CURRENT

SUMMARY OF FINANCE ACT 2026-2027

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Compliance, Convenience, Performance

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NBR BUDGET SUMMARY

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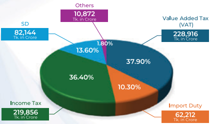
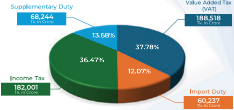
NBR: Revenue Collection

2026-2027



Total: Tk. 604,000 Crore.

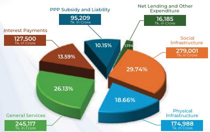
2025-2026



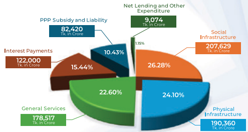
Total: Tk. 499,000 Crore.

Sectoral Allocation in Budget

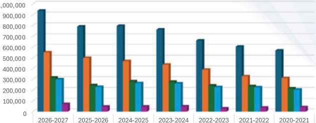
2026-2027



2025-2026



Year Wise Budget



	2026-2027	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Total Budget	938,000	790,000	797,000	761,785	660,507	603,681	568,000
Operating Recurrent Expenditure	551,087	498,783	468,983	436,247	390,085	328,840	311,190
Development Expenditure	316,075	245,609	281,453	277,582	241,607	237,078	215,043
Annual Development Programme	300,000	230,000	265,000	263,000	227,566	225,324	205,145
Other Expenditure	70,838	45,608	46,564	47,956	28,815	37,763	41,767

Figures in Tk. Crore.

PERSONAL TAX

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Personal Tax Rates: Slab-All Years at a Glance

Rate	Existing AY 2025-26	Current AY 2026-27 & 2027-28	Upcoming AY 2028-29 & 2029-30	Upcoming AY 2030-31
Nil	First Tk. 3,50,000	First Tk. 400,000	First Tk. 450,000	First Tk. 500,000
5%	Next Tk. 1,00,000	*Omitted*	*Omitted*	*Omitted*
10%	Next Tk. 4,00,000	Next Tk. 3,00,000	Next Tk. 3,00,000	Next Tk. 3,00,000
15%	Next Tk. 5,00,000	Next Tk. 4,00,000	Next Tk. 4,00,000	Next Tk. 4,00,000
20%	Next Tk. 5,00,000	Next Tk. 5,00,000	Next Tk. 5,00,000	Next Tk. 5,00,000
25%	Next Tk. 20,00,000	Next Tk. 20,00,000	Next Tk. 2,000,000	Next Tk. 2,000,000
30%	On rest of the income	On rest of the income	Next Tk. 2,63,50,000	Next Tk. 2,63,00,000
35%			On rest of the income	On rest of the income

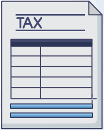
Personal Tax Rates: Slab-All Years at a Glance

Individual	AY 2026-27 & 2027-28	AY 2028-29 & 2029-30	AY 2030-31
Women, 65+ years' Men	Tk. 4,50,000	Tk. 5,00,000	Tk. 5,50,000
Third Gender, Disabled Person	Tk. 5,25,000	Tk. 5,75,000	Tk. 6,25,000
Gazetted & July Freedom Fighter	Tk. 5,50,000	Tk. 6,00,000	Tk. 6,50,000
Parent of Disabled Child	Tk. +50,000	Tk. +50,000	Tk. +50,000

Minimum Tax Amount
(If Income Exceeds Emption)

A minimum tax of Tk. 5,000
will be payable regardless of the taxpayer's work location if the total income exceeds the tax-free threshold.

New Taxpayers **Tk. 1000**



Duties, Functions and Jurisdiction of the Income Tax Authority

New subsection inserted

New Unit: Income Tax Intelligence and Investigation Unit

- Detects tax evasion
- Conducts intelligence and investigation
- Recovers evaded taxes

Section 8 (3) (Ka)

Imposition of additional taxes

Existing:

The taxpayer is required to pay **50%** of the disputed tax or **BDT 5 lakh**, whichever is lower.

Current:

If the tax is not paid, the Excise Commissioner may determine the tax liability after issuing a notice and providing the taxpayer an opportunity to be heard.

Section 19

Income from Rent

New definition of "**Salami or Premium**":

Included:
one-time, non-refundable payment, advance, loan, or other benefit paid at lease start.

Excluded:
regular annual rent, routine service, repair, or maintenance charges.

Section 35 (3)

Special Rental Income

Scope broadened

10% of security deposits now taxed yearly on balance

Refundable security deposits
10% treated as taxable income each year

Non-refundable amounts
Salami or premium fully taxable

Expenses without TDS
May also count as special rental income

Section 39

Income from Agriculture

Income from tea and rubber will be split as follows:

- **40%** Will be treated as business income
- **60%** As agriculture income

Section 40 (2)

Income from Business

New subsection inserted

Unpaid interest as income	Transfer pricing on loans
3 years unpaid threshold	**12%** minimum interest rate
Interest claimed as business expense but unpaid for 3 years from tax year Treated as income of the borrower	Non-bank lends to associate enterprise at interest below 12% per annum Shortfall treated as lender's income
Section 46 (11) (Ka)	*Section 46(6)(Ka)*

Interest on Associate Enterprise Loans

Existing

Interest paid by a resident person to an Associate Enterprise was subject to the procedure and limits prescribed by the Board. The restriction did not apply where the annual interest payment did not exceed

BDT 15 lakh.

Current

A resident person, other than a bank or finance company, paying interest on a loan from an Associate Enterprise is allowed to deduct such interest as a business expense.

Section 53

Disallowable Expenses Revised

Category	Revised limit
Entertainment expenses	Lower of actual cost or 4% of business income
Office supplies and stationery	Up to 0.10% of total turnover
Perquisites	BDT 20 lakh ➤ BDT 25 lakh
Marketing expenses excluding advertisement	0.5% of turnover ➤ 1% of turnover
Pharmaceutical marketing expenses turn over-based tiers	2% up to BDT 10 cr; 1.5% BDT 10-20 cr; 1% above BDT 20 cr

Section 55

General Tax Relief on Certain Investments and Expenditures

New subsection inserted

~~15%~~

10%

Tk. 7.5 lakh
alternative cap

Relief equals 10% of total investment and expenditure under Part 3 of the Sixth Schedule, or Tk. 7.5 lakh, **whichever is lower**

Section 78

Tax deduction at source from rent

New inclusion:

Tax deducted at source (TDS) is now applicable on rent paid for any building used entirely as a warehouse.

Section 109

Return Filing Deadlines, Rebates and Surcharges

Revised return filing schedule for individuals:

SL	Period	Tax Rebate/Surcharge
1	1 July-30 September (early)	5% rebate or BDT 25,000 - whichever is lower;
2	1 October-31 December	no rebate/surcharge
3	1 January-31 March (late)	2% penalty or BDT 3,000 - whichever is higher;
4	1 April-30 June (very late)	5% penalty or BDT 5,000 - whichever is higher.

Revised return filing schedule for persons other than individuals:

SL	Period	Tax Rebate/Surcharge
1	Within 7 months of the income year-end	5% tax rebate or 25000 Tk (whichever is less)
2	Within 2 months and 15 days after the early filing period	No incentives or additional taxes apply
3	after the standard period, or within the tax year	Additional tax of 2% of payable tax or 25000 Tk (whichever is higher)

Section 170

Late Return Penalties

Voluntary late return after the deadline

= tax plus **10%** penalty
or BDT 5,000, whichever is higher.

If filed after notice, following the assessment year

= tax plus **15%** penalty
or BDT 10,000, whichever is higher.

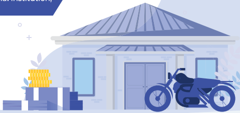
Section 174

Proof of Submission of Return

TIN is now required for the following newly added cases:

- Candidacy for the position of Union Parishad Chairman.
- Registration of three-wheelers and motorcycles of 150cc or above.
- At the time of renewal of approval of an educational institution, except those exempted under Section 166(2).

Section: 264(3)



Surcharge (Unchanged)

Surcharge is payable by individual assessees as follows:
Surcharge determined for AY 2026-2027 to 2030-2031

Total Net Worth	Rate
First Tk. 40,000,000 or as applicable	Nil
Net asset value exceeding Tk. 4 (four) crores but not exceeding Tk. 10 (ten) crores Or, more than one motor vehicle in own name Or, residential property with a total area of more than 8,000 square feet.	10%
Net asset value exceeding Tk. 10 (ten) crores but not exceeding Tk. 20 (twenty) crores.	20%
The value of the net assets is more than Tk. 20 (twenty) crores but not more than Tk. 50 (fifty) crores	30%
If the value of net assets exceeds Tk. 50 (fifty) crores	35%

Revised Advance Income Tax (AIT) on Car

Type of Vehicle and Engine Capacity

Not exceeding 1,500 cc	25,000 Tk
1,500 cc to 2,000 cc	50,000 Tk
2,000 cc to 2,500 cc	75,000 Tk
2,500 cc to 3,000 cc	200,000 Tk
3,000 cc to 3,500 cc	250,000 Tk
3,500 cc to 4,500 cc	400,000 Tk
Exceeding 4,500 cc	500,000 Tk
For each microbus and double cabin pickup	40,000 Tk

Motor Capacity of Car

Upto 200kw	25,000 Tk
200 kw to 300 kw	50,000 Tk
300 kw to 400 kw	75,000 Tk
Exceeding 400 kw	100,000 Tk

Section: 153 (ka)

Advance Income Tax (AIT) from Firearm Ownership

The person or authority responsible for registering firearm ownership or issuing or renewing a firearm licence shall collect advance income tax from the firearm owner through an A-challan at the rates specified below.

New inclusion:

SL	Classification of Gun	AIT
1	Gun, Shot Gun or Rifle	50,000
2	Pistol or Revolver	100,000

Section: 153 (ka)

Payment of Advance Income Tax

Threshold increased

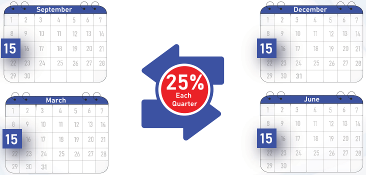
~~BDT 6 lakh~~

BDT 10 lakh

Applies to
Any individual whose annual income exceeds the threshold must pay **Advance Income Tax (AIT).**

Section: 154

Advance Income Tax Payment Schedule



Section: 155

Special Changes - Tax Rebate

Employing persons with disabilities

10% or 25+
of workforce, eligibility

5% or 75%
lower of, rebate amount

Rebate is lower of 5% of tax payable or 75% of salaries paid to them

Employing third gender persons

10% or 25+
of workforce, eligibility

5% or 75%
lower of, rebate amount

Rebate is lower of 5% of tax payable or 75% of salaries paid to them

4th Part of 2nd Schedule

CORPORATE TAX

Rates of Corporate Tax (Conditional)

Corporate tax rate for the tax year commencing on 1st July, 2026

Description	Assessment Year 2026-27 and 2027-28		Assessment Year 2026-27 to 2030-31
	Tax Rate	Rebated Tax Rate on Compliance with the Conditions	Tax Rate
A Publicly traded company that transfers shares worth more than 10% of its paid-up capital through an Initial Public Offering (IPO)	22.5%	22.5% Provided that, if all types of income are transacted through bank transfers during the income year, tax rate will be 20%.	22.5% Provided that, if all types of income are transacted through bank transfers during the income year, tax rate will be 20%.
Other companies as defined under section 2(31) of the Income Tax Act, 2023 (Act No 12 of 2023)	27.5%	27.5% Provided that, if all types of income are transacted through bank transfers during the income year, tax rate will be 25%	27.5% Provided that, if all types of income are transacted through bank transfers during the income year, tax rate will be 25%

Rates of Corporate Tax (Continued)

Corporate tax rate for the tax year commencing on 1st July, 2026

Description	Assessment Year 2026-27 and 2027-28		Assessment Year 2026-27 to 2030-31
	Tax Rate	Rebated Tax Rate on Compliance with the Conditions	Tax Rate
Publicly traded banks, insurance and finance companies	37.5%	37.5%	37.5%
Non-publicly traded banks, insurance and finance companies	40%	40%	40%
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% (+) 2.5 % Surcharge	45% (+) 2.5 % Surcharge	45%

Rates of Corporate Tax (Continued)

Corporate tax rate for the tax year commencing on 1st July, 2026

Description	Assessment Year 2026-27 and 2027-28		Assessment Year 2026-27 to 2030-31
	Tax Rate	Rebated Tax Rate on Compliance with the Conditions	Tax Rate
Mobile phone operator company	45% Provided that, if such a company transfers 10% of its paid-up capital (with a maximum 5% as pre-IPO placement) through stock exchange to become publicly traded, tax rate will be 40%; Provided further that, if such a company transfers at least 20% of its paid-up capital through IPO, it will receive a rebate to the tune of 10% on income tax in the relevant year.		45% Provided that, if such a company transfers 10% of its paid-up capital (with a maximum 5% as pre-IPO placement) through stock exchange to become publicly traded, tax rate will be 40%; Provided further that, if such a company transfers at least 20% of its paid-up capital through IPO, it will receive a rebate to the tune of 10% on income tax in the relevant year.

Rates of Corporate Tax (Continued)

Corporate tax rate for the tax year commencing on 1st July, 2026

Description	Assessment Year 2026-27 and 2027-28		Assessment Year 2026-27 to 2030-31
	Tax Rate	Rebated Tax Rate on Compliance with the Conditions	Tax Rate
Non-resident taxpayers (excluding non-resident Bangladeshis), not being a company, firm, or Association of Persons	30%	30%	30%
Income from business, not being a company, producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% (+) 2.5 % Surcharge	45% (+) 2.5 % Surcharge	45%

Rates of Corporate Tax (Continued)

Corporate tax rate for the tax year commencing on 1st July, 2026

Description	Assessment Year 2026-27 and 2027-28		Assessment Year 2026-27 to 2030-31
	Tax Rate	Rebated Tax Rate on Compliance with the Conditions	Tax Rate
Trusts and Association of Persons	27.5%	27.5%	27.5%
Firms	27.5%		27.5%
Cooperative Society	20%	20%	20%
Private universities, private medical colleges, private dental colleges, private engineering colleges, or IT-only private colleges	15%	15%	10%

Amendments of Definition

New term defined: "Raw material"

Directly used in production

To produce, process, prepare, or assemble a product.

Fully or partly consumed

Used up, changed, or converted into the final product.

Section: 2(30)(Ka) (New)

Amendments of Definition

New term defined: "Bank transfer"

Cash sales deposited into bank
Total amount reaching the taxpayer's account

Through proper procedures
Following accounting and banking rules

Section: 2(72) (New)

Amendments of Definition

New definition inserted

New term defined: "**Digital or online activities**"

Applies to non-resident entities
Digital or online presence in Bangladesh

1,00,000+
digital or online customers or subscribers in Bangladesh

Section 2(92)(New)

Tax on Retained Earnings, Reserves and Surplus

Existing rule

70%
retained earnings limit

10%
additional tax

If a listed company transfers more than 70% of net profit after tax to retained earnings, reserves, or surplus,

10% additional tax on that amount

Current rule

<30%
dividend distributed

30% + 10%
tax on profit + shortfall

If a listed company distributes less than 30% of net profit as dividend

Excludes banks, insurance, leasing, finance

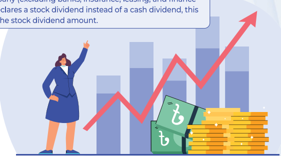
30% on net profit, 10% on shortfall

Section 22

Stock Dividend Tax

10%
tax on stock dividend amount

If a listed company (excluding banks, insurance, leasing, and finance companies) declares a stock dividend instead of a cash dividend, this tax applies to the stock dividend amount.



Section 23

Inclusion of Income from Specialized Business - Developer Income Category

Income of a developer from land, structures, buildings, plots, flats, apartments, or floor space from a development business as per Part 3 of the Fifth Schedule.

Section 47

TDS Non-compliance Penalty

Failure to deduct, collect, or pay withholding tax under Part 7 will result in:

- the shortfall amount plus an additional **50%** penalty
- the disallowed expenditure being treated as business income under section 55.

Section 56

Capital Gains Tax (Developer, Land, Gold)

Real estate developers and precious metals - new subsection inserted

15%
capital gains tax on net gains

Landowners receiving cash or goods from a developer under a specified contract pay this rate on net gains.

Also treated as capital gains: transfers of gold, silver, jewellery, gemstones, digital currency, artwork, antiques, and club memberships.

Section 58

Conditions for Capital Gain Exemption

New subsection inserted

Firm-to-Company Conversion Tax Exemption

- If a registered partnership is converted into a company, with all partners becoming shareholders in the same proportion.
- The combined shareholding of the partners of the firm must be at least **50%** of the total voting power of the company, and such shareholding must continue for 5 years from the date of transfer.

Section 61

Income from Other Sources

The scope of winnings has been expanded to include card games, online games, housie, betting and horse racing.

Section 67(9)

Preservation of Accounts, Documents, Bills, Vouchers, etc.

New subsection inserted

All accounting records, invoices, bills, vouchers, statements, and supporting documents must be kept - physically, digitally, or both.

Per Companies Act, 1994
retention period for companies

6 years
retention period for other taxpayers

Section 72(Ka)

Expanded Audit Requirement

BDT 10 crore
turnover threshold triggering audited statements

BDT 5 crore
capital threshold triggering audited statements

Applies to all companies, and firms/AOPs/HUFs above either threshold - audited financial statements and Income Computation Sheets (ICS) certified by a Chartered Accountant. For other entities, ICS may be certified by a CA, CMA, or tax lawyer.

Section 73

Exemption of Certain Income of Co-operative Societies

Agricultural income earned by a co-operative society is now tax-exempt.

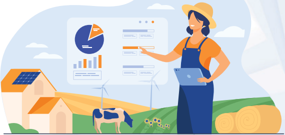
Section 79

Agricultural Commodities TDS Expanded

~~1.5%~~ to **0.5%**

A specified list of agricultural commodities is now subject to this TDS rate by banks on LCs or financing.

Section 97(5)



Deduction of tax at source on cash export subsidy

~~10%~~ to **5%**

lower withholding, improved cash flow

New provision:

persons trading gold, silver, jewellery, gemstones, or platinum must deduct **0.5%** TDS from the seller at the time of purchase.

Section 112

Deduction of tax on purchase of electricity

~~4%~~ to **3%**

TDS rate on electricity purchase

Section 114

TDS on Lottery/Gambling

~~20%~~ → 25%

TDS rate increased on winnings from lottery, word games, card games, online games, Hozy, betting, and horse racing.

Section 118

TDS from income remitted from abroad

Revenue sharing

~~7.5%~~ to **5%**

TDS rate for revenue sharing

Freight forwarders and shipping agents: tax collected at 1% of gross bills or **10% of stated commission,** whichever is higher (previously 1.5%).

Section 124

Tax Collection from Brick Manufacturers

SL	Type of Brick	Existing AIT Rate	Current Tax Rate
1	In the case of a brick kiln not exceeding one section or 1,08,000 (one lakh eight thousand) cubic feet in volume	Tk. 80,000	Tk. 100,000
2	In the case of a brick kiln exceeding one and a half sections or 1,08,000 (one lakh eight thousand) cubic feet in volume but not exceeding 1,24,000 (one lakh twenty-four thousand) cubic feet	Tk. 120,000	Tk. 150,000
3	In the case of brick kilns with more than two sections or 1,24,000 (one lakh twenty-four thousand) cubic feet	Tk. 160,000	Tk. 200,000
4	In the case of brick kilns not mentioned in serial numbers 1, 2 and 3	Tk. 220,000	Tk. 300,000

New provision: Manufacturers, importers, and suppliers selling directly to retailers must collect 0.2% advance income tax at the time of collecting payment from retailers.

Section 130 (Ka)

TDS on Club Membership

New section

10%
TDS on club membership payments

Clubs registered under the Societies Registration Act, 1860 must collect this TDS on payments for membership acquisition, renewal, transfer, or conversion.

Section 137 (Ka)

Collection of Tax from Commercially Operated Motor Vehicles

SL	Type of Vehicle	Existing AIT	Current AIT
1	Buses with more than 52 (fifty-two) seats	Tk. 25,000	Tk. 25,000
2	This bus has no more than 52 (fifty-two) seats.	Tk. 20,000	Tk. 20,000
3	Air-conditioned bus	Tk. 50,000	Tk. 50,000
4	Double Decker Bus (Non-AC)	-	Tk. 25,000
5	Air-conditioned double-decker/sleeper bus	Tk. 25,000	Tk. 50,000
6	Air-conditioned minibus/coaster	Tk. 25,000	Tk. 25,000
7	Non-air-conditioned minibuses/coasters	Tk. 12,500	Tk. 12,500
8	Trucks, dump trucks, covered vans, prime movers, lorries or tank lorries with a payload capacity of more than 5 (five) tons but less than 20 (twenty) tons	Tk. 30,000	Tk. 30,000
9	Trucks, dump trucks, covered vans, prime movers, lorries or tank lorries with a payload capacity of 20 tons or more	-	Tk. 50,000

Collection of Tax from Commercially Operated Motor Vehicles

SL	Type of Vehicle	Existing AIT	Current AIT
10	Trucks, covered vans, cargo vans, lorries or tank lorries with a payload capacity exceeding 1.5 (one and a half) tons but not exceeding 5 (five) tons.	Tk. 15,000	Tk. 15,000
11	Trucks, lorries or tank lorries with a payload capacity not exceeding 1.5 (one and a half) tons	Tk. 7,500	Tk. 7,500
12	Pickup van, human hauler, tractor, maxi or auto rickshaw	Tk. 7,500	Tk. 7,500
13	All heavy motor vehicles or special purpose vehicles including cranes, excavators, dredgers, rollers, concrete mixers	-	Tk. 50,000
14	Air-conditioned taxicab	Tk. 15,000	Tk. 15,000
15	Non-air-conditioned taxicab	Tk. 7,500	Tk. 7,500
16	Prime Movers	Tk. 35,000	-

Section: 138

Collection of Tax from Commercially Operated Motor Vehicles

Helicopter advance tax - new provision

BDT 10 lakh

advance tax on registration or fitness renewal of civil, non-military helicopters and choppers

Section: 138 (Ka)

Minimum Tax

SL	Classification of Assesses	Existing	Current
1	Manufacturers of cigarettes, bidis, chewing tobacco, smokeless tobacco, gul or any other tobacco products	3% (three percent) of gross receipts.	3% (three percent) of gross receipts.
2	Carbonated beverage, sweetened beverage manufacturer	3% (Three percent) of gross receipts.	2.5% (two-point five percent) of gross receipts.
3	Mobile phone operator, NTTN	1.5% (one point five percent) of gross receipts.	1.5% (one point five percent) of gross receipts.
4	In other cases,	1% (one percent) of gross receipts.	1% (one percent) of gross receipts.

For an industrial establishment under serial number 4 of the said table, the tax rate shall be 0.2% of such receipts for the first 3 years after commencement of commercial production.

Section: 163

Mandatory Withholding Return Filing

Additional categories required to file e-returns have been added:

- PPP entities
- e-commerce platforms or online marketplaces with BDT 10+ crore annual turnover
- Hotels, resorts, restaurants, convention centers, transport agencies with BDT 10+ crore turnover
- Tobacco product producers (non-farmers)
- Any individual with BDT 10+ crore business turnover

Section: 177

On-the-Spot Tax Assessment

New inclusion:

The Excise Commissioner may, while assessing tax on the spot under sub-section (1), assess tax by allowing up to 4 times the initial capital allowance, if there is taxable business income.

Section: 195 (3)

Data Records

New inclusion:

The National Board of Revenue (NBR) may require any person, entity, or authority to submit information on assets and liabilities. Such requirement must be issued through an official Gazette notification, and the information must be provided in digital or electronic form.

This may include:

- Uploading data directly to the Board's designated system
- Ensuring API connectivity or database sharing between the relevant organization and the Board's digital or electronic system
- Granting access to digital or electronic information systems

Section: 200(Ka)

Tax Refund Timeline

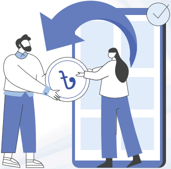
120 days

for self-assessed returns generating refunds
from salary-only income, financial assets, or agricultural income

60 days

for other refund applications, from date of application

Section: 215(3)



Tax Appeal Pre-deposit

~~Tk. 200~~ → **1% of gap**

The filing fee for tax appeals now includes 1% of the difference between the tax demanded by the DCT and the tax accepted by the taxpayer.

Section: 287(3)

Appeal Fee Reduced

~~10%~~ to **3%**

Appeal fee payable to the Appeal Tribunal

Section: 291

VALUE ADDED TAX (VAT)

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Definition of Input

The word "labour" has been omitted from the definition of input.

Section 2 (18ka)

Tax Period

1 month

fiscal calendar, for VAT and Supplementary Duty

4 months

for Turnover Tax, ending 30 Apr, 31 Aug, 31 Dec

Section 2(30)

Definition of Trader

New inclusion:

Trader:

A person who transfers goods received, purchased, or acquired without altering their form, nature, characteristics, or quality.

Section 2(76Ka)

Mandatory Submission of BIN/Enlistment Proof

- Opening current/STD accounts at banks or NBFIs
- Obtaining loans from banks/NBFIs
- Renewal of Trade Licenses
- Opening MFS Merchant Accounts
- Membership/renewal in trade bodies
- Utility connections (electricity and gas)
- Vehicle registration from BRTA

Section 4(3) *- New sub-section inserted*

Turnover Tax Enlistment

30 days
to apply for enrolment

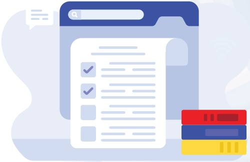
If, within 12 months of operating, a business exceeds the enrolment limit but not the registration limit, it must apply via the eVAT system for turnover taxpayer enrolment within this window.

Section 10 (1)

Turnover Tax De-registration

A registered person ceasing economic activity may apply for de-registration from the relevant officer within the specified time and manner.

Section 11(1)



VAT on Imported Services (Reverse Charge)

All imported services (except Schedule 1-exempt services) are taxable at **15% VAT.**

Section 20

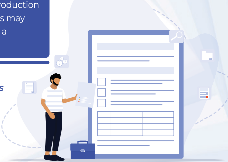
Determination of Value of Taxable Supplies

New subsection inserted:

Where a product has full or partial exemption at the production stage, a subsequent supplier holding purchase invoices may pay VAT only on value addition at **15%,** subject to filing a coefficient declaration.

VAT is charged only on the profit margin, not on the total selling price, if proper documents and declarations are maintained.

Section 32(6)



Input Tax Rebate

New subsection inserted:

Input tax paid on inputs or goods declared under sub-section (6) of Section 32 is not eligible for input tax credit, as VAT is payable only on value addition at 15% subject to a coefficient declaration.

Section 46 (1) (Ta)

Special Scheme for Tobacco and Alcoholic Products

NBR may formulate a special scheme for imposing and collecting SD on applicable goods manufactured or imported for sale in Bangladesh, including:

- Mandatory tax stamps
- Digitized band rolls
- QR / AR codes
- RFID or other security marks

Section 58

Imposition of Turnover Tax

~~4% of turnover~~ → **Up to BDT 2 lakh**

The Board may, by Gazette notification, fix area-wise and activity-wise specific turnover tax amounts, rather than a flat percentage of turnover.

Section 63(1)

Monthly VAT Return Filing

15 days

after every three tax periods, standard deadline

20 days

for government, banks, insurance, zero-return filers

Voluntary early filing of the next period's return is allowed.

Section 64

Penalty for Failure or Irregularity

Fraudulent Activities	Existing Penalties	Current Penalties
Decreasing the adjustment or reducing the amount of increasing adjustment in the submission	Half or equal the amount of tax evaded	At least 30% (thirty) percent and not more than 50% (fifty)
Unauthorized Storage or Supply of Tobacco Products Bearing No or Counterfeit Tax Identification Marks	N/A	Equal or double the amount of tax evaded
For using unauthorized VAT software that causes data tampering	N/A	Equal or double the amount of tax evaded

Section 85(1)

VAT Audit Timeline

New sub-section inserted

2 months
to submit documents after notice

1 year
for the VAT authority to complete the audit

If documents are not submitted on time, the authority may apply best judgment assessment.

Section 90(6)

Storing Records in ERP/VAT Software

New sub-section inserted

Registered persons using ERP or NBR-approved VAT software may store tax records, accounts, and documents on secure servers, which are legally admissible evidence and may be submitted electronically to the VAT authority.

Section 107 (2Ka)

Appeal and Revision

Particulars	Previous Rate	Current Rate	Remarks
Appeal to the Commissioner Appeal	10%	1%	Section 121(2)
Appeal Tribunal	10%	1%	Section 122(2)
Appeal to High Court	10%	2%	124(4)

Special provisions on payment of tax, fine or dues

New section inserted

Registered persons/withholding agents with VAT arrears (VAT Act 1991, up to June 2010, or VAT and SD Act 2012, up to June 2022) may settle their dues.

6 months
settlement window from 1 July 2026

2% / month
simple interest on arrears, max 24 months

Section 137(Ka)

VAT-exempt Services under the First Schedule

New inclusion (cha)

Services provided by content creators and freelancers.

First Schedule (Part 2)

Taxable Services Proposed to be Changed in the Third Schedule

Service Code	Service Name	Previous VAT Rate	Current
S026.00	Goldsmiths and silversmiths and gold and silver merchants	5%	2500 BDT (Per bhori)
	Silver or Jewelry made of Silver	-	100 BDT (Per bhori)
	Platinum or Jewelry made of platinum	-	2500 BDT (Per bhori)
	Diamonds or Jewelry made of diamonds	-	2500 BDT (Per gram)

Third Schedule (Part 2, Table 1)

The rate of Value Added Tax (VAT) is proposed to be changed in the Third Schedule:

Heading	Particulars	Existing Rate	Current Rate
22.08	Liquor made in Bangladesh	-	500 Tk. (Per Liter)
24.01	Unprocessed Tobacco	-	50 Tk. (Per Kg)
72.04	Scrap/Ship Scrap	1,200 Tk. (M.T)	1,500 Tk. (M.T)
72.13 to 72.16	MS products manufactured from imported/locally collected re-rollable scrap	1,700 Tk. (M.T)	2,100 Tk. (M.T)
	All types of billets and ingots manufactured from imported/locally collected meltable scrap	1,500 Tk. (M.T)	1,900 Tk. (M.T)
	MS products manufactured from billet/ingot	1,600 Tk. (M.T)	2,000 Tk. (M.T)
	Ingots/billets made from dross/meltable scrap and MS products made from ingots/billets	2,700 Tk. (M.T)	3,000 Tk. (M.T)

AMENDMENT BY SRO

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S.R.O. No.-145-Act/2026/350-MUSHAK:

For institutions investing in Bangladesh Economic Zones and Bangladesh Hi-Tech Parks, the following products and services are exempted:

Table-1

Heading No	H.S Code	Description of goods
27.11	2711.21.00	Natural Gas

Heading No	Service Code	Service Name
S025	S025.00	WASA
S037	S037.00	Procurement Provider
S057	S057.00	Electricity Supplier

Effective from July 1, 2026 to 30 June, 2030

S.R.O. No.-128-Act/2026/333-MUSHAK:

SL	Maximum retail price (per ten bars)	Number of sticks	Type of cigarette packaging (packets)	Design	Stamp or Bandroll
1	62 taka and above	10	Shell and slide	light green	Bandroll
		10	Hard and soft	light brown	Stamp
		20	Hard and soft	light brown	Stamp
2	92 taka and above	10	Shell and slide	light pink	Bandroll
		10	Hard and soft	light green	Stamp
		20	Hard and soft	light green	Stamp
3	160 taka and above	10	Hard and soft	light blue	Stamp
		12	Hard and soft	light blue	Stamp
		20	Hard and soft	light blue	Stamp
4	210 taka and above	10	Hard and soft	light maroon	Stamp
		12	Hard and soft	light maroon	Stamp
		20	Hard and soft	light maroon	Stamp

Effective from June 11, 2026

S.R.O. No.-130-Act/2026/335-MUSHAK:

SL	Price Level	SD (%)
1	Bidi (filter removed)	
	(a) The price of a packet of 10 sticks is 10.00 Tk.	30
	(b) The price of a packet of 10 sticks is 7.50 Tk.	30
	(c) The price of a packet of 12 sticks is 9.00 Tk.	30
	(d) The price of a packet of 25 sticks is 18.00 Tk.	30
2	Bidi (filter attached)	
	(a) The price of a packet of 10 sticks is 10.00 Tk.	40
	(b) The price of a packet of 20 sticks is 19.00 Tk.	40

Effective from June 11, 2026

S.R.O. No.-138-Act/2026/343-MUSHAK:

Table-2 (Manufacturing stage)

Heading No.	H.S. Code	Description	Existing Rate	Current Rate
72.02	7202.11.00 and 7202.21.00	(a) Ferro-manganese and ferro-silico-manganese alloys	1,200 Tk. (per mt)	1,500 Tk. (per mt)
	7202.21.00	(b) Ferro-silicon alloy	1,500 Tk. (per mt)	1,900 Tk. (per mt)

Effective from June 11, 2026

SUPPLEMENTARY DUTY (SD)

Major Amendments to Supplementary Duty (SD) Rates

H.S. Code	Description of Goods	SD Rate	
		Existing	Current
0304.62.10	Catfish fillet Wrapped/canned up to 2.5 kg	0%	20%
0305.59.90	Other Dry Fish	20%	10%
0409.00.10	Natural honey Wrapped/canned up to 2.5 kg	0%	10%
2309.10.00	Dog or cat food, put up for retail sale	0%	10%
2404.91.10	Nicotine granules	150%	350%
2404.91.20	Nicotine pouches	150%	350%
3208.10.20	Insulating varnish for copper wire	0%	30%
3209.90.30	Coating materials	0%	30%
4011.20.10	Tire kind used on buses or lorries of rim size up to 16 inch	0%	20%
5407.20.00	Woven fabrics obtained from strip or the like	10%	0%
5407.30.00	Fabrics specified in Note 9 to Section XI	10%	0%

Major Amendments to Supplementary Duty (SD) Rates

H.S. Code	Description of Goods	SD Rate	
		Existing	Current
5407.41.00	Unbleached or bleached	10%	0%
5407.42.00	Dyed	10%	0%
5407.53.00	Of yarns of different colors	10%	0%
5407.61.00	Containing 85 % or more by weight of non-textured polyester filaments	10%	0%
5407.84.00	Printed	10%	0%
5502.10.00	Acetate Tow	0%	300%
5601.22.00	Filter Rod	0%	300%
6005.41.00	Warp knit fabrics of artificial fibers Unbleached or bleached	10%	0%
6214.10.00	Of silk or silk waste	30%	40%
6214.20.00	Of wool or fine animal hair	30%	40%
6214.40.00	Of artificial fibers	30%	40%
8450.19.00	Washing machine Other	0%	20%

Major Amendments to Supplementary Duty (SD) Rates

H.S. Code	Description of Goods	SD Rate	
		Existing	Current
8450.20.10	Household type washing machine capacity not exceeding 18 kg	0%	20%
Heading 87.03	Exceeding 1200 cc but not exceeding 1600 cc	45%	60%
9404.10.00	Mattress supports	0%	10%
9404.29.00	Of other materials	0%	10%
9404.30.00	Sleeping bags	0%	10%
9404.40.00	Quilts, bedspreads, eiderdowns and duvets (comforters)	45%	60%
8703.90.13	Electric battery-operated Three-wheeler	20%	10%
9613.10.00	Pocket lighters, gas fueled, nonrefillable	10%	20%
9613.20.00	Pocket lighters, gas fueled, refillable	10%	20%
9613.80.00	Other Lighters	10%	20%
9613.90.00	Parts	0%	20%

CUSTOMS DUTY (CD)

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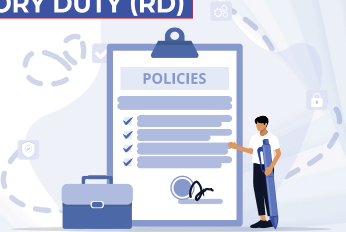
Major Increases in Customs Duty (CD) Rates

H.S. Code	Description of Goods	CD Rate	
		Existing Rate	Current Rate
0508.00.00	Coral and similar materials	0%	5%
0602.40.00	Roses, grafted or not	5%	15%
0801.31.90	Cashew nuts: in shell Other	1%	25%
3403.99.10	Compressor oil	10%	15%
3904.10.00	Poly (vinyl chloride), not mixed with any other substance	5%	10%
4010.12.00	Rubber Conveyor belt	5%	15%
4811.90.30	Base paper for melamine	5%	10%
7019.90.20	LP gas cylinder capacity liters	5%	10%
8450.90.00	Parts of washing machine	1%	10%
8517.62.70	Smart watch	0%	25%
9801.00.29	Gold bar (up to 117 gm)	4,000 Tk. (per 11.664 gm)	5,000 Tk. (per 11.664 gm)

Major Decreases in Customs Duty (CD) Rates

H.S. Code	Description of Goods	CD Rate	
		Existing Rate	Current Rate
4807.00.00	Composite paper and paperboard	10%	5%
8414.70.00	Gas-tight biological safety cabinets	25%	1%
8426.41.10	Works trucks fitted with crane	25%	5%
8443.32.10	Computer printer	5%	0%
8470.50.10	Point of sales (POS)	10%	5%
8504.40.50	Electric Charger or Charging station	10%	0%
8528.52.10	Computer monitor size not exceeding 30 inch	25%	0%
8545.20.00	Carbon Brushes	25%	10%
4421.20.00	Statuettes and other ornaments Coffins	25%	10%
3703.20.00	Color Photography Paper	10%	5%
0306.14.00	Frozen Crabs	25%	15%
8706.00.60	Electric Truck Chassis fitted with battery and motor	10%	0%

REGULATORY DUTY (RD)



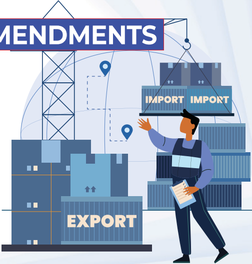
Amendment to Regulatory Duty (RD) Rates

H.S. Code	Description of Goods	Existing	Current
0804.10.11	Fresh Dates Wrapped/canned up to 2.5 kg	3%	0%
0804.10.21	Dry Dates Wrapped/canned up to 2.5 kg	3%	0%
0904.22.10	Wrapped/canned up to 2.5 kg	3%	0%
2804.30.00	Nitrogen	15%	20%
2804.40.00	Oxygen	15%	20%
2811.21.00	Carbon dioxide	5%	20%
3403.11.00	Preparations for the treatment of textile materials, leather, foreskins or other materials	0%	5%
3403.99.10	Compressor oil	0%	5%
8309.90.10	Lug caps	3%	10%

Amendment to Regulatory Duty (RD) Rates

H.S. Code	Description of Goods	Existing	Current
8703.80.12	Electric motor vehicle: Value not exceeding USD 25000: in CKD	-	5%
8703.24.32 8703.24.42 8703.33.52 8703.33.62	Motor cars and other vehicles, including station wagons, CKD	30%	5%
0105.99.00	Live Ducks, Geese, Turkeys and Guinea Fowls Weighing >185g	3%	0%
0305.72.10	Fish heads, tails and maws Wrapped/ canned up to 2.5 Kg	3%	0%
8545.20.00	Carbon Brushes	3%	0%
7210.70.91	Printed sheet	3%	15%

CUSTOMS ACT AMENDMENTS



Inclusion of New Definitions

Importer on record, FTZ, and provisional assessment deadline

"Importer on Record" (IOR): a person importing goods on behalf of another, responsible for customs formalities and retaining title/custody until clearance.

New inclusion: Free Trade Zone (FTZ) and FTZ Operator definitions

120 working days

for final assessment - after provisional assessment, after an appeal/tribunal/High Court order, or after compliance with a legal obligation

Section: 2(5)Ka

Payment for Appeal Filing

Existing: Appeal to the Commissioner of Customs (Appeal) and Appeal Tribunal - **10%** of demanded duty or **10%** of penalty if demanded duty is nil.

Current:

1% of demanded duty and penalty.
Appeal to the High Court Division - **2%** of demanded duty and penalty.

Section: 223 and 229

Exemption on Electric Vehicles

CD 3%
manufacturer

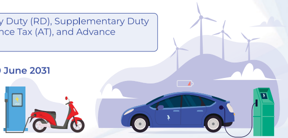
CD 15%
assembler

CD 3%
vendor

Also exempted from all Regulatory Duty (RD), Supplementary Duty (SD), Value Added Tax (VAT), Advance Tax (AT), and Advance Income Tax (AIT).

Effective from 01 July 2026 to 30 June 2031

SRO: 163-AIN/2026 - Customs



Free Trade Zones - Chapter 16Ka

Import/Export Activities in FTZ

- Board may declare any area as an FTZ by gazette notification
- FTZ entities can import/export duty-free using an IOR
- goods moving from FTZ to domestic tariff area (DTA) attract full duties
- FTZ to FTZ transfers within same zone are duty-free.

FTZ Operator License

- Any government body, autonomous body, or private entity may obtain a licence as
- an FTZ Operator in accordance with the prescribed procedure.
- Without a licence under section 243, no person may act as an agent for goods entry
- or exit, import or export, or any related work in an FTZ.

Goods Management in FTZ

- **Goods may leave an FTZ only for:**
  - direct export abroad;
  - supply as raw materials to export processing zones, economic zones, hi-tech parks, or
  - bonded warehouse holders.

- Inter-FTZ transfers with operator approval are duty-free; transfers to other areas or zones are subject to duty.
- Goods manufactured, imported, or purchased in an FTZ cannot be consumed for final consumption without the Assistant Commissioner's written approval and payment of duty.
- Goods moving from an FTZ to the DTA or other bonded zones for local consumption will be subject to all applicable duties under the Act.
- Goods supplied in foreign currency from an FTZ to export processing zones, economic zones, hi-tech parks, or other bonded areas will be treated as exports.

Goods Entry into FTZ

A person bringing goods into an FTZ must submit a Goods Declaration and IOR record to ensure duty-free benefits.

Control Over Goods Kept in FTZ

- All goods in an FTZ remain under the control of the proper officer.
- Authorized customs officers, including the Commissioner, intelligence officials, internal audit officials, and officers at Assistant Commissioner level or above, may enter premises, inspect goods, electronic records, accounts, and documents, and take copies. Access to electronic records requires the Commissioner's approval.
- FTZ occupants and operators must provide assistance to officers for the above purposes.

Retail Trade in FTZ

- Retail trade is not allowed in an FTZ without Board approval, and the Board may impose conditions.
- The operator shall supervise retail trade activities after approval.

Power to Open/Examine Packages in FTZ

- The proper officer may open, weigh, or examine any goods or package at any time and, if considered necessary, may seal or mark such goods by written order.
  The operator shall supervise retail trade activities after approval.

- Sealed or marked goods cannot be reopened without the proper officer's permission. If reopened, they must be re-sealed or re-marked.

Vehicle Search Power in FTZ

A designated officer may search or examine any vehicle in an FTZ at any time, and FTZ personnel must cooperate.

Storage Period for Imported Goods in FTZ

48 months
duty-free storage from the date of entry

+12 months
possible Commissioner extension in exceptional cases

THANK YOU

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