board of Revenue</p>

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			<i>Amendment:</i> 195/2018/Customs/197 Date: 6 May, 2018 of National Board of Revenue
13.	Exemption of Customs Duty on importing two vehicles (Up to 2000 cc, one sedan car and one microbus/pick up van/ double cabin pick up)	Customs Duty Exemption	SRO No -186-Law/2024/38/Customs; Date: 29 May 2024 of Internal Resources Division
14.	Duty exemption on export	100% Exemption	1 st Schedule of The Customs Act, 2023
15.	Exemption from VAT on Utility services related to production of Goods	100% Exemption	SRO No. 190-Law/2019/47-VAT Date: 13 June, 2019 of Internal Resources division
16.	Land development tax exemption	100% Exemption	SRO No. 05-Law/2016 Date: 11 Jan, 2016 of Ministry of Land
17.	Exemption of stamp duty on lease Registration	50% Exemption	SRO No. 06-Law/2016 Date: 12 Jan, 2016 of Internal Resources division
18.	Exemption from tax sub tax, rate, toll, fees etc imposed under section 65 of Local Government (Union Parishad) Act, 2009	100% Exemption	SRO No. 333-Law/2015 Date: 12 Nov, 2015 of Local Government Division
19.	Exemption from tax on transferring immovable property imposed under section 44 of Upazilla Parishad Act, 1998	100% Exemption	SRO No. 328-Law/2018 Date: 11 Nov, 2018 of Local Government Division
20.	EZ investors are waived from Board of Investment Act, 1989	Completely	SRO No. 108-Law/2016 Date: 21 April, 2016 of Prime Minister's Office
21.	Regulatory framework of foreign exchange transactions of enterprises operating in EZs.	Completely	FE Circular No. 21 of 11 May 2017 incorporated at chapter 20 of the Guidelines for Foreign Exchange Transactions-2018 (GFET), Vol-1 of Bangladesh Bank

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22.	Foreign investment in Bangladesh including EZs	No restrictions except few sectors	As per appendix-6 of Industrial Policy-2022
23.	Ceiling of FDI	No ceiling of foreign contents	Industrial Policy- 2022 of Ministry of Industries And FE Circular No. 21/2017 of Bangladesh Bank
24.	Repatriation of dividend earned against the investment	100%	No permission from Bangladesh Bank (paragraph 31, chapter 10 of GFET, paragraph 9 of FE Circular No. 21/2017 and paragraph 9, chapter 20 of GFET by Bangladesh Bank) and Dividend can be credited in foreign currency accounts maintained by foreign investors in Bangladesh (FE Circular No. 26 of 7 July 2020 of Bangladesh Bank)
25.	Repatriation of sales proceeds of investment	100%	Detailed instructions outlined at FEID Circular No. 01 of 6 May 2018 of Bangladesh Bank And Relaxation vide FEID Circular Letter 01 of 18 June 2020 of Bangladesh Bank in the following counts: a) No permission from Bangladesh Bank is required for remittance of sales proceeds of shares regardless of amount provided that fair value is determined through net asset value approach on the basis of latest audited financial statements, and the financial statements contain no revalued assets.

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			<p>b) No permission from Bangladesh Bank is required to repatriate sales proceeds of shares up to Tk 10.00 million without valuation reports.</p> <p>c). Sales proceeds exceeding Tk 10 million upto Tk 100 million may be remitted abroad based on the fair value determined based on appropriate valuation methods.</p>
26.	Loan from external sources	100%	Paragraph 8 of FE Circular No. 21/2017 and paragraph 8, chapter 20 of GFET of Bangladesh Bank
27.	Repatriation of Royalty, Technical Know-how & Technical Assistance Fees	<p>For new project, not exceeding 6% of the cost of the imported machinery</p> <p>For ongoing concerns, not exceeding 6% of the previous year's sales as declared in the income tax return</p>	Paragraph 11 of FE Circular No. 21/2017 and paragraph 11, chapter 20 of GFET of Bangladesh Bank
28.	Telephonic Transfer (TT)	No limit	Paragraph 7 of FE Circular No. 21/2017 of Bangladesh Bank
29.	FC Accounts for EZ enterprises	Extent - Full	Paragraph 4 of FE Circular No. 21/2017 and paragraph 4, chapter 20 of GFET of Bangladesh Bank
30.	FC Accounts for foreign nationals working in EZ enterprises	Extent - Full	Paragraph 1, chapter 13 of GFET of Bangladesh Bank
31.	Remitting income of foreign nationals working in EZs	75 % of current income	<p>Paragraph 12 of FE Circular No. 21/2017 and paragraph 12, chapter 20 of GFET of Bangladesh Bank</p> <p>And</p> <p>FE Circular No. 24 of 23 June 2020 of Bangladesh</p>

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			Bank
32.	Industries operating in Domestic Processing Area (DPA) of EZs can meet their foreign payment obligation on account of Royalty, Technical Know-how & Technical Assistance Fees from their Taka Account	-	FE Circular No. 41 of 04 October, 2020
33.	Market exploration assistance for all types of industries (A/B/C) operating in EZs against export of Sandals and bags made of synthetic & fabrics, agro processing goods	4% Cash Incentive on the condition of a minimum value addition of 30%	1. Paragraph 9 of FE Circular No. 35, dated 22 September 2019 of Bangladesh Bank, and 2. Paragraph 2 (b) of FE Circular No. 29, dated 20 September 2022 of Bangladesh Bank.
34.	Backward Linkages of raw materials to sell for export-oriented industries	100%	Paragraph 06 of FE Circular No. 21/2017 of Bangladesh Bank
35.	Formation of Joint Venture Industries	-	FE Circular No. 21/2017 of Bangladesh Bank
36.	Special cash incentives against export of textile goods including readymade Garments	-	FE Circular No. 01, dated 07 January 2020 of Bangladesh Bank
37.	Issuance of work permit to foreigners is allowed	Up to 5% of total officers/employees of an industrial unit	Notification No. 03.068.004.09.00.00.016.2018-664 (7 Nov 2018)
38.	Resident visa	For investment of USD 200,000 or above	Industrial Policy- 2022 (Policy No-15.7) of Ministry of Industries
39.	Citizenship	For investment of USD 1 Million or above	Industrial Policy- 2022 (Policy No-15.7) of Ministry of Industries